

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA

UNSTARRED QUESTION NO.1239

TO BE ANSWERED ON SATURDAY THE 19TH SEPTEMBER, 2020
BHADRAPADA 28, 1942 (SAKA)

CLASSIFICATION DISPUTES

1239. SHRI JAYADEV GALLA:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is not true that there are various disputes relating to classification of various products, such as Marico's parachute is a hair oil or just coconut oil, fryums is a papad or not KitKat is a biscuit or chocolate, Dabur's dant manjan is tooth powder or medicinal drug;
- (b) if so, the details thereof;
- (c) the details of reasons that in spite of shifting to GST regime the classification disputes are still going on; and
- (d) the manner in which the Ministry is going to clearly classify products by giving rationale justification for imposing higher taxes, such as recent paratha dispute?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a), (b) and (c): In GST, the classification of products is done as per the Harmonised System that is followed across the world. Owing to the range of products being supplied and differential rates, classification issues may arise and are duly clarified whenever feasible.

(d): Circulars clarifying such issues, are issued by the government wherever feasible, on recommendation of the GST Council. Further, a taxpayer may also approach the Authority of Advanced Ruling for seeking rulings on classification of products and services.
