

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

IJRCM



A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A., Google Scholar,

Open J-Gate, India [link of the same is duly available at Infibnet of University Grants Commission (U.G.C.)],

The American Economic Association's electronic bibliography, EconLit, U.S.A.,

Index Copernicus Publishers Panel, Poland with IC Value of 5.09 & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 5000 Cities in 187 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

<http://ijrcm.org.in/>

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	SOCIO-ECONOMIC CHALLENGES IN A REBASED ECONOMY: A CASE STUDY OF NCHANGA TOWNSHIP OF CHINGOLA DISTRICT, ZAMBIA <i>DR. B. NGWENYA & C. MWANTAKAMA</i>	1
2.	DYNAMIC FORECASTING ON ENERGY INTENSITY BY GREY THEORY FOR GREATER CHINA REGION AND IMPLICATION OF SUSTAINABLE ECONOMIC DEVELOPMENT <i>PENG JIANG, GHI-FENG YEN, YI-CHUNG HU & HANG JIANG</i>	5
3.	ECONOMIC SCALE OF NON-LIFE INSURANCE COMPANIES IN INDIA <i>M. MUTHUMEENA & DR. A. MUTHUSAMY</i>	11
4.	COINTEGRATION APPROACH TO ESTIMATE INDIA'S TRADE ELASTICITIES <i>DR. AMAL SARKAR</i>	19
5.	CHALLENGES AND ITS MEASURES IN CORPORATE TAKEOVER AND ACQUISITIONS <i>NARESH KUMAR GOEL, ANINDITA CHATTERJEE & KULDEEP KUMAR</i>	25
6.	DETERMINING QUALITY OF WOMEN HEALTH CARE SERVICES IN RURAL INDIA <i>T. KANNIKA & DR. J. FREDRICK</i>	30
7.	INDIA: AGRICULTURE'S CONTRIBUTION TOWARDS CLIMATE CHANGE <i>SATRAJIT DUTTA</i>	35
8.	AN EVALUATION, COMPARISON AND MANAGEMENT OF NON PERFORMING ASSETS (NPA) IN STATE BANK OF INDIA & ITS ASSOCIATES <i>DR. K. JAGADEESAN</i>	40
9.	ECONOMIC EMPOWERMENT OF WOMEN IN INDIA <i>JASBIR SINGH & SONIA KUMARI</i>	46
10.	THE IMPACT OF THE INFORMAL SECTOR ON NATIONAL DEVELOPMENT: STUDY OF THE HUMAN RESOURCE DEVELOPMENT (HRD) ISSUES AND THE CONTRIBUTIONS OF THE ROAD SIDE MECHANICS, ARTISANS/TECHNICIANS ETC. TO THE ECONOMY IN OSUN STATE, NIGERIA <i>DR. S. O. ONIMOLE</i>	49
11.	GROWTH OF VAT REVENUE <i>T. ADILAKSHMI</i>	55
12.	EMPOWERMENT OF PEOPLE WITH LEARNING DISABILITIES (DYSLEXIA) TOWARDS SUSTAINABLE DEVELOPMENT: AN INDIAN PERSPECTIVE <i>K. JAYASREE</i>	63
13.	NON-PERFORMING ASSETS: A STUDY OF SCHEDULED COMMERCIAL BANKS OF INDIA WITH REFERENCE TO GROSS NPAs AND AMOUNT RECOVERED <i>VIBHUTI SHIVAM DUBE</i>	65
14.	AGRICULTURAL FINANCING SCENARIO IN THE INDIAN STATE OF TRIPURA, A COMPARATIVE STUDY FOR THE PERIOD 2008-09 TO 2012-13 <i>PURANJAN CHAKRABORTY</i>	68
15.	MAJOR POVERTY ALLEVIATION PROGRAMMES IN HIMACHAL PRADESH: AN INTRODUCTION <i>KHEM RAJ</i>	79
16.	INFRASTRUCTURAL FACILITIES AND AGRICULTURAL DEVELOPMENT IN INDIA: WITH REFERENCE TO AGRICULTURAL CREDIT <i>R. KESAVAN</i>	85
17.	STATUS OF DALITS IN INDIA: AN EFFECT OF THE ECONOMIC REFORMS <i>NAZEEFA BEGUM MAKANDAR</i>	88
18.	FINANCIAL INCLUSION: PROGRESS OF PRADHAN MANTRI JAN DHAN YOJANA (PMJDY) <i>KAPIL RAHANG</i>	91
19.	MAJOR CHANGES IN ADULT EDUCATION OF ANDHRA PRADESH <i>BILLA RAJA RUBI KISHORE</i>	95
20.	VOLATILITY AND FINANCIAL DERIVATIVES IN NATIONAL STOCK EXCHANGE <i>GAURAV GAUTAM & DR. BHUPINDER SINGH</i>	98
	REQUEST FOR FEEDBACK & DISCLAIMER	102

CHIEF PATRON**PROF. K. K. AGGARWAL**

Chairman, Malaviya National Institute of Technology, Jaipur
 (An institute of National Importance & fully funded by Ministry of Human Resource Development, Government of India)
 Chancellor, K. R. Mangalam University, Gurgaon
 Chancellor, Lingaya's University, Faridabad
 Founder Vice-Chancellor (1998-2008), Guru Gobind Singh Indraprastha University, Delhi
 Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

FOUNDER PATRON**LATE SH. RAM BHAJAN AGGARWAL**

Former State Minister for Home & Tourism, Government of Haryana
 Former Vice-President, Dadri Education Society, Charkhi Dadri
 Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

CO-ORDINATOR**DR. BHAVET**

Faculty, Shree Ram Institute of Engineering & Technology, Urjani

ADVISORS**PROF. M. S. SENAM RAJU**

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

PROF. M. N. SHARMA

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

PROF. S. L. MAHANDRU

Principal (Retd.), Maharaja Agrasen College, Jagadhri

EDITOR**PROF. R. K. SHARMA**

Professor, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

FORMER CO-EDITOR**DR. S. GARG**

Faculty, Shree Ram Institute of Business & Management, Urjani

EDITORIAL ADVISORY BOARD**DR. RAJESH MODI**

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

PROF. SIKANDER KUMAR

Chairman, Department of Economics, Himachal Pradesh University, Shimla, Himachal Pradesh

PROF. SANJIV MITTAL

University School of Management Studies, Guru Gobind Singh I. P. University, Delhi

PROF. RAJENDER GUPTA

Convener, Board of Studies in Economics, University of Jammu, Jammu

PROF. NAWAB ALI KHAN

Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

PROF. S. P. TIWARI

Head, Department of Economics & Rural Development, Dr. Ram Manohar Lohia Avadh University, Faizabad

DR. ANIL CHANDHOK

Professor, Faculty of Management, Maharishi Markandeshwar University, Mullana, Ambala, Haryana

DR. ASHOK KUMAR CHAUHAN

Reader, Department of Economics, Kurukshetra University, Kurukshetra

DR. SAMBHAVNA

Faculty, I.I.T.M., Delhi

DR. MOHENDER KUMAR GUPTA

Associate Professor, P. J. L. N. Government College, Faridabad

DR. VIVEK CHAWLA

Associate Professor, Kurukshetra University, Kurukshetra

DR. SHIVAKUMAR DEENE

Asst. Professor, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

ASSOCIATE EDITORS**PROF. ABHAY BANSAL**

Head, Department of Information Technology, Amity School of Engineering & Technology, Amity University, Noida

