



GOVERNMENT OF PAKISTAN  
COLLECTORATE OF CUSTOMS APPRAISEMENT (EAST)  
CUSTOM HOUSE, KARACHI.



No. C-04/KAPE/DC/PCT/2025

Dated: 04.05.2026

PUBLIC NOTICE NO. 37/2026

SUBJECT: DETERMINATION OF CLASSIFICATION OF 3RD PARTIAL SHIPMENT OF SET OF MACHINERY AND EQUIPMENT FOR 8 MW STEAM POWER GENERATION PROJECT INCLUDING AUXILIARY AND STANDARD ACCESSORIES IMPORTED BY M/S ICI PAKISTAN LIMITED VIDE GD NO. KEWB-HC-5614 DATED 01.10.2021 AND CLARIFICATION REGARDING APPLICABILITY OF CGO 12/2002 ON PARTIAL SHIPMENTS.

**Background of the Issue**

The Directorate of Intelligence & Investigation–Customs, Karachi has forwarded a reference vide letter No. C.No.232-Appg-I/DCI/ICI Pak/2023 dated 12.02.2025 for determination of correct classification of 3rd partial shipment of machinery and equipment for 8 MW Steam Power Generation Project, including auxiliary and standard accessories, imported by M/s ICI Pakistan Limited vide GD No. KEWB-HC-5614 dated 01.10.2021. Although the present reference principally arises from the dispute relating to the goods imported vide GD No. KEWB-HC-5614 dated 01.10.2021 pertaining to the 3rd partial shipment, it is observed that the Hon'ble High Court of Sindh at Karachi, vide Order dated 13.01.2025 passed in SCRA No. 792 of 2023, remanded the matter to the Classification Committee by observing as under:

*"In view of hereinabove facts and circumstances of the case and the law now settled by the Supreme Court as above, since in this matter the Applicant department and the Tribunal have both failed to refer or seek opinion of the Classification Committee, we do not see any reason to sustain the order(s) passed by both the forums below. Since the Respondent in SCRA is not aggrieved by the finding of the Tribunal regarding any alleged mis-declaration on the part of the Applicant by claiming classification under HS Code 8502.3900, the order of the Tribunal can only be set aside to the extent of determination of classification and It is so ordered, along with the orders of the forums below. The matter stands remanded to the Classification Centre for finally deciding the issue of classification of the subject goods, including all part shipments of the project imported by the Applicant which are otherwise not a subject matter of SCRA as above, but have been released by this Court in connector petitions. Insofar as the contention of the Applicant's Counsel by placing reliance on Para 1(xi) notified through CGO 12 of 2022 is concerned, the Classification Committee shall consider the same while finally deciding the correct classification of the goods in question. Needless to observe that the said opinion shall be a final opinion; however, subject to the exceptions as provided in the above judgment of Supreme Court.*

Muhammad Abu Bakar Siddique  
Chief (TPS)

13/05/2026  
Secy (TPS) / webmaster

*The Reference Application stands disposed of in these terms, whereas the connected Petitions are also disposed of with the observations that the amount secured in these Constitutional Petitions shall be subject to outcome of the proceedings before the Classification Center. Let copy of this order be issued to Respondent as well as Classification Center, Collectorate of Customs Appraisal, Karachi. Office to place copy of this order in connected files."*

The Committee observes that the subject project imports comprise various consignments imported through multiple Goods Declarations containing various categories of machinery, equipment, structures, auxiliaries and industrial systems classifiable under different tariff headings according to their individual description, nature and function. In view of the multiplicity of consignments and diversity of machinery involved, it is neither practicable nor necessary to reproduce an exhaustive independent discussion regarding each individual item imported under every Goods Declaration. Accordingly, the present determination examines in detail the issues arising from the impugned consignment forming the core subject matter of the reference, particularly concerning the scope and applicability of CGO No. 12/2002, Rule 2(a) of the General Rules for Interpretation and Section Note 4 to Section XVI, as the same constitute the principal legal issues governing the classification dispute in respect of all partial shipments forming part of the subject project. Consequently, the findings, legal reasoning and interpretative principles settled through the present determination shall equally apply, mutatis mutandis, to the remaining consignments imported under other Goods Declarations forming part of the same project, and in compliance with the aforesaid directions of the Hon'ble High Court, the classification treatment of the remaining partial shipments has also been considered separately at the conclusion of this determination on the basis of the same legal principles and merits discussed herein.

