

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4189  
ANSWERED ON:04.05.2007  
DUTIES ON SPIRITS AND WINES  
Khairi Shri Chandrakant Bhaurao

**Will the Minister of FINANCE be pleased to state:**

- (a) whether a study conducted by European Commission have revealed that the combinations of duties and taxes on imported spirits and wines in some Indian States is as high as 550% on imported spirit and 264% on wines;
- (b) if so, the details thereof;
- (c) the steps proposed by the Government to curtail the duties and taxes on imported wines and spirits; and
- (d) whether Government proposes to empower State Governments to deal with the levy of excise duty on imported wine and distilled water?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) Yes, Sir.

(b) The European Commission Report primarily covers two issues. Firstly, there is a growing market for EC wines and spirits in India which is being restricted by the duty structure and secondly, the levy of additional duty and extra additional duty are in contravention of our obligations under GATT, 1994.

(c)&(d) Government is examining ways in which the concerns of the EC can be taken on board while providing a level playing field to the domestic industry.