Union of India and Another v. M/s Om Prakash S.S. and Company and Another

Special Leave Petition (Civil) No. 3797 of 2001

[2001] 1 SCR 1113-1114 | Printed report date — 19 February 2000 (chronology disputed; actual decision date unresolved)

Section 206C: permission to conduct liquor trade distinguished from purchase of goods

Income-tax Act 1961: section 206C and Explanation to subsection (11), as discussed in the order

2-judge bench | B.N. Kirpal J. | Ruma Pal J.

Printed date disputed; actual decision date unresolved

The SCR caption and official JUDIS print 19 February 2000. The report also identifies SLP(C) 3797/2001 and a challenged High Court order dated 22 February 2000 in CWP 1450/2000. No authoritative corrected decision date was located. These inconsistent source details are preserved; AKHB has not substituted 2001 or any other corrected date.

Reasoned SLP dismissal and limited tax issue

No grant of leave or converted civil appeal is recorded. The dismissal concerns government permission to conduct liquor trade, distinct from acquisition of goods. The order does not endorse every High Court observation or grant a universal exemption from TCS.

01 FACTS OF THE CASE

The Union sought special leave against the Punjab and Haryana High Court's order in CWP 1450/2000. The issue was whether payment for government permission to conduct liquor trade made the licensee a buyer of goods under section 206C.

Source: Primary report: SCR 1113 F-H and 1114 A-B; PDF 1-2

02 DISCUSSION BY THE HON'BLE COURT

The Court distinguished permission to conduct a trade from acquisition of specific goods. A licence fee did not itself entitle the licensee to lift goods; procurement required a separate order on a manufacturer or supplier. Under the provision discussed, payment had to secure specific goods or a right to receive them. High Court observations inconsistent with this explanation might not be strictly correct.

Source: Primary report: SCR 1113 G-H and 1114 A-D; PDF 1-2

03 JUDICIAL DECISION

The SLP was dismissed. Government permission to conduct liquor trade did not alone attract section 206C. The order distinguishes that permission from a separate purchase of goods.

Source: Primary report: SCR 1114 A-D and concluding operative sentence; PDF 2

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04 OUTCOME / IN WHOSE FAVOUR

Licensee/respondents on the licence-fee issue; the Union's SLP was dismissed. This is not a blanket exemption from TCS for liquor purchases or every payment connected with liquor trade.

Source: Primary report: SCR 1114 B-D and operative sentence; PDF 2

05 AKHB REVIEW POINT

Examine licence conditions, purchase orders, invoices and the rights created by each payment. Distinguish vending permission from procurement consideration and apply the statutory text for the relevant year. Keep the unresolved source-date qualification with any citation.

Source: Primary report: Editorial analysis anchored in SCR 1113-1114; not an additional holding

SOURCE & VERIFICATION

Supreme Court Reports: complete primary scan

Complete two-page report, SCR 1113-1114, fully read and visually checked. The complete official JUDIS rendition was also read; the report-date conflict remains unresolved.

Open cited source rendition

Do not treat the printed date as a verified actual decision date. The public date filters and machine-readable decision-date fields intentionally exclude it from confirmed dated results.

The report supplies no assessment year, licence amount or demand computation. None has been inferred.

STATUTORY SCOPE

This brief order interprets section 206C and the Explanation discussed in that text. It does not establish an exemption from every TCS obligation arising in liquor trade. Verify the text applicable to the relevant year and subsequent amendments before current reliance.

LATER TREATMENT

Source checked 2026-10-26. Only the identified later reference in 2024 INSC 484, paragraph 15.1 and footnote 8, was checked. It cites the earlier licence-versus-goods distinction and supplies no corrected date. This is not comprehensive later-treatment or current-law clearance.

IDENTIFIED SOURCE LINKS

Official JUDIS rendition 20506: complete order; same disputed date

Bounded later reference: 2024 INSC 484, paragraph 15.1 and footnote 8

AI DISCLOSURE

AI-assisted research checked against the complete identified primary report. Independent human approval is not represented. Documentary source exceptions are expressly disclosed.

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