

1. INTRODUCTION

1. Introduction

In September 1982, Delhi Administration entrusted the Institute with a study of the Sales Tax system (along with the studies of Property Tax and Octroi) in the Union Territory of Delhi with special reference to structure, points of levy, summary assessment scheme, yardsticks/norms for staffing the department, enforcement operations, evasion and possible improvements in the information system for tax administration.

2. Terms of Reference

The terms of the study are as follows:

- “1. To examine the structure of sales tax in Delhi, with reference to the distribution of items between the first-point and last-point levy of tax and the considerations which should govern the selection of items for levy at the first-point;
2. To examine the factors which should be taken into account in determining the rate structure of sales tax in Delhi and to consider whether any changes are needed in the existing rate structure;
3. To examine the implementation of the sales tax law with particular reference to assessments and the introduction of a viable system of summary assessment as envisaged in Section 23 (1) of the Delhi Sales Tax Act;
4. To consider the yardsticks for staffing the Department taking into account reasonable cost of collection and desirable norms of work of assessing and other authorities including internal audit, recovery and other branches;
5. To examine the working of the Enforcement Branch of the Sales Tax Department, its desirable strength,

methods and procedures of operation and the optimum selection of enforcement activities;

6. To examine the structure of trade in Delhi and to undertake commodity flow surveys in regard to a few selected commodities;
7. To examine the adequacy of the existing system of collecting and compiling statistical data with particular reference to the collection of commodity-wise and other information of use in the formulation of policy; and
8. To make recommendations on all the above topics, wherever needed, and on any other matter which in the view of the Institute may have a significant bearing on the effective administration of the sales tax in Delhi."

3. Earlier Studies

This is the first comprehensive study ever attempted on sales tax in Delhi. Four studies dealing with particular aspects have been made so far on the sales tax system in Delhi: (i) *Organisation Procedures and Manpower Planning* (1974) by the Administrative Staff College of India, Hyderabad; (ii) *The Norms for Staffing the Sales Tax Department* (1975) by the Staff Inspection Unit, Ministry of Home Affairs, Government of India; (iii) *Report on Measurement Study of Sales Tax Department* (1982) by the Department of Administrative Reforms, Delhi Administration; and (iv) *Report on the Simplification and Rationalisation of the Procedures Relating to Sales Tax* (1978) by a Committee headed by Shri Kanwarlal Gupta. Studies (i) to (iii) related to the staff requirements of the Sales Tax Department while study (iv) dealt with different aspects of the sales tax system as such.

The Administrative Staff College of India, Hyderabad, submitted its report on 10th April, 1974, but its recommendations relating to the manpower requirements were not acceptable to the Government of India. Hence, the Ministry of Home Affairs, Government of India asked its Staff Inspection Unit (SIU) to study the work-load of the Sales Tax Department and determine the norms for sanctioning additional staff. As a result, the SIU undertook a study and submitted their

report in 1975. But the Department did not accept their recommendations, since the norms suggested by the SIU related to the work-load under the Bengal Finance (Sales Tax) Act, 1941 and not to the work-load under the latter Act then in force, namely, the Delhi Sales Tax Act, 1975. However, some additional staff was sanctioned temporarily in 1978 and they were subsequently made permanent. Being understaffed even then, the Sales Tax Department requested Delhi Administration "again" for more staff, but no action has been taken on this request for want of expert advice on the subject. The Delhi Administration asked its Administrative Reforms Department to study this problem and submit a report to them. Accordingly, the latter carried out a study and submitted its report in 1982. But the recommendations of this report too were not acceptable to the Sales Tax Department (for details, see Chapter 2).

As regards the structure of the sales tax, the Kanwarlal Gupta Committee was the first one to examine the Delhi sales tax. The Committee was appointed by the Lt. Governor with the following terms of reference:

- “1. Speed, efficiency and economy in operation, consisting mainly of assessment, registrations, etc., under Local and Central Sales Tax Acts;
2. Controlling evasion;
3. In a changing environment reviewing from time to time the schemes of the Sales Tax itself and the relative strategies and policies; and
4. Coordination with other taxing authorities and Sales Tax Administration in other States.”

