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## **GRT** CONTRIBUTION OF STATE EXCISE REVENUE IN ECONOMIC GROWTH AND DEVELOPMENT OF CHHATTISGARH

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<sup>2</sup>Research Guide , C.L.C.College , Dhamdha(C.G.).

**Abstract:**-Economic growth is the basis of improved prosperity. This makes the attainment of growth a key objective for governments across the departments. State Excise Revenue plays a very critical role in the Economic growth and development of a region. The State Excise Department of Government of Chhattisgarh is the third major earners of revenue, next only to Sales Tax and Stamp Duty. This paper surveys the empirical analysis of Contribution of State Excise Revenue in Economic Growth and Development of Chhattisgarh

**Keywords:**Economic growth , empirical analysis , Economic Growth , Development of Chhattisgarh.

### **INTRODUCTION**

“State Excise Revenue” is derived or derivable from any duty, fee, tax, penalty, payment other than a fine imposed by court of Law or confiscation imposed or ordered or agreed to under the provisions of the Chhattisgarh Excise Act 1915, or of any other law for the time being in force relating to liquor or intoxicating drugs.

Economic growth and development on the other hand is concerned with the increase in the amount which percentage GDP as well as promotion in the economic health. Economic growth and development leads to however differs from economic growth. Where endeavour

The primary function of the Chhattisgarh State Excise Department is to collect Excise Duty on the alcoholic products and to regulate the trade of these products. This object is achieved by issuance of various types of licenses for the manufacture, possession, sale, transport, import and export of alcoholic products and effective enforcement through detection of crimes. The contribution of the Excise receipts to the total tax revenue of the state during the last five years was nearly 20 per cent. Receipts from excise comprise receipts derived from duty, fee or confiscation imposed or ordered under the provisions of Chhattisgarh Excise Act, 1915 and rules and notifications issued there under. It also includes revenue from manufacture, possession and sale of liquor, Bhaang and poppy heads.

### **The department follows the under mentioned Acts and Rules:**

Chhattisgarh Excise Act, 1915;  
Chhattisgarh Entertainment Duty and Advertisement Tax Act, 1936;  
Chhattisgarh Distillery Rules, 1995; And  
Chhattisgarh Foreign liquor Rules, 1996.

## 2. RESEARCH DESIGN

Research design is considered as a "blueprint" for research. There are many ways to classify research designs such as Exploratory Research, Descriptive Research, Causal Research. The present study deals with exploratory and descriptive methods of research design.

**2. a. Sources of Data:** Data can be collected from two sources i.e. Primary and Secondary. Determining the source of data is an important decision for a research design to be reliable.

Primary data for this study is collected through questionnaires and Interview Schedule. This research will assimilate the essence from the information taken from following secondary sources:

Records maintained by the Chhattisgarh Excise department.  
Information collected from the print media: i.e. newspapers, magazines and journals.  
Information gleaned from the internet.  
Other published data like reference books etc.

**2. b. Sample Design:** After the research design is formulated, the next step is to decide the sample design. Judgmental sampling which is a Non probability sampling technique is used in the study. The researcher chooses the sample based on who they think would be appropriate for the study. This is used primarily when there are a limited number of people that have expertise in the area being researched.

### 2. c. Objectives:

- a) To examine the role of state excise revenue in overall economic growth and development of Chhattisgarh.
- b) To study the composition of excise collected by the government with a view to find out its contribution in the total revenue.
- c) To review critically the excise policies implemented by the Government.
- d) To suggest measures to make the whole planning process more efficient and effective.

### 2. d. Hypothesis:

- a) There is a continuous increase in the Chhattisgarh State Excise Revenue from past years.
- b) Rise in Chhattisgarh State Excise Revenue is essential for Growth and Development of the State.
- c) There should be changes made in the overall working pattern of the State Excise Department in order to increase the efficiency.
- d) Liquor consumption adversely affects the working capability of the consumer.

