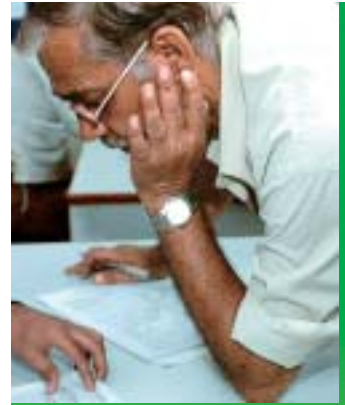


ECONOMY: Milestones

Arguably, the past 15 have been eventful years for India. Yet, there are some achievements, landmarks, and incidents that stand out for their uniqueness. Like a Prime Minister declaring a state of economic emergency or industries getting privatised.



July 1991

Finance Minister Manmohan Singh presents the annual budget and declares that the economy is in "deep crisis" and opens up industries to foreign direct investment, besides proposing PSU disinvestment

March 1992

Controller of Capital Issues abolished, and liberalised exchange rate management introduced

1993 The Uruguay Round of world trade talks conclude, and a 10-year phase out of Multi Fibre Agreement is agreed upon

1996 FII's allowed to invest in unlisted companies, disinvestment commission established, and a New Minimum Alternate Tax is introduced for zero tax and low tax paying companies



1995 The telecom sector is privatised

1994 Service Tax is introduced



1997

Health insurance sector opened up, tax on dividends to shareholders abolished, and the first strategic sale of a PSU (Lagan Jute Machinery) takes place

1998

FERA is replaced with FEMA, "One-by-Six" criteria of tax collection introduced, and PAN or GIR number made mandatory for high value transactions



YEARS AFTER

1999

Foreign Investment Implementation Authority (FIIA) formed to expedite implementation of FDI proposals; Reliance's 27-mtpa Jamnagar refinery makes India self-sufficient in refining capacity



2000 Ad-valorem rates converged to a single rate of 16 per cent CENVAT



2001 FIs allowed to invest up to 49 per cent in equity shares of a company; quantitative restrictions (QRs) removed

2004 Fiscal Responsibility and Budget Management (FRBM) Act is ushered in



2003 Foreign exchange reserves top \$100 billion, peak Customs duty brought down to 25 per cent, and a 0.15 per cent tax on transactions in securities is introduced

2002 Indian companies allowed to invest abroad up to \$100 million, and administered price mechanism in the petroleum sector dismantled



VAT

2005

VAT introduced in the country, and a Fringe Benefit Tax (FBT) is slapped on companies

2006 By the end of fiscal 2005-06, exports cross the \$100 billion mark

