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## **ISSUE IV: CLASSIFICATION**

**Manufacturers or Traders of any goods should be aware of the Harmonized system of Numbering (HSN) of their goods by way of Classification. The Classification of goods has revenue implications as well. Very often, goods are classified out of ignorance keeping in view the lower rates of duty or perceived exemptions available or just here say. The scientific approach would be to look into section notes, chapter notes and rules of classification.**

**Recently, we came across an instance where the assessee classified his goods under 39.15. Later on, he found that his classification was wrong and he approached the excise authorities to amend the classification of his manufactured product from 39.15 to 39.07. Fortunately for him, the classification under 39.07 afforded exemption from the payment of duty. But his contention was not acceptable to the authorities. Now the matter is subjudice and is pending before the court.**

**The moral of the incident is to be aware of the provisions available in Customs Law manual and the exemptions available in the tariff. For the benefit of our readers we attached a short note on Approach to Classification which may be of help:**