It submitted its interim report on 26th December, 1977 and the final report on 30th April, 1978. Some of its recommendations were accepted while others were not. We shall discuss them in some detail in Chapters 7 and 8.

From the above account, it would be seen that the terms of reference of our study require it to be much more comprehensive than the earlier ones. It can be said to be the first full-fledged study of the sales tax system in the Union Territory of Delhi. In conducting this study, however, we have benefited

from consulting the earlier studies, although the study as such is largely based on the independent research work carried out by the Institute's team.

4. Modalities of the Study

Although the study was started in October 1982, much progress could not be made until the first week of April, 1983. The principal reason was that the Department was not able to devote much time to supply the needed information to us as it was busy with the task of completing the assessment of time-barring cases, on the one hand, and with the municipal election duties assigned to them, on the other. The major part of the work was carried out by us during the period from April 15, 1983 to October, 1983. During this period we collected information and data from the Office of Commissioner of Sales Tax (COST), the Bureau of Economics and Statistics, and several other Departments of Delhi Administration through personal visits. During these visits, efforts were made to ascertain the views and experiences of the officials of the Department as well as others who were concerned with the Department at one time or another.

As will be shown in the chapter on Information System (Chapter 11), at present the Sales Tax Department maintains scanty information on the characteristics of the dealer-assessee, the sources of flow of revenue and the operations of the system. In the absence of adequate information on these aspects, it was impossible to examine critically the manner in which the system was operating and to assess the need for structural changes in the sales tax. We had therefore to request the Department to collect on a sample basis data on the distribution of dealers by range of turnover and on commodity-wise break-up of revenue.

In order to feel the pulse of the taxpayers and to learn about their views and problems, a questionnaire on the various subjects falling within the terms of reference was prepared (Annexure I.1) and sent to various business and trade associations with a request to give their considered views on the different aspects of the sales tax in Delhi. The names of the associations and individuals who sent their views in writing are presented in Annexure I.2. An equally good number of

persons representing various associations appeared before us and gave oral evidence on various aspects of sales tax; their names are presented in Annexure 1.3.

In accordance with our terms of reference of the study we had to undertake a study of the structure of trade in Delhi and a few commodity flow surveys. The former was for the purpose of understanding the character of the distributive trade in Delhi and the latter was for estimating on a sample basis the quantum of evasion of sales tax in Delhi and the causes which facilitated evasion. Since Delhi has a unique character as a distributive centre of trade and differs very much from the other States in India, knowledge about the structure of trade was considered essential. Unfortunately, it was not possible to conduct a comprehensive study as the resources and time at our disposal were limited. However, we have used data from a reliable study to draw some conclusions regarding the structure of trade. A note on our effort is given in Appendix 1.4. For the purpose of estimating the quantum of evasion of sales tax, in addition to undertaking a macro-study, we have also undertaken two micro-studies—one for automobile spare parts and the other for sanitary wares and fittings. Annexure IX.¹ describes the methodologies and results of these two studies.

In addition to the above, in the course of this study, we have made use of the extensive information collected by the Institute on the structure and operations of sales tax in the different States.

5. Chapter Scheme

The study is divided into twelve chapters. Chapters 2 and 3 set out the background for the study by outlining the economic and administrative characteristics of the Union Territory of Delhi and the role of sales tax in the fiscal armoury of Delhi, respectively. Chapter 4 describes the basic features of the sales tax system including the concessions and exemptions prevailing under the Sales Tax Acts. Chapter 5 presents our approach to the reform of sales tax in Delhi. Chapters 6 and 7 outline our proposals for the reform of the structure of the sales tax and the procedural and administrative improvements that we recommend. Chapter 8 discusses the operations of sales tax, such as procedures for registration, method of enforcement

of the last-point tax and the first-point tax, summary assessment, etc. Chapter 9 deals with the problems relating to tax evasion and better enforcement. Chapter 10 describes the existing system of collection and compilation of statistical data and puts forward recommendations for the building up of a suitable information system. Chapter 11 examines the administrative organisation of the Department and norms for staffing. Finally, Chapter 12 presents a summary of conclusions and recommendations.

