



Working Paper



CENTRAL EXCISE REVENUES FROM MAJOR
COMMODITIES AND THE SOURCES
OF THEIR GROWTH

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1. Introduction

Indirect taxes are the mainstay of India's tax system, currently accounting for about 86% of the total tax collections. The major indirect taxes are: central excise duty, customs duty, sales tax, state excise duty, vehicle tax, stamps and registration fee, tax on goods and passengers, electricity duty and entertainment tax. The first two are levied by the Government of India and the remaining by the state and union territory governments.

The central excise duty, leviable on the production or manufacture of goods ranging from aerated waters to zip fasteners, is the single most important source of revenue, accounting for about one-third of consolidated (the Central, State and Union Territory Government) tax revenues and about one-fourth of current revenues. Ten major commodities (e.g., crude oil, motor spirit, cement) currently account for 52.6% of the total central excise duty collections. This study documents the growth in excise revenue from these commodities and examines the question of how much of the growth in excise revenue from them can be attributed to growth of tax base and how much to growth of tax rate.

2. Data Gathered/Generated

Tables 1-6 present the data gathered/generated for the study. The period covered is 1970/71-1987/88. Table 1 presents data on central excise collections from the ten commodities which, in 1987/88, accounted for the largest share of the collections. These commodities

are: crude oil; cigarettes and cigarillos of tobacco or of tobacco substitutes; synthetic filament yarn and sewing thread including synthetic monofilament and waste; motor spirit; cement clinkers, cement all sorts; refined diesel oil (high speed diesel); tyres, tubes and flaps; iron and steel; cane or beet sugar and chemically pure sucrose in solid form; and plastics and articles thereof. These commodities were identified on the basis of data provided in the Government of India's budget document entitled Receipts Budget 1988/89.

Tables 2-6 focus on sources of growth of excise revenues from five of the above ten commodities: crude oil; motor spirit; cement clinkers, cement all sorts; refined diesel oil (high speed diesel); and cane or beet sugar and chemically pure sucrose in solid form. Among other things, these tables present data on quantities of these commodities cleared for excise purposes and on monetary values of the clearances. Excise duty is leviable on clearances (or despatches) of goods from the place of their production; goods produced during a period but not cleared during that period, are not liable to excise payment during that period. As regards value of clearances, it represents the ex-factory value of goods cleared for excise purposes. Value of clearances of a commodity in a year, thus, represents the tax base (in value terms) of that commodity for that year.

The Government of India's Directorate of Statistics and Intelligence brings out every year a statistical yearbook on central excise which contains fairly detailed information, among other things, on clearances and their value. Unfortunately, this document is available for departmental use only. Discussions with knowledgeable people suggest that it also suffers from certain serious limitations (e.g., incompleteness of data, negligence in compilation of data). In view of this, I had to rely on alternative sources (e.g., Cement Manufacturers' Association, Indian Sugar Mills Association) for generating the required data. I also had to limit the number of commodities for examining the sources of growth in excise revenues. The commodities which I had to exclude for such examination are: cigarettes and cigarillos of tobacco or of tobacco substitutes; synthetic filament yarn and sewing thread including synthetic monofilament and waste; tyres, tubes and flaps; iron and steel; and plastics and articles thereof. Each of these commodities cover heads/sub-heads, with each head/sub-head subjected to excise at separate rates. For example, the commodity "iron and steel" includes 15 heads for excise purposes (e.g., blooms, billets, slabs and sheet bars (including tin plate bars); hoops, strips and skelp of iron or steel, whether galvanized or not; coils for re-rolling, sheets, plates and universal plates of iron or steel, hot or cold rolled, etc.). This means that in order to examine sources of growth of excise revenue from iron and steel, one will have to have the kind of data presented in Tables 2-6 for each of these 15 heads, or on at least the major ones. Such data are not

available. Of course, one can try to generate them, but that will take a lot of time.