PARVEEN KHURANA

Associate Professor, Mukand Lal National College, Yamuna Nagar

SHASHI KHURANA

Associate Professor, S. M. S. Khalsa Lubana Girls College, Barara, Ambala

SUNIL KUMAR KARWASRA

Principal, Aakash College of Education, ChanderKalan, Tohana, Fatehabad

DR. VIKAS CHOUDHARY

Asst. Professor, N.I.T. (University), Kurukshetra

FORMER TECHNICAL ADVISOR**AMITA**

Faculty, Government M. S., Mohali

FINANCIAL ADVISORS**DICKIN GOYAL**

Advocate & Tax Adviser, Panchkula

NEENA

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

LEGAL ADVISORS**JITENDER S. CHAHAL**

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

CHANDER BHUSHAN SHARMA

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

SUPERINTENDENT**SURENDER KUMAR POONIA**

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to the recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography; Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript** **anytime** in **M.S. Word format** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website (**[FOR ONLINE SUBMISSION, CLICK HERE](#)**).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____

THE EDITOR

IJRCM

Subject: SUBMISSION OF MANUSCRIPT IN THE AREA OF _____.

(e.g. Finance/Mkt./HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript titled ' _____ ' for likely publication in one of your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published anywhere in any language fully or partly, nor it is under review for publication elsewhere.

I affirm that all the co-authors of this manuscript have seen the submitted version of the manuscript and have agreed to inclusion of their names as co-authors.

Also, if my/our manuscript is accepted, I agree to comply with the formalities as given on the website of the journal. The Journal has discretion to publish our contribution in any of its journals.

NAME OF CORRESPONDING AUTHOR

Designation/Post*

Institution/College/University with full address & Pin Code

Residential address with Pin Code

Mobile Number (s) with country ISD code

Is WhatsApp or Viber active on your above noted Mobile Number (Yes/No)

Landline Number (s) with country ISD code

E-mail Address

Alternate E-mail Address

Nationality

* i.e. Alumnus (Male Alumni), Alumna (Female Alumni), Student, Research Scholar (M. Phil), Research Scholar (Ph. D.), JRF, Research Assistant, Assistant Lecturer, Lecturer, Senior Lecturer, Junior Assistant Professor, Assistant Professor, Senior Assistant Professor, Co-ordinator, Reader, Associate Professor, Professor, Head, Vice-Principal, Dy. Director, Principal, Director, Dean, President, Vice Chancellor, Industry Designation etc. **The qualification of author is not acceptable for the purpose.**

NOTES:

- a) The whole manuscript has to be in **ONE MS WORD FILE** only, which will start from the covering letter, inside the manuscript. **pdf. version is liable to be rejected without any consideration.**
 - b) The sender is required to mention the following in the **SUBJECT COLUMN of the mail**:
New Manuscript for Review in the area of (e.g. Finance/Marketing/HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)
 - c) There is no need to give any text in the body of the mail, except the cases where the author wishes to give any **specific message** w.r.t. to the manuscript.
 - d) The total size of the file containing the manuscript is expected to be below **1000 KB**.
 - e) Only the **Abstract will not be considered for review** and the author is required to submit the **complete manuscript** in the first instance.
 - f) **The journal gives acknowledgement w.r.t. the receipt of every email within twenty-four hours** and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of the manuscript, within two days of its submission, the corresponding author is required to demand for the same by sending a separate mail to the journal.
 - g) The author (s) name or details should not appear anywhere on the body of the manuscript, except on the covering letter and the cover page of the manuscript, in the manner as mentioned in the guidelines.
2. **MANUSCRIPT TITLE:** The title of the paper should be typed in **bold letters, centered and fully capitalised**.
 3. **AUTHOR NAME (S) & AFFILIATIONS:** Author (s) **name, designation, affiliation (s), address, mobile/landline number (s), and email/alternate email address** should be given underneath the title.
 4. **ACKNOWLEDGMENTS:** Acknowledgements can be given to reviewers, guides, funding institutions, etc., if any.
 5. **ABSTRACT:** Abstract should be in **fully italic printing**, ranging between **150 to 300 words**. The abstract must be informative and elucidating the background, aims, methods, results & conclusion in a **SINGLE PARA**. **Abbreviations must be mentioned in full**.
 6. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of **five**. These should be arranged in alphabetic order separated by commas and full stop at the end. All words of the keywords, including the first one should be in small letters, except special words e.g. name of the Countries, abbreviations etc.
 7. **JEL CODE:** Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at www.aea-web.org/econlit/jelCodes.php. However, mentioning of JEL Code is not mandatory.
 8. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER**. **It should be free from any errors i.e. grammatical, spelling or punctuation. It must be thoroughly edited at your end.**
 9. **HEADINGS:** All the headings must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
 10. **SUB-HEADINGS:** All the sub-headings must be bold-faced, aligned left and fully capitalised.
 11. **MAIN TEXT:**

THE MAIN TEXT SHOULD FOLLOW THE FOLLOWING SEQUENCE:**INTRODUCTION****REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESIS (ES)****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****LIMITATIONS****SCOPE FOR FURTHER RESEARCH****REFERENCES****APPENDIX/ANNEXURE****The manuscript should preferably be in 2000 to 5000 WORDS, But the limits can vary depending on the nature of the manuscript.**

12. **FIGURES & TABLES:** These should be simple, crystal **CLEAR, centered, separately numbered** & self-explained, and the **titles must be above the table/figure. Sources of data should be mentioned below the table/figure. It should be ensured that the tables/figures are referred to from the main text.**
13. **EQUATIONS/FORMULAE:** These should be consecutively numbered in parenthesis, left aligned with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word may be utilised. If any other equation editor is utilised, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that does not have the editor.
14. **ACRONYMS:** These should not be used in the abstract. The use of acronyms is elsewhere is acceptable. Acronyms should be defined on its first use in each section e.g. Reserve Bank of India (RBI). Acronyms should be redefined on first use in subsequent sections.
15. **REFERENCES:** The list of all references should be alphabetically arranged. **The author (s) should mention only the actually utilised references in the preparation of manuscript** and they may follow Harvard Style of Referencing. **Also check to ensure that everything that you are including in the reference section is duly cited in the paper.** The author (s) are supposed to follow the references as per the following:
 - All works cited in the text (including sources for tables and figures) should be listed alphabetically.
 - Use (ed.) for one editor, and (ed.s) for multiple editors.
 - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc., in chronologically ascending order.
 - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
 - The title of books and journals should be in italic printing. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
 - For titles in a language other than English, provide an English translation in parenthesis.
 - **Headers, footers, endnotes and footnotes should not be used in the document. However, you can mention short notes to elucidate some specific point,** which may be placed in number orders before the references.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19-23

UNPUBLISHED DISSERTATIONS

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>

GROWTH OF VAT REVENUE

T. ADILAKSHMI

LECTURER

GOVERNMENT DEGREE COLLEGE
TUNI, EAST GODAVARI DIST

ABSTRACT

VAT has been implemented by most countries by replacing previous sales tax system to benefit from this new fiscal instrument. And it was implemented in India by large number of states including Andhra Pradesh since 1st April, 2005, after having number of negotiations with Empowered Committee of State Finance Ministers to compensate loss of revenue on account of implementation of VAT in three consecutive years. Hence this study deals with growth of VAT revenue in AP and in Visakhapatnam division to examine whether the VAT has resulted in revenue growth or not. And the data shows that the revenue from APGST/VAT +CST was Rs. 2954.51crores in 1995-96 and it was increased to Rs. 50542.15crores in 2013-14. During the same period the State Own Tax Revenue was increased from Rs. 4120.4crores to Rs. 64123.53crores, and it may be observed from data, that the percentage of revenue from APGST/VAT+CST has been decreased during pre-VAT period i.e., from 18.74% in 1996-97 to 10.30% in 2003-04 but in post-VAT period it has been increased from 14.06% in 2005-06 to 18.91% in 2013-14 except VAT in 2008-09, 2009-10. That means there was no revenue loss on account VAT implementation in the state.