SALES TAX IN DELHI : QUESTIONNAIRE

I. Structure of the Tax

1. Do you favour a single-point or a multi-point sales tax system in Delhi? If single-point is preferred which stage of transaction should be subjected to sales tax in respect of different commodities?

2. Would you suggest that all or any of the commodities subject to tax at the last-point should be shifted to the first-point tax, or conversely any commodity taxes at the first-point be shifted to the last-point tax?

3. If you advocate a tax at more than one point please specify whether you would favour a double-point tax or a low multi-point tax system. Please give reasons for your choice.

4. In case you advocate a multi-point tax, how would you eliminate or minimise the various harmful economic effects that are said to be caused by such a levy, such as promoting vertical integration, giving rise to cascading, etc.?

5. Are you in favour of reduction in the number of rates? If so, please give reasons and suggest the rates that you propose.

6. Do you consider the rates of some of the commodities in Delhi to be high enough to divert trade to other States or to have some other adverse effects on the economy? If so, please indicate the commodities and comparative rates. Also specify the adverse effects.

7. If you think that rates of tax on some commodities or groups of commodities are high or low, to what extent should these be changed in either direction?

8. Do you think that the multiplicity of rates for different goods makes the working of the Act complicated? If so, what are your suggestions for rationalisation of the structure of sales tax keeping in view the objective of simplicity, equitable incidence of tax and revenue requirements of Delhi Administration?

9. Section 7 of the Delhi Sales Tax Act, 1975 contains the list of goods, the sales and purchases of which are free from sales tax, subject to certain conditions and exemptions described there against. Do you think that the list contains any goods which should not be tax free? What should be the criteria for exempting certain goods from the levy of sales tax?

10. What treatment would you recommend for raw materials and other inputs including machinery?

11. Do you think the present rates of sales tax on any of the commodities have any adverse effect on the trade, commerce and industry of the State? If so, please give the list of commodities and state how the trade, commerce and industry are adversely affected.

II. Administration of the Tax

12. Enumerate the provisions in the sales tax law which according to you are ambiguous or are exposed to different interpretations.

13. Do you favour a change in the exemption limit for the taxable turnover for manufacturers, importers and general dealers? If so, do you favour an upward change or a downward change?

14. Do you think that the procedure laid down for the registration and its cancellation is satisfactory? If not, what modifications would you suggest?

15. What difficulties, if any, do you experience in filing returns according to the present procedure?

16. What modifications would you suggest in the periodicity of filing returns, *viz.*, monthly, quarterly or annual?

17. What modifications would you suggest in the payments procedure?

18. Is the present procedure of verification of accounts by Officers for the purpose of assessment conducive to quicker and better disposal? If not, what changes would you suggest?

19. What are your views in regard to the procedures of inspection and auditing carried out by the Department?

20. What, in your view, are the reasons for the accumulation of arrears and what means would you suggest to reduce them?

21. What are the provisions in the Act or the Rules that

cause hardships to the dealers and what remedies or amendments do you suggest to remove them with particular reference to the following stages?

- a. Registration
- b. Maintenance of accounts and records
- c. Submission of returns
- d. Payment of tax
- e. Claims of set-off
- f. Assessment
- g. Search and seizure of accounts for verification
- h. Demands
- i. Refunds
- j. Appeals
- k. Revisions.

22. Would you like to suggest any new form or a revised form for any specific purpose? If so, please give the format.

23. Do you have any suggestions regarding the existing appellate organisation and procedures?

24. Have you any suggestions to offer for improving relations between the public and the Department and ensuring maximum cooperation between them? Would you like to suggest ways and means by which wide publicity could be given to the amendments in the Acts and Rules? Which are the means you have in mind?

25. Briefly summarising your viewpoint given above, state the major ways in which the present system can be rationalised indicating the basic areas in which immediate action is needed to initiate changes.