3. Major Findings

Four points emerge from a careful examination of the data presented in Tables 1-6. First, the cess on indigenous crude oil, levied under the provisions of the Oil Industry (Development) Act of 1974, currently makes the largest contribution (11.4% in 1987/88) to the total central excise collections. Indeed, the increase in cess collections in 1987/88 (Rs. 9,122.9 million) accounted for about one-half of the increase in that year's total excise collections! Although the base for the cess has also grown, with clearances of crude oil rising from 9.7 million tons in 1980/81 to 31.5 million tons in 1987/88 and with the base price of crude (fixed by the Government of India) rising from Rs. 203.41 per ton in 1980/81 to Rs. 1,021 per ton in 1987/88, most of the growth in revenues from the cess in recent years has resulted from growth of the cess rate - the cess rate has risen from Rs. 100 per ton during the period July 11, 1981-February 14, 1983 and Rs. 300 per ton during the period February 15, 1983-February 28, 1987 to Rs. 600 per ton beginning March 1, 1987. Of the growth in cess collections between 1981/82 and 1987/88, 86% has resulted from growth of the cess rate and the balance from growth of the cess base (value of crude clearances).

Second, the official data do not fully capture the incidence of

excise duties on motor spirit and high speed diesel oil. This is because of the Government of India's recent practice of raising resources through various devices (e.g., cost and freight surcharge, contribution to product price adjustment account) which, there is reason to believe, are akin to excise duties and get reflected in Oil Coordination Committee's resources, not in excise collections. Given the magnitude of the resources being raised, this practice may be contributing in a major way to distortions in Indian firms' decisions regarding input choices. This needs to be looked into.

Third, the liberalization in cement pricing policy introduced beginning March 1982 has resulted in substantial growth in cement clearances which, in turn, have contributed to substantial growth in excise collections. Upward revisions in excise duty - from Rs. 71.50-Rs. 135 per ton in 1981/82 to Rs. 162.75-Rs. 225 per ton in 1987/88 - have also made a major contribution: of the growth in excise revenues from cement between 1981/82 and 1987/88, 52.3% has resulted from growth of the tax base (value of cement clearances) and the balance from growth of the excise duty rate.

Finally, one does not see much of a growth in excise collections from sugar. This is due to the growth of tax base (value of sugar clearances) offset to a large extent (52%) by reductions in the average incidence of excise duty (excise collections as % of value of clearances) - from 13.5% in 1980/81 to 8.9% in 1987/88.