### Case Details

2. Brief facts as gathered from the reference and available record are that *M/s ICI Pakistan Limited* imported consignments comprising machinery and equipment for establishment of 8 MW Steam Power Generation Project in multiple consignments under partial shipment arrangement. It is reported that the subject consignment pertains to the 3rd partial shipment, wherein inter alia a boiler along with allied components was imported. The importer claimed classification of the goods in a manner treating the consignments as part of a complete project/plant under PCT 8502.3900, relying upon the provisions of Para (xi) of CGO 12/2002 governing classification of machinery imported in disassembled form or in partial shipments.

3. However, it has been contended in the reference that the goods imported under different consignments comprise distinct machines and equipment having independent functions, which are classifiable under their respective headings in terms of the First Schedule to the Customs Act, 1969. It has further been observed that the provisions of CGO 12/2002 are being relied upon to justify classification of entire project imports under a single PCT heading, giving rise to a classification dispute. In instant consignment the imported equipment comprised "Steam generating boiler" which was classified under their own specific PCT code i.e 8402.1110 on this pretext by the case making agency. Accordingly, the matter has been referred for determination

of correct classification of the subject goods, including all consignments forming part of the project.

#### Submissions of the Importer

4. The importer, M/s ICI Pakistan Limited, contends that the goods in question form part of an integrated 8 MW Steam Power Generation Plant imported in partial shipments under a single contract. It is submitted that the entire plant, comprising inter alia boilers, turbines, and generators, constitutes a complete functional unit for generation of electrical energy and is therefore appropriately classifiable under PCT heading 8502.3900. Reliance has been placed on Section Note 4 to Section XVI, contending that the various components, though imported separately, are intended to contribute together to a clearly defined function, i.e., power generation, and thus merit classification under the heading appropriate to that function. The importer further invokes Para (xi) of CGO 12/2002, read with Rule 2(a) of the GIRs, to argue that machinery imported in disassembled form or in multiple consignments is to be classified as the complete machine.

5. It has also been submitted that complete details of the plant, including machinery, equipment, and components, were furnished at the time of import of the first partial shipment in terms of the requirements of the Fifth Schedule, and that the assessment of earlier consignments under PCT 8502.3900 establishes consistency of classification. Further reliance has been placed on judicial pronouncements, including the judgment of the Hon'ble High Court of Sindh, to contend that isolation of individual components, such as the boiler, from the overall plant for separate classification is not warranted in the context of project imports.

#### Submissions of the Department / Referring Directorate

7. The Directorate of Intelligence & Investigation—Customs has submitted that the subject goods, particularly the boiler imported in the 3rd partial shipment, constitute a distinct and independently identifiable machine, correctly classifiable under PCT heading 8402.1110, which specifically covers steam or vapour generating boilers.

8. It is contended that classification of a steam power plant as a whole under a single PCT heading is not supported by the tariff structure, as each component/machine of the plant—such as water treatment equipment, boilers, turbines, and generators—perform a separate and identifiable distinct function and is classifiable under its respective heading. Reference has been made to prior practice and international guidance, including decisions circulated through earlier public notices, wherein each component of a steam power plant has been classified independently.

9. The Directorate has further relied upon the Explanatory Notes to Chapter 85, which clarify that electrically related apparatus falling under Chapter 85 does not extend to machinery such as boilers, which are specifically covered under Chapter 84. It is submitted that the function of a boiler is limited to generation of steam, which is distinct from the generation of electrical energy, and therefore cannot be subsumed within heading 85.02.

With respect to CGO 12/2002, it is contended that the said provisions apply only where a single machine is imported in disassembled or unassembled condition, and do not permit classification of multiple independent machines forming part of a project under a single heading. Accordingly,

classification of the subject boiler under heading 8502.3900 is stated to be inconsistent with the applicable legal framework.

### Law and Analysis:

#### *Scope and Purpose of CGO 12/2002*

10. The Classification Committee has examined the record, including the reference received from the Directorate of Intelligence & Investigation–Customs. It is observed that in the past also, numerous issues relating to classification of goods imported in partial shipments have come before the Classification Committee, particularly in cases involving projects and industrial plants comprising multiple consignments of machinery and equipment. The recurring nature of such disputes necessitates a clear understanding of the scope and intent of Customs General Order No. 12 of 2002 dated 15.06.2002, which governs classification of machinery imported in disassembled or unassembled condition.