**LIST OF INDIVIDUALS AND ORGANISATIONS
WHO RESPONDED TO THE QUESTIONNAIRE**

I. Organisations

1. All India Instrument Manufacturers and Dealers Association (Delhi Region), C/o. M/s. Associated Instrument Manufacturers (I) Pvt. Ltd., Sunlight Insurance Building, 26-27, Asaf Ali Road, New Delhi 110002.
2. All India Sales Tax Abolition Committee, 4046 Naya Bazar, Delhi 110006.
3. Chandni Chowk Sarv Vyapar Mandal, 1964 Chandni Chowk, Delhi 110006.
4. Delhi Factory Owners Association, 9-A, Connaught Place, New Delhi 110001.
5. Delhi Knitting Wool Retailers Association, 1964, Chandni Chowk, Delhi 110006.
6. Delhi Pen Dealers and Manufacturers Association, 416 Main Sadar Bazar, Delhi 110006.
7. Delhi Stationers Association, 3932 Roshanpura, Nai Sarak, Delhi 110006.
8. Delhi Vanaspati Merchants Association, 509 Khari Baoli, Delhi 110006.
9. Federation of All India Spare Parts Dealers Association, Darya Ganj, Delhi 110006.
10. Federation of Indian Manufacturers, C-8, Prasad Nagar, New Delhi 110005.
11. Hindustan Lever Ltd., Express Building, Bahadurshah Zafar Marg, P.O. Box 7003, New Delhi 110002.
12. Jamunapar Parchoon Dukandar Association, 98, Railway Road, Shahdara, Delhi 110032.
13. Naraina Industries Association, A-21/23, Naraina Industrial Area, Phase-II, New Delhi 110028.
14. Naraina Iron & Steel Merchants Welfare Association, Y-11/1, Sh. Loha Mandi, Naraina, New Delhi 110028.

15. New Delhi Distributors Association, 10, Yusuf Sarai, New Delhi 110016.
16. New Delhi Traders Association, M-97 (2nd floor), Connaught Place, New Delhi 110001.
17. Pen Manufacturers Association, 1st Floor, 10061 Nawab Ganj, Delhi 110006.
18. PHD Chamber of Commerce & Industry, Siri Institutional Area, Opp. Asian Games Village, New Delhi 110016.
19. Readymade Garments Manufacturers & Wholesalers Association, C/o 327, Lajpat Rai Market, Delhi 110006.
20. South Delhi Provision Merchants Association Regd., 50/1&2, Yusuf Sarai, New Delhi 110016.
21. The Sadar Bazar General Merchants Association, 11, Narain Market, Sadar Bazar, Delhi 110006.
22. The Scientific Instruments Dealers & Manufacturers Association, 3, Sri Ram Building, Jawahar Nagar, Delhi 110007.
23. United Chamber of Trade Associations, Amir Chand Marg, Katra Rathi, Delhi 110016.
23. Vyapar Mandal, Yusuf Sarai, New Delhi 110016.

II. *Individuals*

1. Shri P D Lamba, E-6, Nizamuddin West, New Delhi 110013.
2. Shri P L Sachdeva, Sindsagar, 1348 Kashmere Gate, Delhi 110006.