Year	Indigenous Crude Oil	Cigarettes and Cigarillos of tobacco or of tobacco substitutes	Synthetic filament yarn and sewing thread including synthetic monofilament and waste	Motor Spirit	Cement Clinkers; Cement All sorts	Refined diesel oil	Tyres, tubes and flaps	Iron & Steel	Cane or beat sugar and chemically pure sucrose in solid form	Plastics and articles thereof
1	2	3	4	5	6	7	8	9	10	11
1970/71	0	1,279.1 ^{1/}	NA ^{2/}	1,731.0	440.7 ^{6/}	2,319.9 ^{3/}	549.1 ^{5/}	859.7	1,358.5 ^{15/}	237.5 ^{4/}
1971/72	0	1,546.3 ^{1/}	NA ^{2/}	2,196.6	487.4 ^{6/}	2,638.6 ^{3/}	631.3 ^{5/}	1,030.5	1,666.7 ^{15/}	283.9 ^{4/}
1972/73	0	1,479.4 ^{7/}	NA ^{2/}	2,281.8	548.9 ^{6/}	2,837.9 ^{3/}	694.6 ^{5/}	1,748.7	1,772.6 ^{15/}	341.0 ^{4/}
1973/74	0	1,645.2 ^{2/}	NA ^{2/}	3,072.3	536.0 ^{6/}	2,910.2 ^{3/}	767.6 ^{5/}	1,905.4	1,979.3 ^{15/}	399.7 ^{4/}
1974/75	307.2	2,115.7 ^{7/}	NA ^{2/}	3,886.6	885.9 ^{6/}	3,096.2 ^{3/}	1,291.0 ^{5/}	2,534.3	1,958.7 ^{15/}	771.4 ^{4/}
1975/76	455.6	2,379.3 ^{7/}	NA ^{2/}	4,040.8	1,394.9 ^{6/}	2,996.1 ^{3/}	1,345.9 ^{5/}	2,770.7	2,417.0 ^{15/}	756.8 ^{4/}
1976/77	527.6	2,551.3 ^{8/}	NA ^{2/}	4,256.4	1,422.0 ^{11/}	3,261.1 ^{3/}	1,276.1 ^{5/}	1,681.5 ^{10/}	2,412.0 ^{15/}	492.8 ^{9/}
1977/78	637.2	2,835.1 ^{8/}	NA ^{13/}	4,442.0	1,218.1 ^{11/}	3,376.2 ^{3/}	1,272.0 ^{5/}	2,806.5 ^{10/}	2,141.1 ^{15/}	626.0 ^{9/}
1978/79	688.9	3,205.8 ^{12/}	NA ^{13/}	4,956.4	1,293.7 ^{6/}	3,666.9 ^{3/}	1,771.3 ^{5/}	3,152.8	1,886.9 ^{15/}	917.0 ^{4/}
1979/80	697.0	4,496.4 ^{12/}	NA ^{13/}	5,583.2	1,237.9 ^{6/}	3,870.5 ^{3/}	2,076.2 ^{5/}	3,369.0	2,403.1 ^{15/}	1,096.4 ^{4/}
1980/81	578.7	4,770.2 ^{12/}	NA ^{13/}	4,920.9	1,367.3 ^{6/}	2,804.4 ^{3/}	2,882.4 ^{5/}	3,547.5	2,483.0 ^{15/}	1,234.9 ^{4/}
1981/82	1,112.1	5,126.9 ^{12/}	NA ^{13/}	5,184.1	1,695.9 ^{6/}	3,592.2	3,604.1 ^{5/}	4,516.2	2,949.4 ^{15/}	1,376.8 ^{4/}
1982/83	1,956.5	4,694.2 ^{7/}	NA ^{13/}	5,591.7	3,362.6 ^{6/}	3,800.9	4,032.5 ^{8/}	3,867.3 ^{14/}	3,464.9 ^{15/}	1,403.3 ^{4/}
1983/84	8,388.5	6,450.1 ^{7/}	NA ^{13/}	5,275.5	5,597.6 ^{6/}	4,225.7	3,995.5 ^{5/}	3,660.6 ^{14/}	4,002.9 ^{15/}	1,569.6 ^{4/}
1984/85	8,435.3	6,587.5 ^{7/}	NA ^{13/}	6,784.2	6,502.9 ^{6/}	4,251.1	4,100.6 ^{5/}	3,767.5 ^{14/}	4,157.8 ^{15/}	1,800.2 ^{4/}
1985/86	8,729.2	8,487.9 ^{7/}	NA ^{13/}	7,487.7	7,528.7 ^{6/}	5,630.4	4,928.6 ^{5/}	4,806.2	3,562.2 ^{15/}	2,256.3 ^{4/}
1986/87	9,798.1	13,075.1	9,948.7	8,144.6	8,260.5	5,962.2	5,203.9	4,318.1	4,079.2	2,537.6
1987/88	18,921.0	14,707.6	11,524.8	9,025.0	8,698.4	6,463.4	5,566.9	5,011.3	4,782.5	2,797.4

Notes:

- 1/ Relates to cigars and cigarettes. Does not include revenue from additional excise duty in lieu of sales tax as break-up of revenue from additional excise duty from tobacco into the various components (cigarettes or cigarillòs of tobacco or of tobacco substitutes; biris; chewing tobacco including kara masala, kimam, etc.; other items) is not available.
- 2/ The available figure relates to rayon and synthetic fibres and yarn. Separate figure for synthetic filament yarn and sewing thread including synthetic monofilament and waste, is not available.
- 3/ Also includes excise duty from vaporising oil.
- 4/ Relates to plastic materials and synthetic resins/plastics/artificial and synthetic resins.
- 5/ Relates to tyres and tubes/tyres.
- 6/ Relates to cement/cement, all sorts.
- 7/ Relates to cigarettes. Does not include revenue from additional excise duty in lieu of sales tax as break-up of revenue from additional excise duty from tobacco into the various components, is not available.
- 8/ Relates to cigarettes, cigars and cheroots. Does not include revenue from auxiliary excise duty on cigarettes as detailed break-up of revenue from auxiliary duty is not available. Similarly, does not include revenue from additional excise duty in lieu of sales tax as break-up of revenue from additional excise duty from tobacco into the various components, is not available.
- 9/ Relates to plastic materials and synthetic resins. Does not include revenue from auxiliary excise duty on plastics as detailed break-up of revenue from auxiliary duty is not available.
- 10/ Does not include auxiliary excise duty on steel ingots, iron and steel products, and tin plates as detailed break-up of revenue from auxiliary duty is not available.
- 11/ Relates to cement. Does not include auxiliary excise duty on cement as detailed break-up of revenue from auxiliary duty is not available.
- 12/ Relates to cigarettes, cigars and cheroots. Does not include revenue from additional excise duty in lieu of sales tax as break-up of revenue from additional excise duty from tobacco into the various components, is not available.

- 13/ The available figure relates to man-made fibre and man-made filament yarn/man-made fibres and yarns. Separate figure for synthetic filament yarn and sewing thread including synthetic monofilament and waste, is not available.
- 14/ Relates to iron and steel and products thereof.
- 15/ Relates to sugar/sugar khandsari and sugar other than khandsari.

Sources: Government of India, Explanatory Memorandum on the Budget of the Central Government, volumes for 1972/73 to 1986/87; Government of India, Receipts Budget 1988/89; and Government of India, Ministry of Finance.

TABLE 2

**INDIA: SOURCES OF GROWTH OF REVENUES FROM CESS ON INDIGENOUS CRUDE OIL
1974/75-1987/88**

Year	Clearances of crude oil (mill tonnes)	Value of clearances (Rs.million)	Revenue from Cess (Rs.mill)	Col.4 as % of Col.3	Sources of growth of revenue from cess	
					Growth of clearances (%)	Growth of cess rate (%)
1	2	3	4	5	6	7
974/75 1/	5.12 2/	998.6	307.2	30.8	0	100
975/76	7.59	1480.4	455.6	30.8	99.9	0.1
976/77	8.79	1755.7	527.6	30.1	117.6	-17.6
977/78	10.62	2160.2	637.2	29.5	110.9	-10.9
978/79	11.48	2335.1	688.9	29.5	99.8	0.2
979/80	11.62	2363.6	697.0	29.5	103.8	-3.8
980/81	9.65	1962.9	578.7	29.5	-99.9	-0.1
981/82	12.51	9942.4	1112.1	11.2	441.0	-341.0
982/83	15.69	16019.5	1956.5	12.2	80.5	19.5
983/84	27.96	28547.2	8388.5	29.4	23.8	76.2
984/85	28.12	28710.5	8435.3	29.4	102.5	-2.5
985/86	29.10	29711.1	8729.2	29.4	100	0
986/87	30.10	30732.1	9798.1	31.9	28.1	71.9
987/88	31.54	32202.3	18921.0	58.8	5.1	94.9

Notes:

1/ With the cess on indigenous crude introduced in July 1974, 1974/75 is the first year for which data on revenue from cess are available.

2/ Relates to crude cleared for cess purposes during the period July 23, 1974-March 31, 1975.

Sources:

Col. 2: Estimated. (Methodology: Revenue from cess was divided by the applicable cess rate. When more than one cess rate applied in a year, a weighted average cess rate was estimated.)

Col. 3: Estimated. (Methodology: Clearances in a year multiplied by the applicable base price of crude. When more than one base price applied in a year, a weighted average base price was estimated. Base price of crude is a Government of India — administered price. Currently it is Rs. 1,021 per ton, up from Rs. 195.04 per ton during the period July 14, 1975-September 7, 1976. With information on base price of crude prior to July 14, 1975 not available, the base price in force during this period (Rs. 195.04 per ton) has been used to estimate the value of clearances for 1974/75 and 1975/76.)

Col. 4: Table 1.