KEYWORDS

value added tax, commercial tax, state own tax revenue, fiscal reforms, sales tax, growth, revenue.

1.1 INTRODUCTION

Value Added Tax (VAT) has been implemented all over the world along with India. Though it was first implemented by France in 1954 latter on it was extended and adopted by many other countries in the world due to its merits over previous sales tax system. The main Moto behind this fiscal reform is to get more revenue to the government exchequer and of course there are other socio-economic and administrative reasons like increasing tax compliance, efficiency, reducing tax evasion and inequalities in income and wealth. VAT has been implemented by large number of states in India since 1st April, 2005, after having number of negotiations with Empowered Committee of State Finance Ministers to compensate loss on revenue on account of implementation of VAT in three consecutive years that is 100% in 1st year, 75% in 2nd year and 50% in 3rd of VAT implementation.

Andhra Pradesh has been implementing VAT system with effect from 1st, April 2005, with APVAT, Act, 2005, by replacing its previous sales tax system by making amendments to Andhra Pradesh General Sales Tax (APGST) Act, 1957. And this Act contains six Schedules. Schedule-I contains goods generally exempted from tax and which include Agricultural implements manually operated or animal driven, hand operated sprayers, Aids and implements used by handicapped persons, Aquatic feed, poultry feed and cattle feed including grass, hay and straw and feed supplements and nutrients, e.t.c. Schedule –II deals with zero rated transactions like exports. Schedule-III contains goods taxable at 1%, namely jewellery made from Bullion, Specie, Platinum and other precious metals. Goods taxable at 5% are listed under Schedule-IV (4% rate was changed to 5% on vide Act No. 11 of 2012 dated 20-04-2012 w.e.f. 14.9.2011). The majority of food grains and goods of national importance, like iron and steel, listed under this head. And finally Schedule-V deals with standard rate goods, taxable at 14.5%. All goods that are not listed elsewhere in the Act fall under this head. The VI Schedule contains goods taxed at special rates, such as some liquor and petroleum products.

In view of above changes, the present study aims to deal with the growth of VAT revenue in Andhra Pradesh. Accordingly, this chapter divided into two sections. The first section presents about growth VAT revenue in Andhra Pradesh and second section presents about growth of VAT revenue (a case study of Visakhapatnam Division.)

1.2 STATEMENT OF THE PROBLEM AND NEED FOR THE PRESENT STUDY

In fact, Andhra Pradesh is one of the trailblazing states to implement VAT though there was a lot of uncertainty about its success and no Southern state had any kind of experience in the implementation of VAT. There is no denying the fact that Maharashtra started implementing VAT on certain items from October, 1997 itself but withdrew it later due to non-economic considerations. In the Northern India, Haryana was the first to implement VAT and tasted its success by substantial increase in revenues but there were doubts if the success of Haryana was just particular to itself only.

VAT is primarily aimed at bringing in compliance discipline; there is a popular opinion that if tax is set higher than 10.0%, the traders engage themselves in the tax evasion. In pre-VAT system, there were many kinds of taxes: turnover tax, sales tax, Purchase tax, Entry tax, Octroi tax, and Service tax and so on, which only jacked up the final tax. Besides, the tax- collection, traders used to find it easier to either evade collection or collect more than once or finally avoid paying back the collected amount to the tax authorities. It is common wisdom that if taxes are fair and reasonable enough, the traders have no reason either for avoidance of collection or evasion of collected taxes. Because of this reason the VAT tax rate-setting system for its successful implementation is guided by the principle of 'five rates' - 0% for essentials, 1% for gold, silver and precious stones, 4% for input materials, a revenue-neutral rate of 12.5% for other goods and 20% for liquor and some petroleum products. Yet in Andhra Pradesh 4% of tax has been increased to 5% in respect of some items and 12.5% to 14.5% along with special rates of 22.5% on Diesel and 33% on Petrol, leaving other slabs unchanged.

For this reason, there is a need to conduct a study project to analyze whether the newly implemented tax (VAT) is bringing more revenue to government or not when compared to pre- VAT system and as well as to identify problems in its implementation. That's why I have chosen Visakhapatnam (division) to conduct a case study which is one of the major cities in Andhra Pradesh who has been implementing VAT effectively since its inception in the state. Hence this project aimed at to achieve following Objectives by employing the Methodology given below.

1.3 OBJECTIVES OF THE STUDY

The present study aimed to achieve the following general objectives.

1. To examine the growth of VAT revenue in Andhra Pradesh during the period 2005 to 2014.
2. To examine the growth of VAT revenue in Visakhapatnam Division during the period 2005 to 2014.
3. To compare growth of Vat Revenue with Growth State Own Tax Revenue; and
4. To examine the share and composition of APGST /VAT+CST in total state own tax revenue.

1.4 METHODOLOGY AND DATA SOURCES

The methodology was used in this study includes tables, figures, percentages e.t.c. techniques. Whereas the sources of data used in this analysis was only secondary data. And that is collected from the Commercial Tax Department (CTD), Hyderabad, AP, Commercial Tax Department (CTD) Visakhapatnam Division, reports of Ministry of Finance and Govt. of India and different statistical bulletins like Economic Survey Various Issues, Socio-Economic Survey of Andhra Pradesh and White Paper on AP finance, RBI hand book on state finances Various Issues and different journals, and websites have been referred.

1.5 GROWTH OF VAT REVENUE IN ANDHRA PRADESH

Andhra Pradesh state has very good fiscal discipline starting from its formation on 1st Nov, 1956 and it has been carried out all over the years. Hence it has taken implementation of VAT as a challenging task in the state, though there was a fear of revenue loss on account of VAT implementation. Accordingly, the VAT system has been implementing effectively in the state since 1st, April 2005. The growth of VAT total revenue is being shown in the following table and it has been showing significant growth in its VAT revenue since its inception in the state. Table 5.1 exhibits about composition of VAT and other tax Revenue in State Own Tax Revenue (SOTR) of Andhra Pradesh.