LIST OF INDIVIDUALS AND REPRESENTATIVES
OF ORGANISATIONS WHO GAVE
ORAL EVIDENCE BEFORE THE STUDY TEAM

1. Shri Mussadilal, Shri R P Khanna, Shri T R Manocha, *Delhi Stationers Association*, 3932, Roshanpura, Nai Sarak, Delhi 110006.
2. Shri D P Goel, Secretary, *Delhi Vanaspati Merchants Association*, 509, Khari Baoli, Delhi 110006.
3. Shri Shyamlal Sharma, *Jamunapar Parchoon Dukandar Association*, 98, Railway Road, Shahdara, Delhi 110032.
4. Shri Madan Mohan Lal Jain, Shri Satyadev Goel, *Naraina Iron & Steel Merchants Welfare Association*, Y-11/1, Sh. Loha Mandi, Naraina, New Delhi 110028.
5. Shri S C Gupta, General Secretary, *New Delhi Distributors Association*, 10, Yusuf Sarai, New Delhi 110016.
6. Shri Jawahar Lal Kapur, Shri Sachidanand Hassija, *Pen Manufacturers Association*, 1st Floor, 10061, Nawab Ganj, Delhi 110006.
7. Shri S. Ganapathi, Shri S Guha, Shri P K Somany, Shri Arun Kapur, Shri G S Gargya, Shri M P Seth, and Shri R L Joswal, PHD Chamber of Commerce and Industry, New Delhi 110016.
8. Shri S K Gupta, Shri I R Chopra, Shri S Bhupender Singh, *Readymade Garments' Manufacturers & Wholesalers Association*, C/o 327, Lajpat Rai Market, Delhi 110006.
9. Shri S K Aggarwal, *South Delhi Provision Merchants Association*, Regd., 50/1&2, Yusuf Sarai, New Delhi 110016.
10. Shri P L Sachdeva, Sindsagar, 1348 Kashmere Gate, Delhi 110006.

TRADE STRUCTURE IN DELHI

1. *Introduction*

This note intends to examine the distributive character of trade, and more specifically the commodity composition of import-export trade, in Delhi. Had there been information on the trade structure of Delhi in the Department itself, our task would have been simpler. But, unfortunately, such information was not available in the Department. Nor was it available in other Departments of the Delhi Administration.

However, we came across two studies of some relevance: one by the Bureau of Economics and Statistics, [Delhi Administration, Bureau of Economics and Statistics (1972), *Pilot Survey of Inter-State Goods Traffic by Road in Delhi*, (mimeo)] and the other by the Rail India Technical Economic Services (RITES) [Government of India, Planning Commission, (1981) *Study on Model Cost and Traffic Flows*, (mimeo)].

The study made by the Bureau was based on a pilot survey of two selected checkposts—one located at Mathura Road, Badarpur and the other located at Karnal G.T. Road—out of eight checkposts¹ located at different first-entry points into the Union Territory of Delhi. However, it was over a decade old and, secondly, it included only the goods transported by road transport, to the exclusion of other modes of transport. Besides, we felt that data based on only two checkposts would not be representative enough for our purpose.

The RITES study, on the other hand, was very useful. It was carried only for a recent year (1978-79) and included goods transported by all modes of transport. The Study intended to find out the model freight charges and cost of transport of passengers as well as goods on an all-India basis. In doing so,

1. (1) Shahdara, U.P. Border, (2) Bagpat, Loni Road, (3) Mathura Road, Badarpur, (4) Kapashera, (5) Tikri Kalan, (6) Karhal G.T. Road, (7) Prahladpur and (8) Aya Nagar.

the RITES had collected data on commodity flows into Delhi and out of Delhi and estimated the flows in terms of physical quantities. Our purpose would have been served, had the commodity flows been in value terms, but since this was not so, the RITES study could not be adapted fully and some adjustment had to be carried out. At one stage we had thought of conducting a fresh study but time and monetary constraints prevented us from doing so. Using the RITES study, we estimated the value of imports into Delhi and exports out of Delhi for 1978-79.

2. Methodology

We obtained the data, in terms of physical quantities, for both imports and exports from the RITES study and then converted them into value terms by applying wholesale prices corresponding to each commodity (reported in January 1979). In doing so the wholesale prices were first reduced to group average prices corresponding to the same groups of commodities (43 groups). By multiplying the volume of commodities with the corresponding average prices we obtained the value of imports and exports.

Out of the total 43 commodity groups we excluded 4 commodity groups, namely, provision and household articles, machinery and equipment, electrical equipment and other commodity groups, as their composition was heterogeneous and their conversion into value terms posed a problem.