## 3. ANALYSIS OF CHHATTISGARH EXCISE REVENUE:

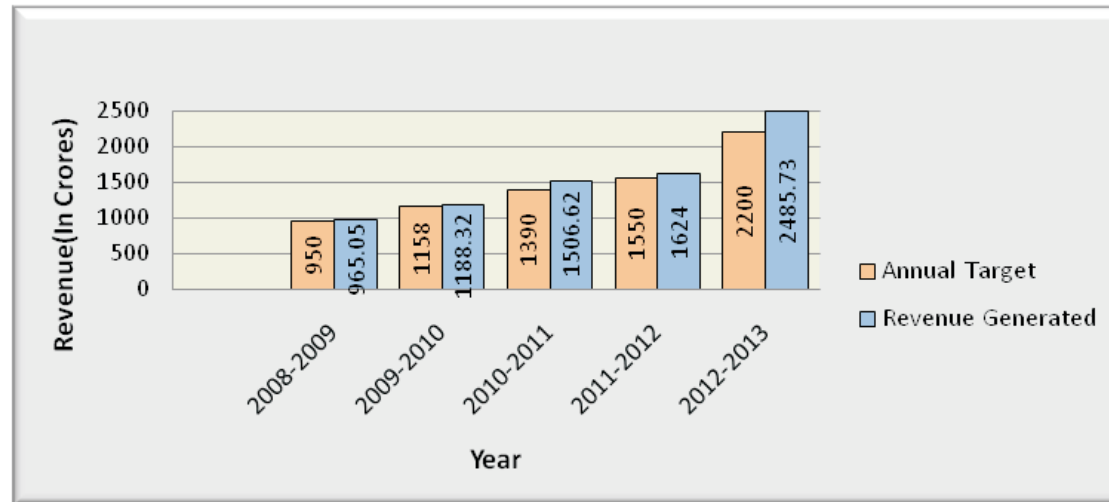
The excise revenue comprises two parts, i.e. license fee and excise duty. The license fee is 60 per cent of the target fixed which has to be compulsorily paid regardless of the actual sale of liquor and is, therefore, fixed. The second part is the excise duty on actual sales subject to minimum of 40 per cent of the target fixed and is, therefore, the variable component of the excise revenue.

The following table shows the year wise revenue of the Chhattisgarh Excise Department of last five years:

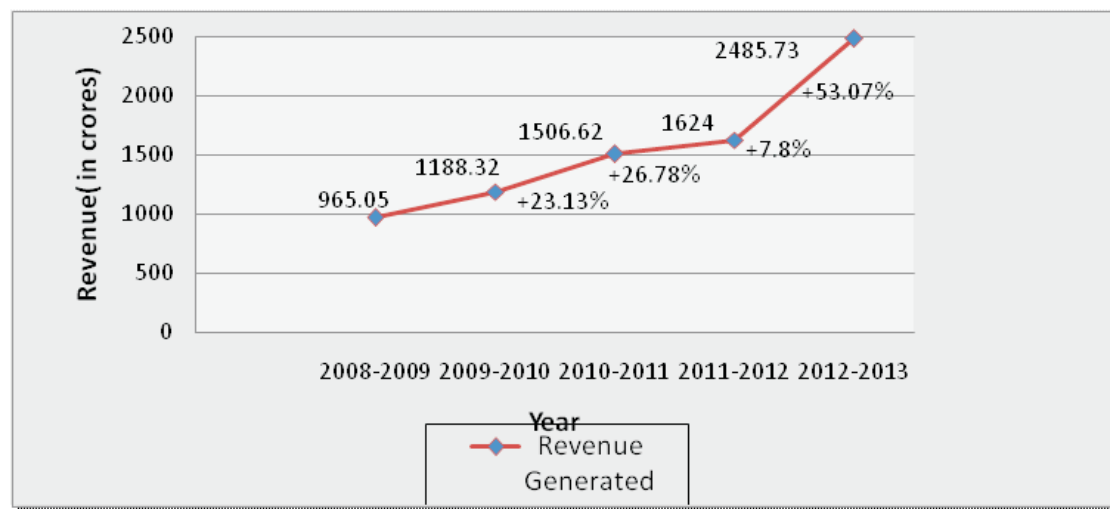
In Crore

S. No.	Year	Annual Target	Revenue Generated	Percentage
1	2008-2009	950	965.05	+14.31
2	2009-2010	1158	1188.32	+23.13
3	2010-2011	1390	1506.62	+26.78
4	2011-2012	1550	1624	+7.8
5	2012-2013	2200	2485.73	+53.07

**Comparison between Annual Target and Actual Revenue Generated:**



**Percentage increase in Actual Revenue generated in last 5 years:**



**4.ANALYSIS OF CHHATTISGARH EXCISE EXPENDITURE:**

Chhattisgarh State Excise Department is the only Revenue Earning Department of the State that does not uses the revenue in further expenditure. The revenue earned by the department is handed over to the state treasury. The state government further takes the amount and allocates it for various welfare activities of the state.