It is very clear from the following Table-1 that the revenue from VAT other taxes has been increasing year after year. The revenue obtained from VAT was Rs. 2954.51crores in 1995-96 and was increased to Rs.11020.87crores in 2004-05. And it was again increased to Rs. 12569.91crores in 2005-06 to Rs. 50542.15crores in 2013-14. That means there was no revenue loss on account VAT implementation in the state. During the same period the State Own Tax Revenue was increased from Rs. 4120.4crores to Rs. 64123.53crores, inspite of its decline in 2003-04 to Rs.13805.91crores it was again increased. The revenue from State Excise duty was increased from Rs. 77.7crores (though it was declined to Rs.63.9crores in 1996-97) to Rs.6250.26crores and revenue from Stamps & Registrations was also increased from Rs. 325.6crores to Rs.4393.18, of course it was also recorded a significant decline in 2008-09 and 2009-10. The revenue from Motor Vehicle Tax was also increased from Rs. 461.4crores to Rs.3335.18crores during the same period. Finally, the revenue from Other Taxes was also increased from Rs.301.19crores in 1995-96 to 1882.98in 2002-03, and declined to Rs.514.65 crores in 2003-04 and again increased to Rs.1407.5crores in 2013-14.

TABLE 1: COMPOSITION OF VAT AND OTHER TAX REVENUES IN STATE OWN TAX REVENUE OF ANDHRA PRADESH (in Rs. crores)

Year	APGST / VAT+ CST total	State Excise	Stamps & Registrations	Motor Vehicles Tax	Others (including, land revenue, entertainment tax, electricity duty etc)	State Own Tax Revenue
1995-96	2954.51	77.7	325.6	461.4	301.19	4120.4
1996-97	3508.25	63.9	435.2	553.8	320.65	4881.8
1997-98	4391.90	887.5	449.6	636.6	748.00	7113.6
1998-99	5138.96	924.0	493.5	694.5	710.44	7961.4
1999-00	6042.05	1038.4	591.8	733.6	602.75	9008.6
2000-01	7117.05	1242.96	670.9	833.97	687.02	10551.9
2001-02	7622.60	1651.9	804.9	939.2	1545.1	12563.7
2002-03	8337.75	1856.46	999.65	929.47	1882.98	14006.31
2003-04	9196.77	1914.98	1111.75	1067.76	514.65	13805.91
2004-05	11020.87	2092.67	1387.91	1168.64	584.41	16254.50
2005-06	12569.91	2684.57	2013.45	1355.74	583.73	19207.40
2006-07	15587.25	3436.63	2865.39	1364.74	672.2	23926.21
2007-08	19224.92	4040.69	3086.06	1603.80	838.97	28794.44
2008-09	22151.92	5752.61	2930.99	1800.62	721.71	33357.85
2009-10	23902.23	5848.59	2638.63	1995.30	790.96	35175.71
2010-11	29434.16	8264.67	3833.57	2626.75	980.4	45139.55
2011-12	35250.59	9612.36	4385.25	2986.41	1048.8	53283.41
2012-13	41317.17	9129.41	5115.24	3356.60	956.63	59875.05
2013-14	50542.15	6250.26*	4393.18*	3335.18*	1407.5*	65928.27*

Source: Commercial Tax Department, AP, HYD, RBI Bulletins, various issues AP socio economic survey, 2013-14 and White Paper on AP Finance. (Note:1. VAT revenue includes CST, 2. Figures which have * are pre-actual).

Figure-1 illustrates about the growth of revenue from VAT and State Own Tax Revenue of Andhra Pradesh during 1995-96 to 2013-14 as it was shown in Table -1. It is very much clear from figure 5.1 that the revenue from VAT has been increasing at a stable rate when compared to State Own Tax Revenue. And also it has exhibited that the proportion of VAT revenue has been occupied more than 70% during pre-VAT and post-VAT in Total State Own Tax Revenue of Andhra Pradesh.

FIGURE 1: GROWTH OF VAT REVENUE AND STATE OWN TAX REVENUE OF ANDHRA PRADESH DURING 1995-96 TO 2013-14

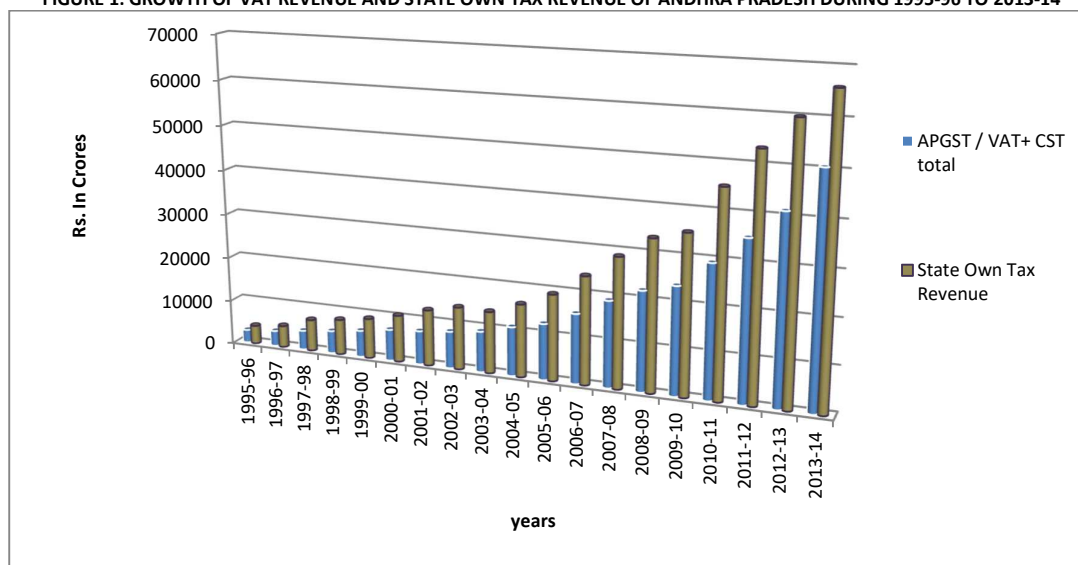


TABLE 2: TRENDS IN GROWTH OF VAT AND STATE OWN TAX REVENUE OF ANDHRA PRADESH (In Percentages)

