

## **AN ANALYSIS ON INDIRECT TAX REVENUE IN INDIA FROM 1991-2013**

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### **ABSTRACT**

This paper examines an analysis of indirect tax revenue in India from 1991 to 2013. Tax is a major revenue of each country in world. It is divided into parts direct tax and indirect tax. India is one of the nation where taxes collected from ancient age. Custom duties and excise duties are the major taxes levied by Central Government of India. Thus the indirect tax has become more complex and taxes collected from the people were utilized for the welfare of the nation. This research has made an attempt to analyze the annual percentage growth rate and to analyze the trends in indirect taxes, excise duties and custom duties. The study period covers 23 years from 1991 to 2013 which includes only the post reform period because after the implementation of tax reform policy by government of India the tax has been stabilized. It is an analytical study. It is based on secondary data collected from Budget documents of government of India and finance accounts. The major findings of this study reveal that the indirect taxes are high as 83.9 per cent during 1990 to 1991 due to the economic reform. The proportionate growth rate of excise duties was very low as 39.08 per cent due to conversion of some taxes into VAT according to the recommendation of Raja Chellaiah committee. The proportionate growth rate of custom duties to indirect tax was 57.22 per cent and it fluctuated between 55 per cent to 62 per cent in the coming years up to 1999-2000 due to the competitor country all of whom have changed often their tariff to very moderate level. The annual percentage growth rate of Indirect tax revenue was very low in the year 2001-02 as -1.35 per cent due to the performance of industrial sector. The annual percentage growth rate of excise duties in India was 42.39 per cent in the year 2000-01. The annual percentage growth rate of custom duties was high as 34.67 per cent because of the general and end – use exception of the government of India. To be concluded, the Government must take serious efforts to mobilize both the direct and indirect taxes and it has to control over circulation of money in the economy and also it has to control the black money operations in India.