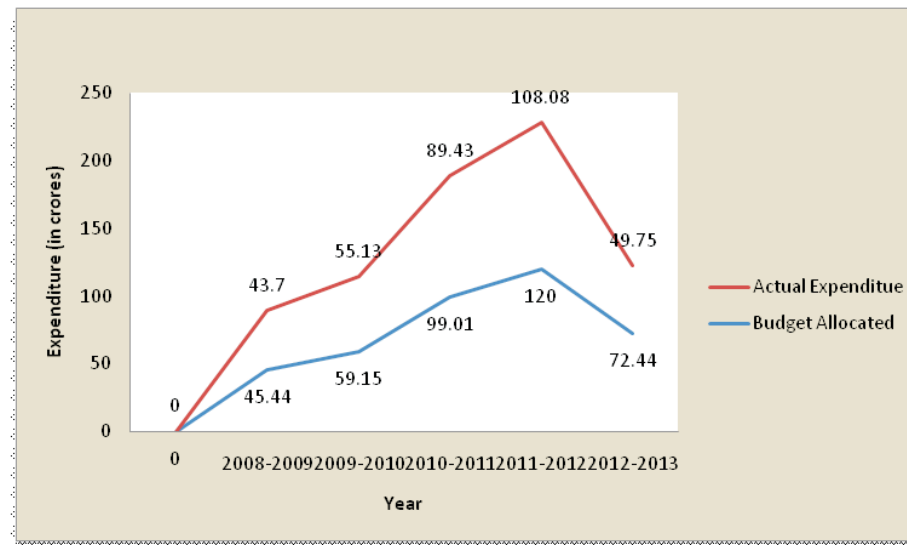
Following schedule shows the Details of expenditure of the department of last five years:

In crores

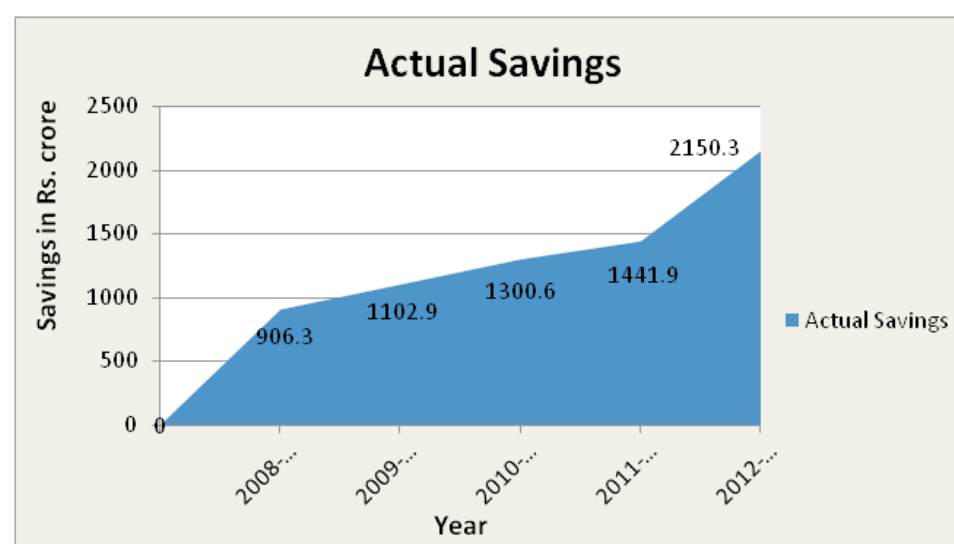
S. No.	Year	Budget Allocated	Actual Expenditure
1	2008-2009	45.44	43.7
2	2009-2010	59.15	55.13
3	2010-2011	99.01	89.43
4	2011-2012	120	108.08
5	2012-2013	72.44	49.75

**Budgeted and Actual Expenditure of last five years:**

Contribution Of State Excise Revenue In Economic Growth And Development Of Chhattisgarh



S. No.	Year	Actual Revenue	Actual Expenditure	Actual Savings
1	2008-2009	950	43.7	906.3
2	2009-2010	1158	55.13	1102.87
3	2010-2011	1390	89.43	1300.57
4	2011-2012	1550	108.08	1441.92
5	2012-2013	2200	49.75	2150.25



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