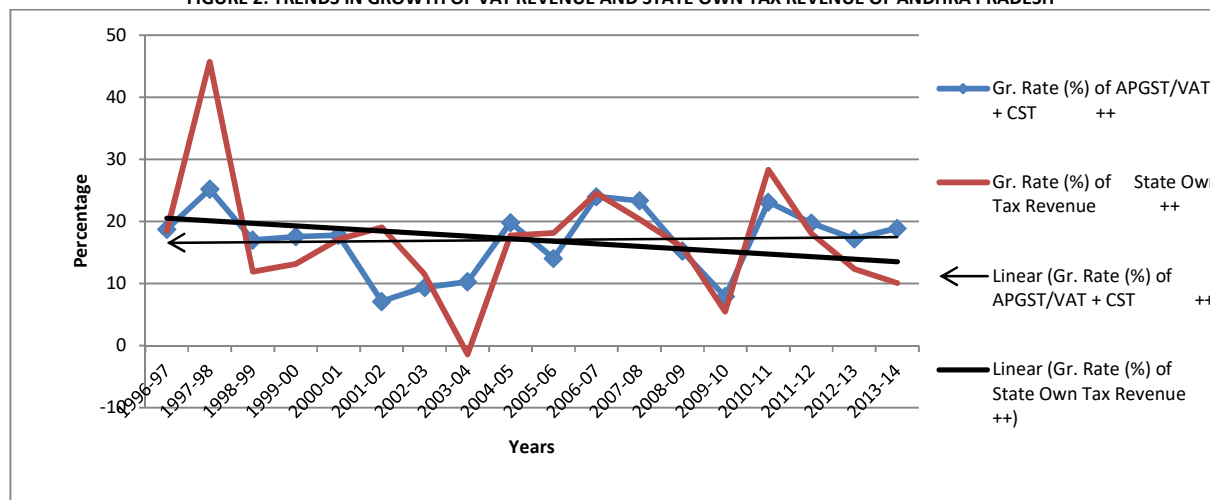
Year	Gr. Rate of VAT revenue in % over Previous Year	Gr. Rate of State Own Tax Revenue in % over Previous Year
1995-96	++	++
1996-97	18.74	18.47
1997-98	25.19	45.71
1998-99	17.01	11.91
1999-00	17.57	13.15
2000-01	17.79	17.13
2001-02	7.10	19.06
2002-03	9.38	11.48
2003-04	10.30	-1.43
2004-05	19.83	17.74
2005-06	14.06	18.16
2006-07	24.00	24.57
2007-08	23.34	20.35
2008-09	15.23	15.85
2009-10	7.90	5.45
2010-11	23.14	28.33
2011-12	19.76	18.04
2012-13	17.21	12.37
2013-14	18.25	10.10

Source: Commercial Tax Department (CTD), AP, HYD, RBI Bulletins, various issues and White Paper on AP Finance. (Note: VAT revenue includes CST)

Table. 2 gives about the trends in growth of VAT revenue and State Own Tax revenue. It may be observed from the data, that the percentage growth of revenue from VAT has been showing a decreasing trend during pre-VAT period i.e., from 18.74 per cent in 1996-97 to 10.30 per cent in 2003-04 but in post-VAT period it has been showing an increasing trend i.e., from 14.06 per cent in 2005-06 to 18.91 per cent in 2013-14 except VAT in 2008-09, 2009-10 (i.e. in crisis period due to slow down of economic activity that results fall in per cent growth of VAT revenue) and that of State Own Tax Revenue (SOTR) during the same period is also showing an increasing trend over all the years but it has more fluctuations due to instability in other tax revenue of the state. The annual average growth of APGST is 15.835 per cent and that of annual average growth of VAT is 17.17 per cent.

But in pre-VAT era the Compound Annual Growth Rate (CAGR) for SOTR and VAT revenue was estimated at 9.74 per cent and 30.12% where as in the post-VAT era it was estimated at 14.68 and 16.72 per cent respectively. Though CAGR may decline in respect VAT due to economic crisis in 2008-09 and 2009-10, the overall growth is remain significant. That means VAT implementation hasn't resulted any loss in government revenue and moreover it has augmented government revenue as it was supported by economists all over the world as a rational and efficient method of taxation. And this has been depicted in the following figure 5.2

FIGURE 2: TRENDS IN GROWTH OF VAT REVENUE AND STATE OWN TAX REVENUE OF ANDHRA PRADESH



The figure-2 illustrates about the percentage growth of VAT revenue and State Own Tax Revenue as it was shown in Table 5.2. The overall trend of VAT and State Own Tax Revenue has been exhibited by linear trend lines in figure 5.2 and that shows the annual average growth of revenue from VAT is more stable at 17 per cent when compared to annual average growth of State Own Tax Revenue at 17 per cent during all these years.

TABLE 3: SHARE/CONTRIBUTION OF VAT TO INDIRECT TAX REVENUE, STATE OWN TAX REVENUE AND TO GSDP OF AP FROM 2004-05 TO 2013-14

year	VAT revenue	Contribution of VAT to Indirect tax revenue (in %)	Contribution of VAT to SOTR (in %)	Contribution of VAT to GSDP of AP at constant prices (in %)
2004-05	11020.87	75.23	67.8	8.18
2005-06	12569.91	74.39	65.44	8.85
2006-07	15587.25	75.54	65.14	9.90
2007-08	19224.92	76.27	66.77	10.79
2008-09	2151.92	74.03	66.41	12.18
2009-10	23902.23	74.96	67.95	12.26
2010-11	29434.16	72.42	65.21	14.13
2011-12	35250.59	66.24	66.16	15.77
2012-13	41317.17	76.35	69.01	17.51
2013-14	50542.15	82.94	76.66	20.19

Source: Commercial Tax Department (CTD), AP, HYD, RBI Bulletins, various issues and White Paper on AP Finance. (Note: VAT revenue includes CST)

Table 3 exhibits about the contribution and share of VAT revenue in indirect tax revenue, State Own Tax revenue and in GSDP of Andhra Pradesh during 2004-05 to 2013-14. It may be observed from the Table.5.3, that the contribution of VAT to indirect tax revenue and state own tax revenue was 75.23% and 67.8% respectively in 2004-05. Whereas the share VAT revenue in GSDP of AP was nearly 8.2% in the same year. And in 2011-12 the contribution of VAT to indirect tax revenue was reduced to 66.24% but it was again increased to 82.94% in 2013-14 and it is the highest contribution VAT to indirect tax revenue during all these years. The contribution of VAT to SOTR is also decreased to 65.21% in 2010-11 from 67.8% in 2004-05 and again it was too increased to 76.66% in 2013-14. And the share of VAT revenue in GSDP was also increased to 20.19% in 2013-14 from 8.2% in 2004-05. The data clearly show, that the contribution of VAT to indirect tax revenue and state own tax revenue is very high and the share of VAT in GSDP is also very significant compared to other state own taxes. That means it is again proved, VAT as a single largest revenue source for any government as it was justified and supported by economists and policy makers as an efficient fiscal instrument.

1.6 GROWTH OF VAT REVENUE (A CASE STUDY OF VISAKHAPATNAM DIVISION)

Visakhapatnam division is one of the fast growing industrial and commercial hubs in the state. Hence it was selected for this project to analyze the performance of revenue growth of VAT along with the Andhra Pradesh. The growth of VAT Revenue in Andhra Pradesh over all the years has been analyzed in the previous section. Hence this section deals with the growth of VAT Revenue in Visakhapatnam division which, was selected for the present study. In this section, first attempt has been made to understand the growth trend of VAT revenue in Visakhapatnam Division and latter a comparative study of growth of VAT Revenue between Visakhapatnam division and AP has been also made.

