

MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
INDIRECT TAXATION ENQUIRY COMMITTEE

.....

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NEW DELHI.

We, the members of the Indirect Taxation Enquiry Committee, submit herewith Part II of our Report.

As you may recall, we had submitted Part I of our Report in October, 1977, outlining in a brief form our main conclusions and recommendations and the reasons behind them. We have had time to analyse the results of the various studies which we had initiated and also to examine the impact of indirect taxation on a selected number of important industries as well as products of public interest. During the course of our enquiry, we had received several suggestions from experts, scientists and representatives of trade and industry on structural as well as procedural problems. After taking into account the results of the studies as well as the suggestions made, we have, in Part II of our Report, presented our final conclusions and recommendations more fully than we did in Part I.

The task assigned to us has indeed been a complex one. We have had to take into account a wide range of issues. Those involving political judgment, we have left for the Government to consider. We have given our attention to the task of restructuring the indirect tax system in the country by finding ways and means of eliminating the distortions that have arisen over the years. While generally our approach has been to cover all the relevant aspects of rationalisation of indirect tax structure, we have avoided going into certain areas for the reason that some Committee or the Government had studied them in the recent past.

We hope that our recommendations will help Government in bringing about a reform in the indirect tax structure that would be enduring as well as acceptable to the community at large.

Yours faithfully,

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