The relevant provisions of the said CGO are reproduced as under:

*"It is an established practice that all components of machinery when imported in disassembled form either collectively or separately are classified in the heading pertaining to that machinery subject to exclusions provided in Chapter XVI of the Harmonized System."*

*"In terms of Rule 2(a) of the General Rules for Interpretation, complete or finished articles presented unassembled or disassembled are to be classified in the same heading as the assembled articles. This rule also applies to incomplete or unfinished articles presented unassembled or disassembled provided they retain the essential character of the finished article."*

*"It is not unusual in case of project imports to import plant and machinery in unassembled/disassembled form by way of partial shipments from different sources. It is not only incorrect but undesirable to classify individual shipments separately with disregard to intent and purpose of whole machinery. It is therefore advisable that the components of machinery whether presented together or separately be classified under one heading appropriate to the machinery unless specifically excluded under Chapter Notes."*

11. Upon careful consideration of the above provisions, it is observed that the CGO essentially gives effect to the principle embodied in Rule 2(a) of the General Rules for Interpretation, whereby a single machine, even if imported in disassembled condition or in multiple consignments, is to be classified as the complete machine, provided that the consignments together represent that machine and retain the essential character thereof.

12. The intent of the CGO is, therefore, to avoid fragmented classification of a single identifiable machine merely on account of the manner in which it is imported, i.e., in parts, components, or partial shipments. The emphasis of the provision is on the existence of a single machine having a clearly defined function, and not on the fact of importation under a project or contract. It is further observed that while the CGO refers to project imports, the context in which such reference is made is limited to situations where a machine is imported in parts through

multiple consignments, and not to cases where a project comprises multiple machines of different descriptions and functions.

*Misinterpretation of CGO 12/2002 in case of Project imports*

13. It is further observed that in a number of cases coming before the Classification Committee, the provisions of *Customs General Order No. 12 of 2002*, particularly Para (xi) thereof, are being interpreted in a manner not envisaged under the law. In such cases, it is being contended that where machinery and equipment are imported in multiple consignments for establishment of a plant or project, all such consignments are to be treated as a single unit and classified under one PCT heading. This interpretation has been advanced on the premise that importation under a single contract or for a unified industrial purpose renders all goods part of one composite entity. However, such a view is not supported by the language of the CGO nor by the scheme of classification under the First Schedule to the Customs Act, 1969.

14. It is clarified that the provisions of CGO 12/2002 are intended to address situations where a single machine is imported in disassembled or unassembled condition, whether in one or more consignments, and are not applicable to cases where multiple machines or equipment, each having distinct identity and independent function, are imported for a plant or project. The mere fact that goods are imported under a common contract, or are intended to be installed together as part of a plant, does not alter their essential character or individual classification. Classification under the tariff is determined on the basis of the description, nature and function of each item, and not on the basis of the overall project of which such items may form a part. Accordingly, interpretation of CGO 12/2002 in a manner so as to extend its scope to classification of entire plants or projects under a single heading is misplaced and not in consonance with the legal framework governing classification.

*Applicability of Section Notes to Section XVI*

15. In order to determine the correct classification of goods imported in partial shipments, particularly in cases involving machinery and project imports, it is necessary to examine the relevant **Section Notes to Section XVI** of the First Schedule to the Customs Act, 1969, which govern classification of machinery, combinations of machines, and parts thereof.

The relevant provisions are reproduced as under:

**Section Note 4 to Section XVI:**

*"Where a machine (including a combination of machines) consists of individual components (whether separate or interconnected by piping, by transmission devices, by electric cables or by other devices) intended to contribute together to a clearly defined function covered by one of the headings in Chapter 84 or Chapter 85, then the whole falls to be classified in the heading appropriate to that function."*

**Section Note 2 to Section XVI:**

*(a) Parts which are goods included in any of the headings of Chapters 84 or 85 (other than headings 84.84, 85.44, 85.45, 85.46 or 85.47) are in all cases to be classified in their respective headings;*

*(b) Other parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines of the same heading, are to be classified with the machines of that kind;*

(c) All other parts are to be classified in heading 84.84 or 85.48.

