...With ending poverty as final goal

1996-98: TAX REJIG

MAT introduced (power, infrastructure companies outside its ambit). Five-year tax holiday extended to enterprises in irrigation, water supply, sanitation and sewerage systems. Long-term capital gains tax for domestic companies reduced to 20%.

IDFC set up. Disinvestment Commission announced. Delicensing of consumer electronics, changes in the sugar policy, enhancement of investment ceiling on plant & machinery of SSI units. Automatic FDI approval up to 74% in another 9 industries announced.

YEN FOR DOLLARS

India joins WTO's IT pact, removes import duties on electronic hardware. Trai set up. FIIs get OK to invest in gilts. Income-tax rates cut. FDI up to 20% allowed in banking, up to 40% in airlines, 49% in telecom

Health insurance opened up, Fera modernised, more PSU autonomy, navratna status mooted, new oil & gas exploration policy, more incentives for FII, NRIs, VC funds norms eased, capital market package announced

1998-99: CONCESSIONS

Excise administration rejigged to cut Inspector Raj, steps for quick nod for foreign investment, liberal tax concessions to promote house-building, various tax holidays announced

Unshackling Indian business

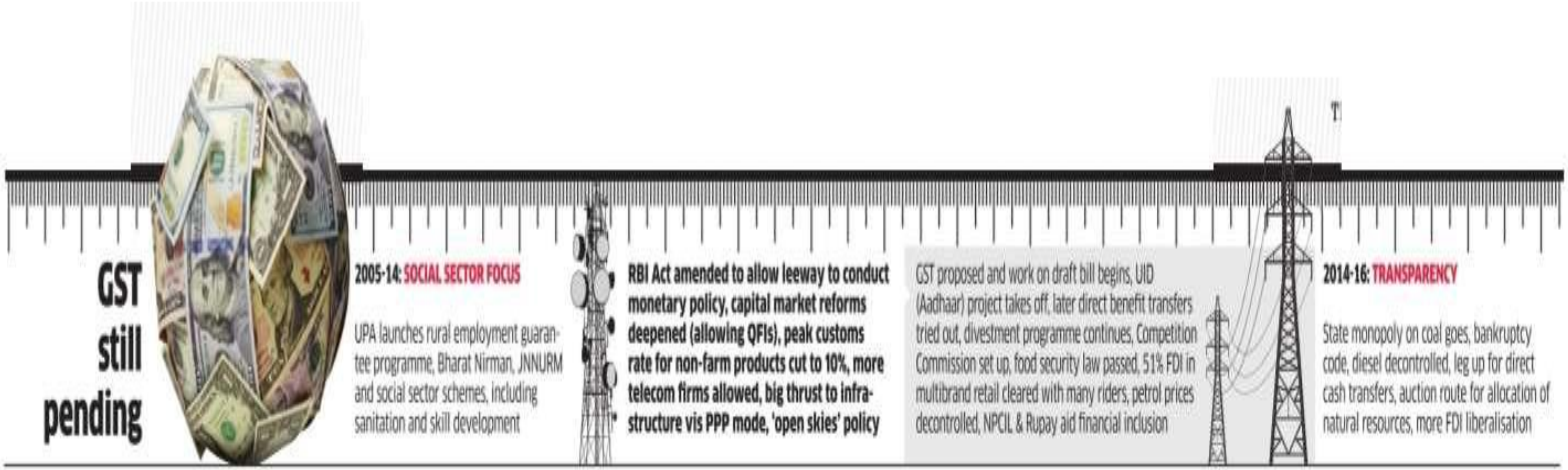
1999-2005: THE CRITICAL PERIOD

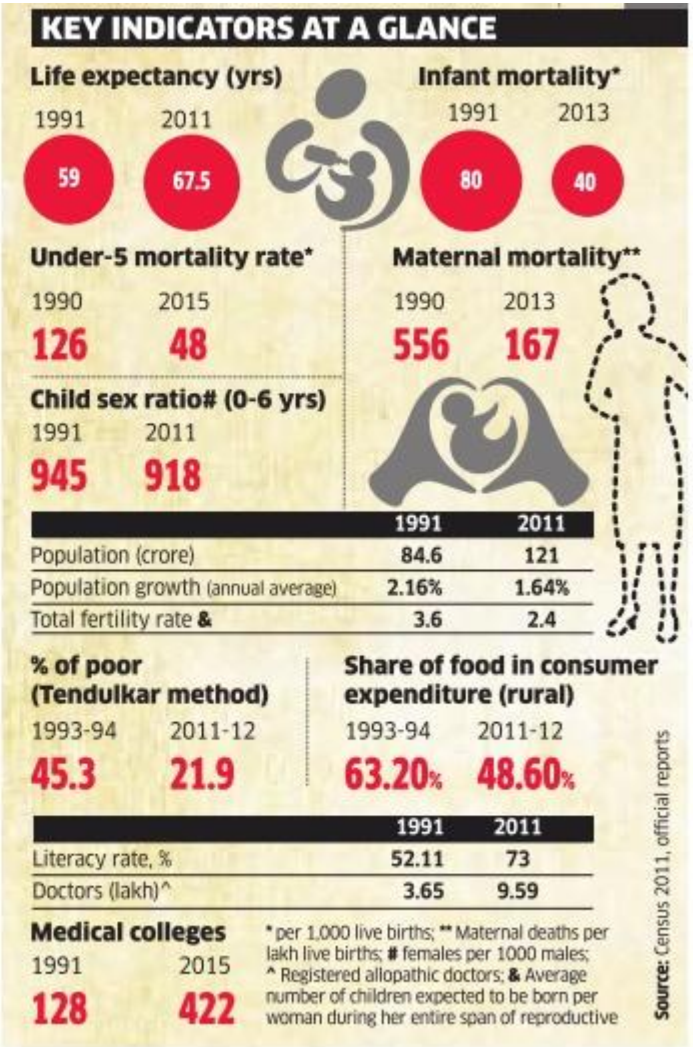
Overhaul of excise rates, new competition law replaces MRTP Act, automatic FDI OK list expanded; peak basic customs duty is brought down from 45% to 25%

