

Drug firms get tax queries

14 ✓ Our Bureau
Mumbai, Nov.27

The Income Tax Department's tax-deducted-at-source arm has conducted surveys on drug companies, GlaxoSmithKline Pharmaceuticals, Piramal Healthcare and Wockhardt.

Confirming the development, officials with GlaxoSmithKline and Piramal Healthcare told *Business Line* that the surveys were routine in nature. A representative for Wockhardt did not want to comment.

Responding to queries, a GSK India spokesperson said, "Yes, as part of their normal survey, the IT-TDS Department has requested the company for certain information. The company is complying with the request."

The nature of the queries included whether TDS was deducted on commission to the distributors of medicines, according to media reports.

Clarifying that it was a "routine check," an official with Piramal Healthcare added that the company policy was to deduct TDS, even when there was a doubt. Queries arise when there are interpretative rules, for instance, on the sale of goods, companies have to pay VAT (value added tax) and not TDS, he clarified. Nevertheless, he added, that the company had on its part-paid tax of about Rs 3,000 crore on its recently concluded sale of its domestic formulations business to Abbott, earlier this year.