TABLE 3

INDIA: SOURCES OF GROWTH OF REVENUES FROM EXCISE DUTY ON MOTOR SPIRIT
1970/71-1987/88

Year	Clearances of motor spirit (mill.kl.)	Value of clearances (Rs.mill)	Revenue from excise duty (Rs.mill)	Col.4 as % of Col.3 (5)	Sources of growth of revenue from excise duty	
					Growth of clearances (%) (6)	Growth of excise rate (%) (7)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1970/71	2.15	1372.0	1731.0	126.2		
1971/72	2.26	1442.2	2196.6	152.3	19.0	81.0
1972/73	2.27	1448.6	2281.8	157.5	11.4	88.6
1973/74	2.10	1340.1	3072.3	229.3	-21.6	121.6
1974/75	1.89	1206.1	3886.6	322.2	-37.7	137.7
1975/76	1.88	1199.7	4040.8	336.8	-13.4	113.4
1976/77	1.98	1263.6	4256.4	336.8	99.8	0.2
1977/78	2.07	1321.0	4442.0	336.3	104.2	-4.2
1978/79	2.20	1404.0	4956.4	353.0	54.3	45.7
1979/80	2.33	1819.1	5583.2	306.9	233.8	-133.8
1980/81	2.22	2622.6	4920.9	187.6	372.4	-472.4
1981/82	2.34	3736.8	5184.1	138.7	794.3	-694.3
1982/83	2.52	4314.0	5591.7	129.6	196.5	-96.5
1983/84	2.38	4124.3	5275.5	127.9	-77.8	-22.2
1984/85	3.06	5242.4	6784.2	129.4	94.8	5.2
1985/86	3.38	5790.6	7487.7	129.3	100.8	-0.8
1986/87	3.68	6237.2	8144.6	130.6	87.9	12.1
1987/88	4.07	6898.2	9025.0	130.8	98.0	2.0

Sources

Col. 2: Estimated. (Methodology: Revenue from excise duty on motor spirit was divided by the applicable excise duty rate. When more than one excise duty rate applied in a year, a weighted average excise duty rate was estimated).

Col. 3: Estimated. (Methodology: Clearances in a year multiplied by the applicable all-India ex-refinery price of motor spirit. When more than one ex-refinery price applied in a year, a weighted average ex-refinery price was estimated. Ex-refinery price of motor spirit is a Government of India-administered price. Currently it is Rs. 1,694.89/KL, up from Rs. 638.16/KL prior to August 17, 1979. With information on ex-refinery price of motor spirit for the period August 17, 1979 - September 30, 1983 not available, the pooled price of crude oil charged all refineries has been used as a basis to estimate the value of clearances for this period.)

Col. 4: Table 1.

TABLE 4

INDIA: SOURCES OF GROWTH OF REVENUES FROM EXCISE DUTY ON "CEMENT CLINKERS, CEMENT ALL SORTS"

1970/71-1987/88

Year	Clearances of cement (mill. ton.)	Value of clearances (Rs. mill)	Revenue from excise duty on cement clinkers, cement all sorts (Rs. million)	Col. 4. as % of Col. 3	Sources of growth of revenue from excise duty	
					Growth of clearances (%)	Growth of excise rate (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1970/71	14.0	1854.8	440.7	23.76		
1971/72	14.9	2030.8	487.4	24.00	89.5	10.5
1972/73	15.8	2195.6	548.9	25.00	64.3	35.7
1973/74	14.5	2126.1	536.0	25.21	-134.7	34.7
1974/75	15.1	2800.8	885.9	31.63	48.6	51.4
1975/76	17.5	3501.2	1394.9	39.84	43.5	56.5
1976/77	18.0	3542.4	1422.0	40.14	60.6	39.4
1977/78	18.7	3826.4	1218.1	31.83	55.9	-155.9
1978/79	19.0	4440.5	1293.7	29.13	258.6	-158.6
1979/80	18.1	5329.7	1237.9	23.23	464.2	-564.2
1980/81	19.3	6204.2	1367.3	22.04	157.0	-57.0
1981/82	22.1	8146.9	1695.9	20.82	130.3	-30.3
1982/83	23.8	12005.6	3362.6	28.01	48.2	51.8
1983/84	27.3	14749.7	5597.6	37.95	34.4	65.6
1984/85	31.6	20270.0	6502.9	32.08	231.4	-131.4
1985/86	33.5	22257.8	7528.7	33.82	62.2	37.8
1986/87	36.7	22877.0	8260.5	36.11	28.6	71.4
1987/88	40.0	25748.6	8698.4	33.78	236.8	-136.8