16. Upon careful consideration of **Section Note 4**, it is observed that the said provision deals with classification of what is commonly referred to as a functional unit, i.e., a system in which different components are combined in such a manner that they together perform a single clearly defined function covered by a particular heading of Chapter 84 or 85. The essential requirement for application of this Note is that the components must be so interdependent that they collectively constitute one machine, and the defined function must be identifiable and classifiable under a specific heading.

17. It is, however, observed that this provision does not extend to situations where multiple machines, each having an independent function and identity, are installed or arranged in sequence to achieve a broader industrial objective. In such cases, although the machines may operate in coordination as part of a plant or project, each machine continues to perform its own specific function and remains classifiable under the heading appropriate to that function. The mere integration of machines through piping, cables, or process flow does not, by itself, render them a single functional unit within the meaning of Section Note 4.

18. The Committee further observes that reliance on Section Note 4 to justify classification of entire plants under a single heading is misplaced, as the said Note is applicable only where the combined components perform one clearly defined function, and not where different machines perform multiple distinct functions forming part of a larger process.

19. Coming to **Section Note 2**, it is observed that clause (a) provides that where a part is itself classifiable under a specific heading of Chapter 84 or 85, it must be classified in that heading in all cases. Clause (b) applies only to those parts which are not covered elsewhere and are suitable for use solely or principally with a particular machine. The application of this clause is conditional upon the goods qualifying as identifiable parts contributing directly to the mechanical or operational function of the machine.

20. It is further observed that the concept of "parts" under Section Note 2(b) is often incorrectly extended to include structural, supporting, or installation-related components. However, goods which merely provide structural support, housing, foundation, or installation framework, even if designed for a specific plant, do not satisfy the criteria of identifiable parts of machinery. Such goods do not participate in the mechanical functioning of the machine and are therefore to be classified in accordance with their own description under the tariff.

21. In view of the above, the combined reading of Section Note 4 and Section Note 2 makes it evident that the classification framework distinguishes clearly between a single functional unit, independent machines, and parts of machinery, and does not support classification of multiple machines forming part of a plant under a single heading by invoking the concept of functional unit or parts beyond their intended scope.

#### *Application to Partial Shipments*

22. In the context of partial shipments, it is observed that the applicability of CGO 12/2002 is contingent upon the nature of the goods imported. Where consignments, whether imported together or separately, represent a single machine in disassembled or unassembled condition, classification under one heading corresponding to the complete machine is warranted in terms of

Rule 2(a) of the General Rules for Interpretation. However, where consignments comprise different machines or equipment, each having independent function and identity, the mere fact that such goods are imported in multiple shipments for a plant or project does not render them a single unit for classification purposes. In such cases, each item is required to be classified separately in accordance with its own description and function under the tariff.

### Discussion on Present Case

23. In the present case, a dispute has arisen regarding the correct classification of goods imported by M/s ICI Pakistan Limited for establishment of an 8 MW Steam Power Generation Project. The subject consignment pertains to the 3rd partial shipment, wherein inter alia a boiler along with auxiliary components has been imported. The importer declared the goods under PCT heading 8502.3900, treating the same as part of generating sets, whereas upon interception, the Department classified the goods under PCT heading 8402.1110, being a specific heading covering steam or vapour generating boilers.

### Competing Tariff Headings

24. The classification of the subject goods involves consideration of the following competing tariff headings, as declared by the importer and as determined by the Department:

**84.02 – Steam or other vapour generating boilers (other than central heating hot water boilers capable also of producing low pressure steam); super-heated water boilers**

	- Steam or other vapour generating boilers:
	- - Water tube boilers with a steam production exceeding 45 t per hour:
8402.1110	- - With a steam production exceeding 45 t but not more than 350 t per hour and 80 kg per cm <sup>2</sup> pressure

**85.02 – Electric generating sets and rotary converters**

	- Generating sets with compression- ignition internal combustion piston engines (diesel or semi- diesel engines):
	- Generating sets with spark- ignition internal combustion piston engines:
	- Other generating sets:
8502.3100	- - Wind-powered
8502.3900	- - Other

25. A plain reading of the above headings indicates that heading 84.02 covers boilers designed for generation of steam or vapour, whereas heading 85.02 covers electric generating sets and rotary converters used for generation of electrical energy. The scope of these headings, therefore, relates to machines performing distinct functions within an industrial or power generation process. The determination of the appropriate classification of the subject goods is to be made in light of the description and scope of the above headings, read with the relevant provisions of the General Rules for Interpretation and Section Notes.