TABLE 4: GROWTH OF VAT REVENUE IN VISAKHAPATNAM DIVISION AND IN ANDHRA PRADESH DURING 2001-02 TO 2013-14 (In Rs. Crores)

Year (Column.1)	VAT Revenue (Column.2)	% Growth rate of VAT Revenue Over Previous Year (Column.3)	VAT Revenue in Visakhapatnam Division (Column.4)	% Growth rate of VAT Revenue Over Previous Year in VSP Division (Column.5)
2001-02	7622.60	++	277.55	++
2002-03	8337.75	9.38	312.21	12.49
2003-04	9196.77	10.30	408.07	30.70
2004-05	11020.87	19.83	261.96	-35.80
2005-06	12569.91	14.06	302.87	15.61
2006-07	15587.25	24.00	396.39	30.88
2007-08	19224.92	23.34	529.27	33.52
2008-09	22151.92	15.23	634.86	19.95
2009-10	23902.23	7.90	713.65	12.41
2010-11	29434.16	23.14	892.13	25.00
2011-12	35250.59	19.76	1159.38	29.95
2012-13	41317.17	17.21	1254.15	8.17
2013-14	50542.15	18.25	1665.12	32.7

Source: CTD Visakhapatnam division and CTD, Hyderabad, AP. (Note: VAT Revenue including CST)

The main objective of this project is to find out whether the revenue from VAT has been increasing or not in the selected division, starting from its inception in the state. Hence an attempt was made here to analyze trends in growth rate of VAT Revenue in Visakhapatnam Division and in Andhra Pradesh during 2001-02 to 2013-14. It may be observed from the data provided in the Table-4, that the revenue from VAT in both Visakhapatnam division and as well as in Andhra Pradesh has been growing significantly. The revenue from VAT in Visakhapatnam division was Rs. 277.55 corers and that of AP was Rs. 7622.60 crores in 2001-02. And it was increased to Rs. 1665.12 crores in Visakhapatnam division and to Rs. 50542.15 crores in AP during 2001-02 to 2013-14. That means VAT implementation hasn't resulted revenue loss in Visakhapatnam Division too.

If we analyse the growth performance of VAT revenue in both the cases, it is very clear from the data, that the growth rate was positive and significant in all the years except 2004-05 where the growth rate of VAT revenue was negative (-35.80) in Visakhapatnam division. Therefore, an attempt was made here to examine the Comparative Annual Average Growth performance and Compound Annual Growth Performance of VAT revenue in the selected division as well as in the state during pre-VAT and post-VAT period.

The annual average growth of Sales Tax/VAT was 13.17 per cent in pre-VAT and it was 18.17 per cent in post-VAT period for the AP state, whereas the same was 2.46 per cent in pre-VAT and 23.13 per cent in post-VAT period in the Visakhapatnam Division. But the Compound Average Growth Rate (CAGR) in respect of AP state was estimated at 9.74% during pre-VAT period and 16.72% in the post-VAT period and the same was estimated for the Visakhapatnam division at -1.435% in pre-VAT period and 20.84% per cent in post-VAT period. That means in pre-VAT period sales tax revenue annual average growth and CAGR were more in AP compared to Visakhapatnam division. But post-VAT period has recorded a significant increase in annual average growth and CAGR in both the cases and not only that, Visakhapatnam division, as it is growing industrial hub has shown a more revenue growth in VAT compared to Andhra Pradesh State.

FIGURE 3: TRENDS IN GROWTH RATE OF VAT REVENUE IN VISAKHAPATNAM DIVISION AND IN ANDHRA PRADESH DURING 2001-02 TO 2013-14.

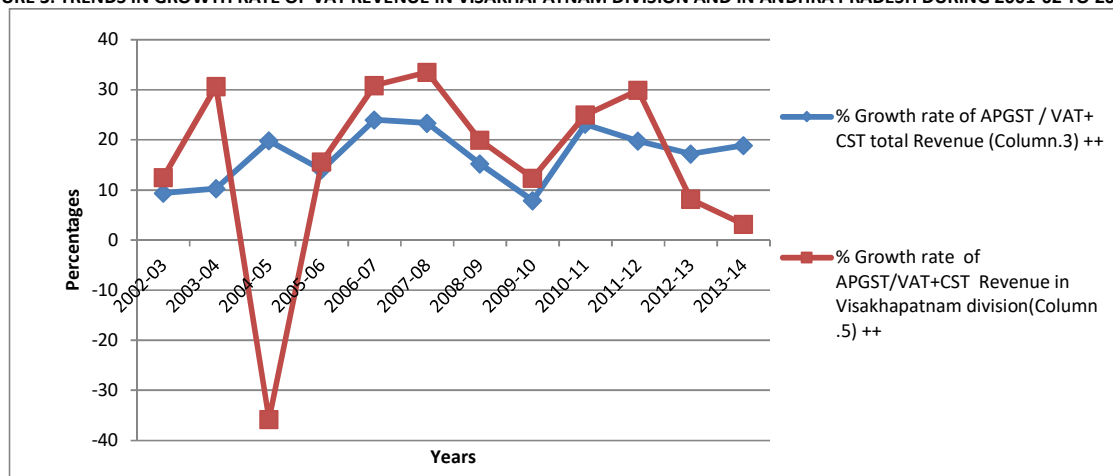


Figure. 3 exhibits about the trends in growth rate of VAT Revenue in Visakhapatnam Division and in Andhra Pradesh during 2001-02 to 2013-14. The revenue growth of VAT during 2012-13 and 2013-14 was very low in case of Visakhapatnam division and this might be happened due to enhancement of VAT threshold limit from Rs. 5 lakhs to Rs. 7.5 lakhs and tax rates in the state. Enhancement of VAT threshold limit reduced the number of potential tax payers and enhancement of tax rates might cause tax evasion due under reporting of sales. And that lead to low growth of VAT revenue in the Division.

1.7 DIVISION-WISE VAT YIELD (VAT +CST)

Division-wise contribution of VAT revenue in Andhra Pradesh for the year 2013-14 is presented in Table-5. And it is evident from Table 5.5 that among the 25 divisions, ABIDS is contributing 32 per cent of the total VAT revenue and occupied first place. Secunderabad and Panjagutta divisions occupied 2nd and 3rd place while contributing 28 and 5 per cent. Visakhapatnam occupied 6th place and it has contributing nearly 3.5 per cent. And Vizianagaram, Kadapa divisions occupied 24th 25th places due to very less contribution that is 0.44 and 0.33 per cent to the total VAT revenue of the state respectively. A close observation of this Table reveals that there is high correlation between urbanization and revenue from VAT.

TABLE 5: DIVISION-WISE VAT REVENUE FOR THE 2013-14

Name of the Division	Revenue Realized (Rs. Crores)	Percentage to total	Rank
ABIDS	15699.77	32	1
ADILABAD	216.63	0.45	23
ANANTAPUR	263.08	0.55	21
BEGUMPET	2067.65	4.3	4
CHARMINAR	721.91	1.5	10
CHITTOOR	348.20	0.729	16
ELURU	344.25	0.721	17
GUNTUR	293.55	0.61	20
HYDERABAD RURAL	1553.38	3.25	8
KADAPA	160.18	0.336	25
KAKINADA	1073.54	2.25	9
KARIMNAGAR	228.75	0.47	22
KURNOOL	293.62	0.615	19
NALGONDA	567.50	1.189	12
NARASARAOPET	375.75	0.78	15
NELLORE	417.13	0.87	14
NIZAMABAD	595.83	1.24	11
PUNJAGUTTA	2543.58	5.33	3
SAROOR NAGAR	1608.02	3.37	7
SECUNDERABAD	13503.22	28.30	2
VIJAYAWADA I	342.13	0.717	18
VIJAYAWADA II	898.62	1.88	13
VISAKHAPATNAM	1665.12	3.49	6
VIZIANAGARAM	212.67	0.445	24
WORANGAL	1714.34	3.59	5
Total	47708.55	100%	