Finally, we selected 39 commodity groups² and reclassified them into 19 meaningful groups in accordance with the criteria followed by the Revised Indian Trade Classification. However,

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2. (1) Foodgrains, (2) Milk and milk products, (3) Sugar and gur and molasses, (4) Salt, (5) Tea and coffee, (6) Edible oils, (7) Fruits and vegetables, (8) Hides, skins and bones, (9) Bamboo, timber and other wood, (10) Paper, (11) Limestone and dolomite, (12) Stone inc. marble stone, (13) Gypsum, (14) Iron ore, (15) Others, (16) Coal, (17) Mineral oils, (18) Paints and dyes, (19) Coal and bitumen, (20) Chemicals and drugs, (21) Chemicals and manures, (22) Leather manufacture, (23) Cotton textiles, (24) Jute manufacture, (25) Footwear, (26) Cement, (27) Building materials, (28) Iron and steel, (29) Non-ferrous metals, (30) Auto-parts, (31) Tyres and tubes, (32) Cycle and cycle parts, (33) Livestock, (34) Fodder, (35) Oil seeds, (36) Sugarcane, (37) Raw cotton, (38) Jute raw and (39) Tobacco.

one commodity group (fruits and vegetables) had to be excluded on account of inapplicability of the Revised Indian Trade Classification criteria.

3. *Analysis of the Results*

Table I.A.1 shows broadly the trade structure in Delhi. It can be seen that of the 19 commodity groups, 7 commodity groups, namely, (1) food and food preparations, (2) crude materials, inedible except fuels, (3) fruits and vegetables, (4) chemicals and chemical products including pharmaceuticals, (5) manufactured articles, (6) transport equipment, and (7) raw materials (agro-based)—accounted for 83.52 per cent of the total estimated value (Rs 6,882 crore) of imports into Delhi and 77.7 per cent of the estimated value (Rs 3,617 crore) of exports out of Delhi.

Among the “food and food preparations”, milk and milk products, tea and coffee and edible oils were the major commodities imported into Delhi and tea and coffee and edible oils were the major commodities exported out of Delhi. The ratio of imports to exports in Delhi was more than one. Similar was the case with fruits and vegetables. (Table I.A.2)

Among the “crude materials, inedible except fuels” imports far exceeded exports. Among the “chemicals and chemical products including pharmaceuticals”, chemicals and drugs were the most important items imported into Delhi and exported out of Delhi. Among the “manufactured goods”, cotton textiles were the major imports while leather manufactures and cotton textiles were the major exports. Among the “transport equipment”, tyres and tubes and automobile parts were the most important items imported into Delhi and exported out of Delhi. Similar was the case with respect to “agro-based raw materials” as well. Raw cotton was the most important commodity imported into and exported out of Delhi in this group. (Table I.A.2)

It appears that quite a few commodities which are imported into Delhi are re-exported out of Delhi. The majority of such exports are in the commodity group of automobile parts and cycle and cycle parts, edible oils, fruits and vegetable, oilseeds and tyres and tubes (Table I.A.3) as the production of these commodity groups in Delhi is insignificant.

TABLE I.A.1
Trade Structure (1978-79): Delhi
(Commodity composition)

<i>Commodity groups</i>	<i>(Rs crore)</i>			
	<i>Estimated value of imports</i>	<i>Percentage of total imports</i>	<i>Estimated value of exports</i>	<i>Percentage of total imports</i>
<i>Based on the Revised Indian Trade Classification (RITC)</i>				
1. Livestock	346.20	5.03	199.69	5.52
2. Food and food preparations	1051.38	15.28	843.41	23.32
3. Fruits and vegetables	297.06	4.32	180.86	5.00
4. Crude materials inedible except fuels	1077.39	15.65	77.93	2.15
5. Pulp and paper products	101.52	1.48	41.06	1.14
6. Crude materials	2.65	0.04	0.41	0.01
7. Metalliferous oils	5.25	0.08	30.44	0.84
8. Coal	32.44	0.47	2.34	0.06
9. Petroleum products (mineral oils)	42.69	0.62	91.71	2.54
10. Chemicals and chemical products including pharmaceuticals	857.14	12.45	653.45	18.06
11. Fertilizers manufactured	11.16	0.16	18.75	0.52
12. Manufactured goods	954.74	13.87	164.57	4.55
13. Footwear	148.31	2.15	153.33	4.24
14. Non-metallic mineral manufactures	44.75	0.65	39.08	1.08
15. Iron and steel	226.78	3.30	129.99	3.59
16. Non-ferrous metals	169.55	2.46	137.84	3.81
17. Transport equipment	728.97	10.69	442.54	12.23
18. Raw materials (agro-based)	782.93	11.38	409.34	11.32
19. Fodder	1.27	0.02	0.58	0.02
Grand Total (Rounded to nearest crore)	6882.18	100.00	3617.32	100.00