26. In order to determine the correct classification of the subject goods, the Classification Committee framed the following questions for consideration:

#### Questions for Consideration

- i. *Whether the subject goods, being a boiler imported as part of a project in partial shipments, are to be classified as part of a generating set/plant or as an independent machine under its specific heading?*
- ii. *Whether the provisions of Para (xi) of CGO 12/2002, read with Rule 2(a) of the General Rules for Interpretation, permit classification of multiple machines forming part of a project under a single PCT heading?*
- iii. *Whether a boiler, having a distinct and clearly defined function of generation of steam, can be classified under heading 85.02 (electric generating sets)?*
- iv. *Whether the concept of functional unit under Section Note 4 to Section XVI is applicable in the present case?*
- v. *Whether importation of goods under a single contract/project or in partial shipments has any bearing on classification where goods are otherwise specifically described under separate headings?*

#### Analysis and Findings

*(i) Whether the subject goods are to be classified as part of a generating set/plant or as an independent machine under its specific heading?*

It is observed that the subject goods are a boiler, which is a specifically defined machine having the distinct and clearly identifiable function of generation of steam. In this regard, reference is invited to the Explanatory Notes to Heading 84.02, which provide, inter alia, that the said heading covers apparatus for generating steam or other vapour for operating prime movers such as steam turbines or other steam-powered machinery, and further clarifies that separately presented boilers remain classifiable under Heading 84.02 even where such boilers are specially constructed to form an integral part of a particular machine, apparatus or vehicle.

The Explanatory Notes further provide that steam generated by such boilers may be used for operating prime movers, steam-powered machinery, or for supplying steam to apparatus for heating, cooking, sterilizing and other industrial applications. It is therefore evident that the use of boilers is not confined to generating sets falling under Heading 85.02 alone, rather boilers possess independent industrial utility across a wide range of applications and processes. This further reinforces the separate commercial and functional identity of boilers as independently classifiable machinery specifically covered under Heading 84.02.

***(ii) Whether Para (xi) of CGO 12/2002 permits classification of multiple machines forming part of a project under a single PCT heading?***

The answer is in the negative. Para (xi) of CGO 12/2002, read with Rule 2(a) of the General Rules for Interpretation, applies where a single machine is imported in disassembled or unassembled condition, whether collectively or through separate consignments. The said provision is intended to prevent fragmented classification of one machine imported in parts. It does not authorize classification of multiple machines, each having separate identity and function, under one heading merely because they are imported under one contract or for one project. Therefore, CGO 12/2002 does not support the proposition that all machines forming part of a project may be classified under a single PCT heading.

***(iii) Whether a boiler can be classified under heading 85.02?***

The answer is in the negative. Heading 84.02 specifically covers steam or vapour generating boilers, whereas Heading 85.02 covers electric generating sets and rotary converters. In this regard, the Explanatory Notes to Heading 85.02 clarify that "generating sets" consist of an electric generator together with its prime mover, such as steam turbines, hydraulic turbines or internal combustion engines, mounted together and presented as one unit. The subject goods are neither an electric generator nor a prime mover, but a boiler whose function is limited to generation of steam. The Explanatory Notes to Heading 84.02 further clarify that separately presented boilers remain classifiable under Heading 84.02 even where specially designed to form part of a larger machine or installation. Moreover, boilers are not confined to use with generating sets alone and are capable of multiple industrial applications involving supply of steam. Accordingly, in terms of Rule 1 of the General Rules for Interpretation, the subject goods, being specifically covered under Heading 84.02, cannot be classified under Heading 85.02 merely because they are intended for use in a power generation project.

***(iv) Whether Section Note 4 to Section XVI is applicable in the present case?***

The answer again is in the negative. Section Note 4 applies where a machine, including a combination of machines, consists of individual components intended to contribute together to a single clearly defined function covered by one heading in Chapter 84 or 85. In the present case, the boiler does not lose its separate identity by reason of its use in a larger system. It performs its own independent and specific function of generating steam, while other machines in the project perform separate functions. The project, therefore, consists of multiple machines performing different functions and cannot be treated as one functional unit falling under a single heading merely by invoking Section Note 4.