Source: <https://vatis.pct.gov.in/vatis/>-Commercial Tax Department, Government of Andhra Pradesh. (Note: VAT revenue including CST)

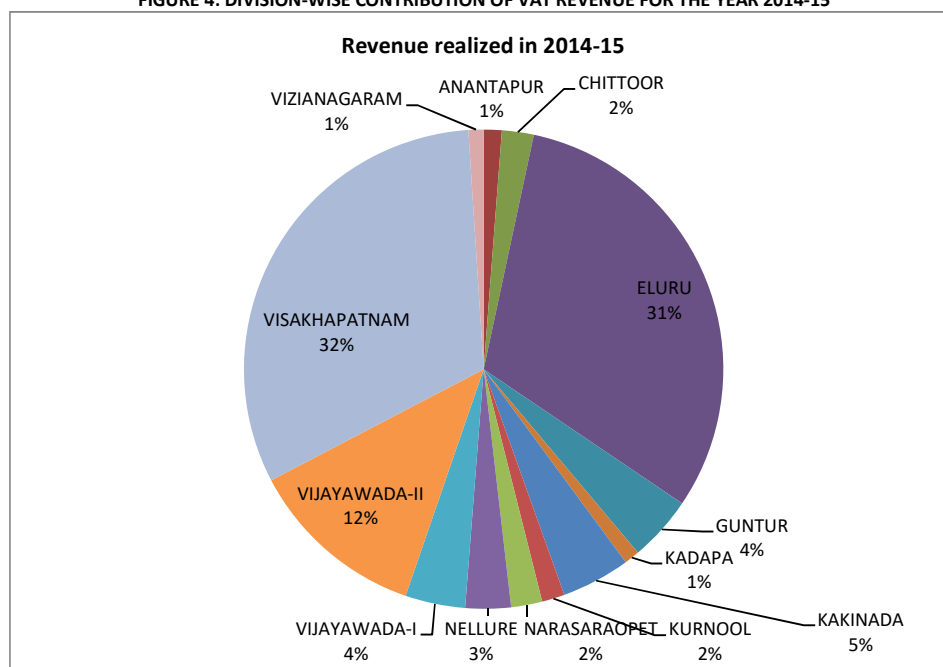
TABLE 6: DIVISION-WISE YIELD FOR THE YEAR 2014-15 IN DIVIDED A.P.

Name of the Division	Revenue Realized (April-2014 to May-2014) (Rs. Crores)	Revenue Realized (June-2014 to March) (Rs. Crores)	Total Revenue realized in all divisions (Rs. Crores)	%to total VAT revenue	Rank
ANANTAPUR	50.75	197.57	248.32	0.89	11
CHITTOOR	67.94	371.79	439.73	1.57	8
ELURU	63.05	6307.33	6370.38	22.77	2
GUNTUR	62.60	840.11	902.71	3.23	5
KADAPA	27.65	186.06	213.71	0.76	12
KAKINADA	187.79	760.05	947.84	3.39	4
KURNOOL	54.84	257.81	312.65	1.12	10
NARASARAOPET	67.54	362.00	429.54	1.55	9
NELLURE	90.95	450.48	631.43	2.25	7
VIJAYAWADA-I	65.57	761.61	827.18	2.95	6
VIJAYAWADA-II	160.65	2306.62	2467.27	8.82	3
VISAKHAPATNAM	262.21	6223.09	6485.30	23.18	1
VIZIANAGARAM	40.83	166.07	206.90	0.74	13
TOTAL	8779.49	19190.65	27970.14	100%	

Source: <https://vatis.pct.gov.in/vatis/>-Commercial Tax Department, Government of Andhra Pradesh. (Note: VAT revenue including revenue from Oil Companies and CST) The above Table -6 provides information regarding division-wise VAT yield for the year 2014-15 before and after bifurcation of the state Andhra Pradesh. And it is very clear from the Table-5 that after bifurcation the state, it has realized total revenue of Rs. 27970.14 crores under VAT and that is more than half of the VAT revenue realized in the united state during 2013-14.

A comparison of VAT yield shows that, among all the 13 divisions in the State. Visakhapatnam and Eluru divisions have occupied 1st and 2nd place, while contributing 23.18 per cent and 22.77 per cent respectively to the total VAT revenue realized in the state. But in united Andhra Pradesh they both were occupied 6th and 17th place respectively. Vijayawada-II, Kakinada and Guntur divisions occupied 3rd, 4th and 5th places while contributing 8.82 %, 3.39% and 2.23per cent respectively to the total VAT revenue realized in the state. And finally Vizianagaram division occupied last place i.e 13th place and contributing only 0.74 per cent to the total revenue realized in the state for the year 2014-15. Ofcourse it was given last rank in united Andhra Pradesh too because of its low contribution to total state VAT revenue. The contribution of different divisions indicates that there is high correlation between urbanization and VAT yield. And which is being shown in the following Figure 4.

FIGURE 4: DIVISION-WISE CONTRIBUTION OF VAT REVENUE FOR THE YEAR 2014-15



1.8 CIRCLE-WISE VAT YIELD (VAT+CST)

It may be observed from the Table. 6 that out of total nine circles in the Visakhapatnam division L.T.U. Visakhapatnam occupied 1st place while contributing nearly 88 per cent to the total vat revenue of the division and Chinawaltair, Dabagardens and Gajuwaka circles occupied 2nd, 3rd and 4th place, while contributing 2.25 per cent, 1.95 per cent and 1.83 per cent respectively and finally Kurupam market and Anakapalli circles stood in 8th and 9th places respectively while contributing less than one per cent to the total vat revenue of the division. L.T.U Visakhapatnam circle has large revenue because, most of the large industries (Large Tax Payer Units) are located in all remaining eight circles are listed in this circle, hence it has more revenue compared to other circles.

