Book Review**Tax System in India- Evolution and Present Structure**

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Main findings of the book

The Indian tax system has undergone major structural changes since Independence in 1947. It has become comprehensive and complicated over the years. It has successfully mobilised resources to finance developmental, welfare and administrative activities of public authorities. Besides being the main source of revenue, both for the Central and State Governments, it is an effective instrument to realise various socio-economic objectives of national policies. However, the tax system has been relying heavily on indirect taxes and suffering extensively from fiscal malady called tax evasion.

Restructuring of the tax system has constituted a major component of fiscal reforms initiated since 1991. The main focus of the tax reforms has been on simplification and rationalization of both direct and indirect taxes with the objective of augmenting revenues and removing anomalies in the tax structure. Tax reforms in recent years have brought the tax system much closer to international tax practices.

Tax reforms are a part of the package to liberalise and globalise the Indian economy. The post-1991 period has witnessed a sharp decline in the rates of income tax, excise duty and customs tariff. The theory that high rates of duty lead to higher revenue collection has been discarded in favour of lower rates with fewer exemptions and concessions.

The strategy in respect of direct taxation is to minimise distortions in tax structure by expanding the tax base and moderating tax rates on the one hand and improving the efficiency of tax administration and increasing the deterrence level on the other, so as to encourage voluntary compliance. The strategy in respect of indirect taxes is to move towards a fully integrated goods and services tax (GST).

This book provides an exhaustive and analytical account of tax structure developments in India since Independence in 1947 with focus on post-1991 reforms. It places current developments in the field of taxation in perspective. Containing 25 chapters (divided into 7 theme parts), it explains and examines almost every aspect of the Indian tax system. Besides,

it provides detailed time-series tax statistics of India for the period 1950-51 to 2013-14. The overall approach to the subject is descriptive, and at places analytical.

Utility of the book

The book is designed to interest a cross-section of readers, viz. teachers and students of economics, commerce, law, public administration, business management, chartered accountancy and company secretaryship. It will also serve the needs of legislators, business executives, entrepreneurs and investors, and others interested in tax structure developments in India.

On the whole the book is very informative and knowledge enhancing. It is useful to a variety of users. Policy makers, academicians, researcher, managers and journalists alike can utilise this book. It can be useful for someone who is, in general interested in fiscal policies in India.

Remarks on the book

This book gains importance in light of the fact that fiscal policy is an eminent instrument of the economic policy of any government. It is also concerned with the use of governments' taxation and expenditure power to influence economic activities in an economy at aggregate level. It helps us to get insight of economic role of government in modern societies and how fiscal policies influence the working of an economy and with government budgeting in India. It also highlights the mechanism of government budgeting, provisions regarding budgeting, the structure of the central budget and cross classification of budgets.

There are highlights on issues of public expenditure and the basic structure of central government expenditure. Significant attention is given to subsidies which contribute heavily to non-plan expenditure of the government.

As the book is largely based on a descriptive approach, it does not qualify for a research book but qualifies as good detailed reference book. It contains a hoard of statistical data and a holistic view of the theoretical framework and structure public finance in India.

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