Sources:

- Col. 2: For 1970/71-1986/87: Estimated. (Methodology: To begin with, average excise duty on cement in force during a fiscal year was estimated, using data on excise duty rates in Cement Manufacturers' Association, Statistics on the Indian Cement Industry (Bombay, 1986), Statement 25. The excise revenue from "cement clinkers, cement all sorts" in a year was then divided by the average excise duty on cement in that year, with the quotient treated as clearance for that year.) For 1987/88: Estimated (on the basis of discussions with knowledgeable officials in the Government of India, Ministry of Finance).
- Col. 3: For 1970/71-1981/82: Estimated (Methodology: To begin with, average ex-factory value of cement in a year was estimated, using data in: Cement Manufacturers' Association, Statistics on the Indian Cement Industry (Bombay, 1986), Statement 25; and Government of India, Cement Data Book 1985 (New Delhi, 1987), Tables 10.1 and 14.13. This was then multiplied by clearances for that year, with the resulting product treated as value of clearances.) For 1982/83-1987/88: Estimated. (Methodology: To begin with, cement clearances were divided into (a) levy cement clearances and (b) non-levy cement clearances, using proportions based on Cement Manufacturers' Association's data. The value of levy cement was estimated in the same manner as for

1970/71-1981/82. Non-levy cement was valued at a premium (over levy cement) of Rs. 200 per ton. (The premium is based on discussions with knowledgeable people in the Indian cement industry). With the relevant data for 1987/88 not available, the ex-factory value estimated for 1986/87 was assumed to hold good for 1987/88.)

Col. 4: Table 1.

TABLE 5

INDIA: SOURCES OF GROWTH OF REVENUES FROM EXCISE DUTY ON REFINED DIESEL OILS
1970/71-1987/88

Year	Clearances of refined diesel oils (mill.kl.)	Value of clearances (Rs.mill)	Revenue from excise duty (Rs.mill.)	Col.4 as % of Col. 3	Sources of growth of revenue from excise duty	
					Growth of clearances (%)	Growth of excise rate (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1970/71	4.65	3158.5	2319.9	73.4		
1971/72	5.23	3552.4	2638.6	74.3	90.7	9.3
1972/73	5.61	3810.5	2837.9	74.5	96.2	3.8
1973/74	5.68	3858.1	2910.2	75.4	49.0	51.0
1974/75	6.04	4102.6	3096.2	75.5	99.1	0.9
1975/76	6.79	4612.0	2996.1	65.0	384.2	-484.2
1976/77	7.89	5359.2	3261.1	60.9	183.3	-83.3
1977/78	8.33	5658.1	3376.2	59.7	158.1	-58.1
1978/79	9.01	6120.0	3666.9	59.9	94.9	5.1
1979/80	9.80	8143.8	3870.5	47.5	595.4	-495.4
1980/81	8.50	10688.0	2804.4	26.2	113.4	-213.4
1981/82	10.89	18510.4	3592.2	19.4	260.2	-160.2
1982/83	11.52	20991.2	3800.9	18.1	230.6	-130.6
1983/84	12.81	23561.2	4225.7	17.9	109.5	-9.5
1984/85	12.88	25642.8	4251.1	16.6	1467.0	-1367.0
1985/86	17.06	33964.8	5630.4	16.6	100.2	-0.2
1986/87	18.07	35795.4	5962.2	16.7	91.6	8.4
1987/88	19.59	38806.4	6463.4	16.7	100.3	-0.3

Note: Refined diesel oils include high speed diesel, transformer oil and some other oils, with high speed diesel accounting for over 99% in terms of both output and excise revenue.

Col. 2: Estimated. (Methodology: Revenue from excise duty on refined diesel oils was divided by the excise duty rate applicable to high speed diesel. When more than one excise duty rate applied in a year, a weighted average excise duty rate was estimated.)