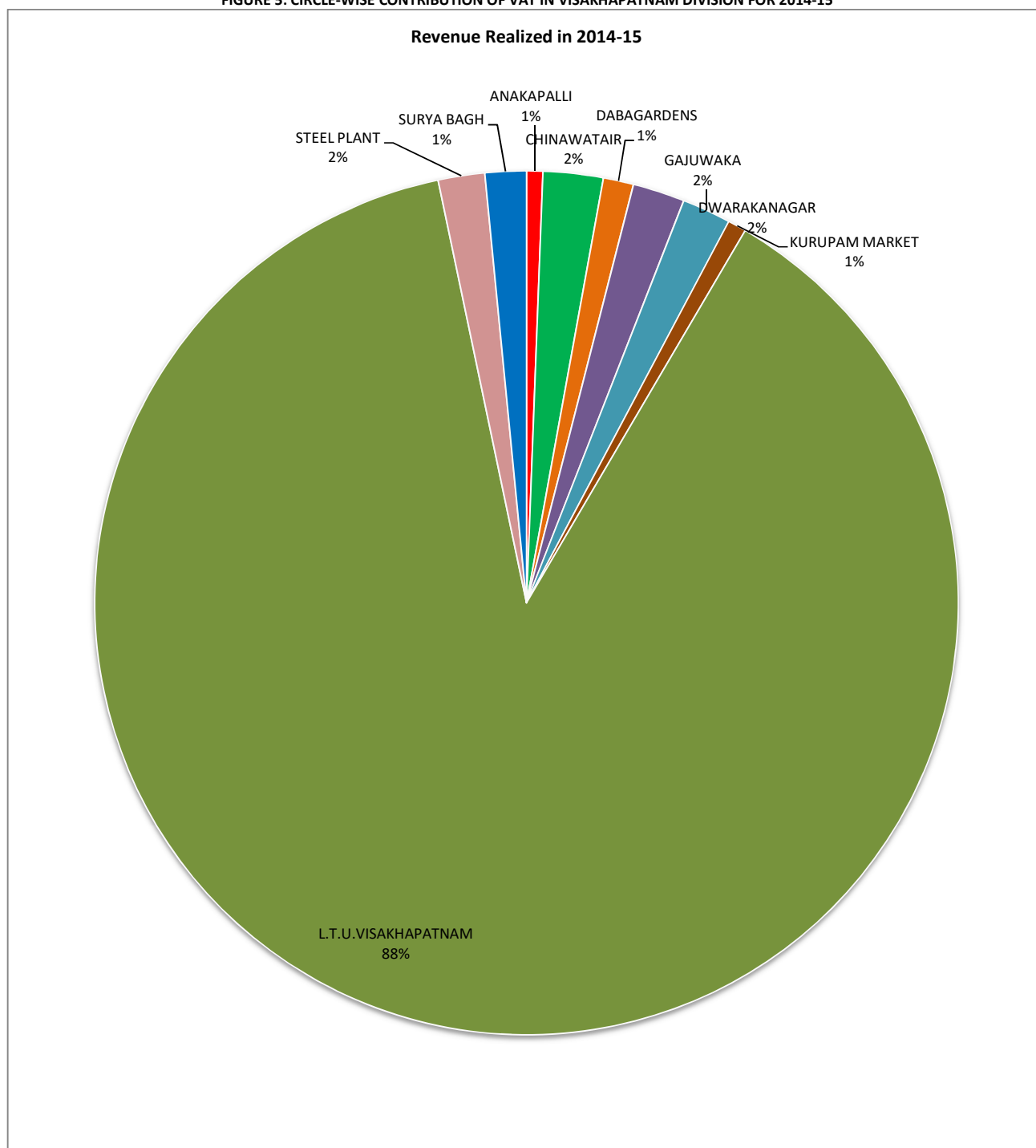
TABLE 7: CIRCLE-WISE CONTRIBUTION OF VAT IN VISAKHAPATNAM DIVISION FOR 2014-15

Name Of The Circle	Revenue Realized	Percentage to Total	Rank
ANAKAPALLI	38.14	0.61	9
CHINAWATAIR	141.05	2.25	2
DABAGARDENS	70.82	1.13	7
DWARAKANAGAR	122.43	1.95	3
GAJUWAKA	114.73	1.83	4
KURUPAM MARKET	43.41	0.69	8
L.T.U.VISAKHAPATNAM	5536.16	88.25	1
STEEL PLANT	109.22	1.74	5
SURYA BAGH	96.77	1.54	6
Total	6273.19	100%	

Source: <https://vatis.pct.gov.in/vatis/>-Commercial Tax Department, Government of Andhra Pradesh

Note: VAT revenue including revenue from Oil Companies and CST

FIGURE 5: CIRCLE-WISE CONTRIBUTION OF VAT IN VISAKHAPATNAM DIVISION FOR 2014-15



1.9 CONCLUSION

The revenue from VAT has been increasing starting from its inception in the state. The revenue obtained from VAT was Rs. 2954.51crores in 1995-96 and was increased to Rs.11020.87crores in 2004-05. And it was again increased to Rs. 50542.15crores in 2013-14. That means there was no revenue loss on account VAT implementation in the state. And it has been increasing at a stable rate when compared to State Own Tax Revenue. And not only that, it has been contributing nearly 83 per cent to indirect tax revenue, 77 per cent to SOTR and 20 per cent share in GSDP of the state during 2013-14.

The revenue from VAT in Visakhapatnam division was Rs. 277.55 crores and that of AP was Rs.7622.60 crores in 2001-02. And it was increased to Rs.1665.12 crores in Visakhapatnam division and to Rs. 50542.15 crores in AP during 2013-14. And it is very clear that the growth rate of VAT was positive and significant in all the years except 2004-05 where the growth rate of VAT revenue was negative (-35.80) in Visakhapatnam division. The revenue growth of VAT during 2012-13 was very low at 8.17 per cent in case of Visakhapatnam division and this might have happened due to enhancement of VAT threshold limit and tax rates in the state. Enhancement of VAT threshold limit reduced the number of potential tax payers and enhancement of tax rates might cause tax evasion. And that lead to low growth of VAT revenue in the Division as well as in the State. But it was again increased remarkably high to 32 per cent during 2013-14 and this rate of growth is nearly double the growth rate of state VAT revenue during the same period.

It is also observed from the data that Visakhapatnam division occupied 6th place among all 25 divisions in the united Andhra Pradesh, where as it stood in first place among all the thirteen division in the state after bifurcation. That means Visakhapatnam as an industrial hub and commercially growing city is able to generate more revenue through VAT compared other division in the state. So that, the implementation of VAT in the state is more beneficial to Visakhapatnam as growing

industrial and commercial city and not only that it has been contributing more revenue to the state exchequer. The successful implementation of VAT in all the division in the state paves the way for smooth and successful implementation of proposed GST in the state.

REFERENCES

1. AP Value Added Tax Act-2005, PP. 61-72
2. Commercial Tax Department, AP, HYD,
3. Commercial Tax Department, Visakhapatnam, A.P
4. Empowered Committee (2005), A White Paper on State-Level Value Added Tax, Committee Constituted by the Ministry of Finance, Government of India, New Delhi, January 17, pp. 1-18.
5. Mahesh C. Purohit (1993) "Principle and Practices of Value Added Tax" lessons for developing countries, Gayatri Publications, New Delhi. pp.13-15& 38-48.
6. RBI Bulletin, Various Issues
7. White Paper On AP Finances, Government of Andhra Pradesh, 09, July, 2014.
8. [www.apct.gov.in/apportal/tax collections](http://www.apct.gov.in/apportal/tax%20collections).

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, Economics & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as, on the journal as a whole, on our e-mail infoijrcm@gmail.com for further improvements in the interest of research.

If you have any queries, please feel free to contact us on our e-mail infoijrcm@gmail.com.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward to an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator

DISCLAIMER

The information and opinions presented in the Journal reflect the views of the authors and not of the Journal or its Editorial Board or the Publishers/Editors. Publication does not constitute endorsement by the journal. Neither the Journal nor its publishers/Editors/Editorial Board nor anyone else involved in creating, producing or delivering the journal or the materials contained therein, assumes any liability or responsibility for the accuracy, completeness, or usefulness of any information provided in the journal, nor shall they be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of the use of information/material contained in the journal. The journal, neither its publishers/Editors/ Editorial Board, nor any other party involved in the preparation of material contained in the journal represents or warrants that the information contained herein is in every respect accurate or complete, and they are not responsible for any errors or omissions or for the results obtained from the use of such material. Readers are encouraged to confirm the information contained herein with other sources. The responsibility of the contents and the opinions expressed in this journal are exclusively of the author (s) concerned.

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals

