GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:721
ANSWERED ON:05.12.2003
TDS BY LIQUOR COMPANIES
SATYAVRAT CHATURVEDI;SUNDER LAL TIWARI

Will the Minister of FINANCE be pleased to state:

(a) whether the attention of the Government has been drawn towards the newsitem captioned Sharab Kampanian Akhir Kyon Dein TDS—Inki Aur Hai` appearing in Hindi daily Dainik Jagran dated September 9, 2003;

(b) if so, the facts of the matter reported therein;

(c) the details of the revenue received from salaried class, liquor companies and big industries separately during the last three years; and

(d) the steps take by the Government to increase the revenue being received from big liquor industries and the results thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK):

(a) Yes, Sir.

(b) Section 206C was amended by the Finance Act,2003 to bring Indian made Foreign Liquorwithin its ambit.The levy of tax collection at source was not postponed indefinitely. The Taxation Laws (Amendment) Ordinance,2003 promulgated on 8th September, 2003, made certain changes in the provisions of section 206C and now tax is to be collected at source in case of alcoholic liquor for human consumption which, inter-alia, includes Indian made foreign Liquor.

(c) Details of Revenue received from salaries class,liquor companies and big industries are not separately maintained sector-wise. The collection and compilation of the desired information from the field formation spread all over the country will involve substantial time and efforts, which may not be commensurate to the objective sought to be achieved.

(d) Following amendments have, inter-alia, been made in section 206C to increase the revenue from liquor industry:

(i) Indian made foreign liquor has been brought within the ambit of the provisions of tax collection at source: and

(ii) TCS will now be made from buyers at each stage of sale except the last stage where thegoods are purchased for personal consumption.