TABLE I.A.2
Structure of Trade in Delhi by Selected Major Commodity Groups (1978-79)

Sl. No.	Commodity groups	Imported into Delhi		Exported from Delhi	
		Estimated value	Percentage of total imports	Estimated value	Percentage of total exports
(1)		(2)	(3)	(4)	(5)
I. Food and food preparations					
1.	Food grains	317.85	30.23	234.04	27.75
2.	Milk and milk products	199.04	18.93	50.87	6.03
3.	Sugar, gur and molasses	54.75	5.21	149.73	17.75
4.	Salt	1.78	0.17	0.31	0.04
5.	Tea and coffee	245.06	23.31	264.03	31.31
6.	Edible oils	232.90	22.15	144.43	17.12
	Total	1051.38	100.00	843.41	100.00
II. Fruits and vegetables					
1.	Fruits and vegetables	297.06	100.00	180.86	100.00
III. Crude materials, inedible except fuels					
1.	Hides, skins and bones	5.09	0.47	1.97	2.53
2.	Bamboo, timber and other wood	1072.30	99.53	75.96	97.47
	Total	1077.39	100.00	77.93	100.00

Contd.

(1)	(2)	(3)	(4)	(5)
IV. Chemicals and chemical products including pharmaceuticals				
1. Paints and dyes	127.95	14.93	38.67	5.92
2. Coal tar and bitumen	12.81	1.49	3.80	0.58
3. Chemicals and drugs	716.38	83.58	610.98	93.50
Total	857.14	100.00	653.45	100.00
V. Manufactured goods				
1. Leather manufactures	80.62	8.44	71.91	43.70
2. Cotton textiles	865.37	90.64	70.18	42.64
3. Jute manufactures	8.75	0.92	22.48	13.66
Total	954.74	100.00	164.57	100.00
VI. Transport equipment				
1. Automobile parts	232.06	31.83	242.74	54.85
2. Tyres and tubes	438.03	59.40	153.59	34.71
3. Cycle and cycle parts	63.88	8.77	46.21	10.44
Total	728.97	100.00	442.54	100.00
VII. Raw materials (Agro-based)				
1. Oil seeds	30.83	3.94	11.13	2.72
2. Sugarcane	0.22	0.03	0.04	0.01
3. Raw cotton	745.06	95.16	392.67	95.93
4. Jute raw	0.11	0.01	0.43	0.11
5. Tobacco	6.71	0.86	5.07	1.24
TOTAL	782.93	100.00	409.34	100.00

TABLE I.A.3
Exports as Percentage of Imports for Selected Commodities

(Rs crores)

<i>Sl. No.</i>	<i>Commodity</i>	<i>Estimated value of imports</i>	<i>Estimated value of exports</i>	<i>Percentage</i>
1.	Foodgrains	317.85	234.04	73.63
2.	Edible oils	232.90	144.43	62.01
3.	Fruits and vegetables	297.06	180.86	60.88
4.	Chemicals and drugs	716.38	610.98	85.29
5.	Automobile parts	232.06	242.74	104.60
6.	Tyres and tubes	433.03	153.59	35.47
7.	Cycle and cycle parts	63.88	46.21	72.34
8. ¹	Oil seeds	30.83	11.13	36.10

4. Limitations

The above estimates are subject to two important limitations: (1) the data on which the estimates are based are five years old (1978-79), and do not reflect the possible changes in the structure of trade since then; (2) the estimates exclude trade in 4 important commodity groups (*a*) provision and equipment, (*b*) electrical equipment, (*c*) machinery and equipment and (*d*) other commodity groups and, therefore, the total value of imports and exports is understated.

However, they are useful to understand the entrepot character of trade in Delhi.