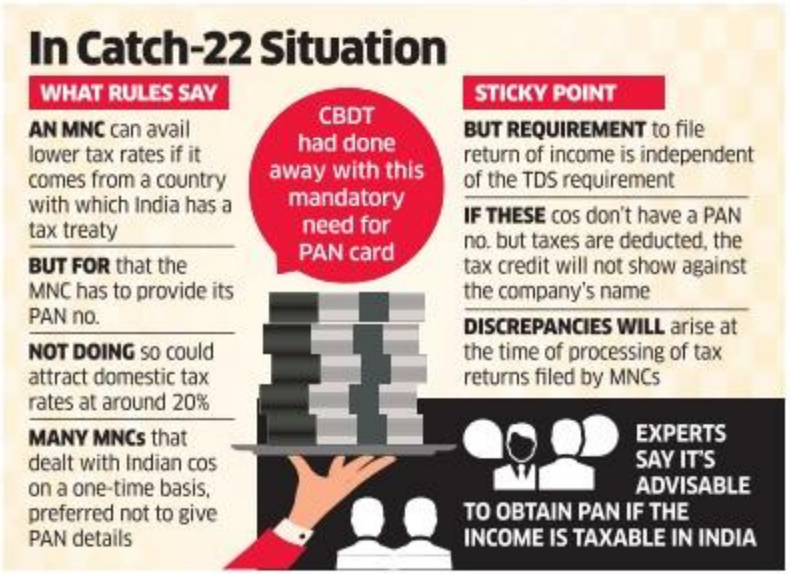
Insurance opened up in August 2000. Foreign insurers allowed ownership of up to 26%. GIC arms recast as independent companies, GIC turns national re-insurer.

Sebi made single-point nodal agency for guidelines. Indian IT firms get more flexibility to buy foreign cos. Access of Indian companies to foreign portfolio investment made more flexible. FII portfolio investment goes out of FDI sectoral cap except in specified sectors, companies allowed to invest yearly up to $100 m abroad via auto route.

MFs allowed to invest in rated securities in countries with fully convertible currencies. Overseas investment limit raised to 100% of net worth for select corporates. 74% FDI in banking, telecom, 49% in civil aviation. FII investment ceiling in debt funds raised to $1.75 billion, service tax ambit widened.


GST still pending
2005-14: SOCIAL SECTOR FOCUS
UPA launches rural employment guarantee programme, Bharat Nirman, JNNURM and social sector schemes, including sanitation and skill development
RBI Act amended to allow leeway to conduct monetary policy, capital market reforms deepened (allowing QFIs), peak customs rate for non-farm products cut to 10%, more telecom firms allowed, big thrust to infrastructure vis PPP mode, 'open skies' policy
GST proposed and work on draft bill begins, UID (Aadhaar) project takes off, later direct benefit transfers tried out, divestment programme continues, Competition Commission set up, food security law passed, 51% FDI in multibrand retail cleared with many riders, petrol prices decontrolled, NPCIL & Rupay aid financial inclusion
2014-16: TRANSPARENCY
State monopoly on coal goes, bankruptcy code, diesel decontrolled, leg up for direct cash transfers, auction route for allocation of natural resources, more FDI liberalisation


KEY INDICATORS AT A GLANCE
Life expectancy (yrs)
1991 2011
59 67.5
Infant mortality*
1991 2013
80 40
Under-5 mortality rate*
1990 2015
126 48
Maternal mortality**
1990 2013
556 167
Child sex ratio# (0-6 yrs)
1991 2011
945 918
	1991	2011
Population (crore)	84.6	121
Population growth (annual average)	2.16%	1.64%
Total fertility rate &	3.6	2.4
% of poor (Tendulkar method)
1993-94 2011-12
45.3 21.9
Share of food in consumer expenditure (rural)
1993-94 2011-12
63.20% 48.60%
	1991	2011
Literacy rate, %	52.11	73
Doctors (lakh)^	3.65	9.59
Medical colleges
1991 2015
128 422
*per 1,000 live births; ** Maternal deaths per lakh live births; # females per 1000 males; ^ Registered allopathic doctors; & Average number of children expected to be born per woman during her entire span of reproductive
Source: Census 2011, official reports


In Catch-22 Situation
WHAT RULES SAY
AN MNC can avail lower tax rates if it comes from a country with which India has a tax treaty
BUT FOR that the MNC has to provide its PAN no.
NOT DOING so could attract domestic tax rates at around 20%
MANY MNCs that dealt with Indian cos on a one-time basis, preferred not to give PAN details
CBDT had done away with this mandatory need for PAN card
STICKY POINT
BUT REQUIREMENT to file return of income is independent of the TDS requirement
IF THESE cos don't have a PAN no. but taxes are deducted, the tax credit will not show against the company's name
DISCREPANCIES WILL arise at the time of processing of tax returns filed by MNCs
EXPERTS SAY IT'S ADVISABLE TO OBTAIN PAN IF THE INCOME IS TAXABLE IN INDIA