Col. 3: Estimated. (Methodology: Clearances in a year multiplied by the applicable all-India ex-refinery price of high speed diesel. When more than one ex-refinery price applied in a year, a weighted average ex-refinery price was estimated. Ex-refinery price of high speed diesel is a Government of India—administered price. Currently, it is Rs. 1,980.93/KL, up from Rs. 679.24/KL prior to August 17, 1979. With information on ex-refinery price of high speed diesel for the period August 17, 1979-September 30, 1983 not available, the pooled price of crude oil charged all refineries has been used as a basis to estimate the value of clearances for this period.

Col. 4: Table 1.

Table 6

INDIA: SOURCES OF GROWTH OF REVENUES FROM EXCISE DUTY
ON "CANE OR BEET SUGAR AND CHEMICALLY PURE SUCROSE IN SOLID FORM"
1970/71-1987/88

Year	Clearance of sugar (mil. tons)	Value of clearances (Rs. mill.)	Revenue from excise duty on "cane or beet sugar and chem- cally pure sucrose in solid form" (Rs. million)	Col. 4 as % of Col. 3	Sources of growth of revenue from excise dut	
					Growth of clearances (%)	Growth of excise rat (%)
1	2	3	4	5	6	7
1970/71	4.69	5919.3	1358.5	23.0		
1971/72	4.74	6653.8	1666.7	25.0	54.8	45.2
1972/73	3.70	7101.4	1772.6	25.0	105.7	-5.7
1973/74	3.77	7325.6	1979.3	27.0	27.1	72.9
1974/75	3.42	6992.3	1958.7	28.0	-436.8	336.8
1975/76	3.65	7363.3	2417.0	32.8	22.7	77.3
1976/77	3.73	8112.5	2412.0	29.7	4914.8	-5014.8
1977/78	4.29	8798.6	2141.1	24.3	75.2	-175.2
1978/79	6.21	13960.9	1886.9	13.5	493.5	-593.5
1979/80	5.11	12446.5	2403.1	19.3	-39.6	139.6
1980/81	4.99	18442.1	2483.0	13.5	1448.2	-1348.2
1981/82	5.32	20939.6	2949.4	14.1	72.3	27.7
1982/83	6.44	22891.3	3464.9	15.1	53.4	46.6
1983/84	7.04	27534.1	4002.9	14.5	130.3	-30.3
1984/85	8.15	36548.4	4157.8	11.4	843.8	-743.8
1985/86	8.55	44008.8	3562.2	8.1	142.8	-242.8
1986/87	9.1	48656.5	4079.2	8.4	72.8	27.2
1987/88	9.91	53932.6	4782.5	8.9	63.0	37.0

Sources:

- Col. 2: Releases of sugar, levy and free, assumed to be equal to clearances of sugar for excise purposes. Relevant data on sugar releases available in: Indian Sugar Mills Association, Indian Sugar Year Book 1986/87, Vol. I (New Delhi, 1987), pp. 132-34; Indian Sugar, Vol. 33, No. 3, June 1983, pp. 222-23; and Vol. 38, No. 1, April 1988, p. 79.
- Col. 3: Estimated. (Methodology: Value of levy sugar clearances was obtained by multiplying these clearances by the respective Government of India—determined levy prices - data on levy prices available in: Indian Sugar, Vol. 28, No. 9, December 1978, p. 652; Vol. 33, No. 3, June 1983, p. 22; and Vol. 38, No. 1, April 1988, p. 81. As regards clearances of free sugar, their value was estimated by multiplying the clearances by the tariff value for free sugar (proxy for ex-factory price of free sugar) fixed by the Government of India under the regime of ad valorem excise duty on sugar - data on tariff value available in: Indian Sugar Mills Association, Indian Sugar Year Book 1986/87, Vol 1 (New Delhi, 1987), pp. 154-57. With sugar subjected to specific excise duty beginning March 1, 1983, tariff value for the period 1983/84-1987/88 was estimated using the index of wholesale prices of sugar, khandsari and gur for this period.)
- Col. 4: Table 1.