***(v) Whether importation under a single contract/project or in partial shipments affects classification where goods are otherwise specifically described under separate headings?***

It does not. Classification is governed by the terms of the headings, the relevant Section and Chapter Notes, and the General Rules for Interpretation. The manner in which goods are imported, whether under a single contract, for a single project, or in partial shipments, does not override the specific description of the goods in the tariff. Where a product is specifically classifiable under a particular heading, such classification cannot be displaced merely because the goods are intended for use in a larger plant or project. Therefore, importation in partial

shipments has no effect on the classification of the subject boiler where the boiler is otherwise specifically covered under heading 84.02.

### **Holding / Determination**

27. In view of the foregoing discussion, the Classification Committee proceeds to determine the classification of the subject goods in accordance with the applicable provisions of the Pakistan Customs Tariff.

At the outset, reference is made to Rule 1 of the General Rules for Interpretation (GRIs), which provides:

*"The titles of Sections, Chapters and sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes..."*

28. On application of the above rule, it is observed that heading 84.02 specifically covers steam or vapour generating boilers, whereas heading 85.02 covers electric generating sets and rotary converters. The subject goods, being a boiler, are specifically described under heading 84.02 and do not fall within the scope of heading 85.02.

29. It is further noted that the principle embodied in the Explanatory Notes to the Harmonized System requires that where goods are covered by a specific heading, classification under another heading is not permissible. The function of a boiler, i.e., generation of steam, is distinct from that of a generating set, which is the production of electrical energy. Accordingly, classification of the subject goods under heading 85.02 is not sustainable.

30. With regard to classification of goods imported in partial shipments, reference is made to Rule 2(a) of the General Rules for Interpretation, which provides:

*"Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished... It shall also include a reference to that article complete or finished... presented unassembled or disassembled."*

31. The above rule, read with Para (xi) of CGO 12/2002, applies only where a single machine is imported in disassembled or unassembled condition. In the present case, the subject goods themselves constitute a complete and independently identifiable machine, and therefore the said provisions do not alter their classification.

32. The applicability of Section Note 4 to Section XVI has also been examined. The said Note provides:

*"Where a machine (including a combination of machines) consists of individual components... intended to contribute together to a clearly defined function... then the whole falls to be classified in the heading appropriate to that function."*

33. It is observed that this provision applies only where a combination of components performs a single clearly defined function under one heading. In the present case, the boiler

performs an independent function within a system comprising multiple machines performing different functions. Accordingly, the provisions of Section Note 4 are not attracted.

Similarly, **Section Note 2 to Section XVI** provides:

*(a) Parts which are goods included in any of the headings of Chapters 84 or 85... are in all cases to be classified in their respective headings;*

*(b) Other parts... suitable for use solely or principally with a particular kind of machine... are to be classified with the machines of that kind...*

34. In the present case, the subject goods are not parts but a complete machine in themselves, specifically described under heading 84.02. Therefore, the provisions relating to classification of parts are not applicable. It is further observed that classification is to be determined strictly in accordance with the terms of the headings, relevant Section Notes, and the General Rules for Interpretation, and is not dependent upon the manner of importation, whether under a single contract, for a project, or in partial shipments.

36. In view of the above, the Classification Committee holds that the subject goods, being a boiler, are appropriately classifiable under PCT heading 8402.1110 by virtue of GRI;1, in accordance with their specific description and function. The declaration of the goods under PCT heading 8502.3900 is not in conformity with the applicable legal provisions and is therefore not sustainable as the scope of 8502.3900 is limited only to electricity generation which only embodies prime mover and its generator/alternator.

#### **Determination Regarding Remaining Partial Shipments Forming Part of the Project**

37. In compliance with the directions of the Hon'ble High Court of Sindh contained in Order dated 13.01.2025 passed in SCRA No. 792 of 2023, the Committee has also examined the nature and classification of the goods imported under the remaining Goods Declarations forming part of the subject 8 MW Steam Power Generation Project imported by M/s ICI Pakistan Limited through multiple partial shipments. Upon examination of the descriptions and nature of the said goods, the Committee observes that the consignments comprise multiple independently identifiable machines and apparatus possessing separate commercial identity, distinct operational character and specifically identifiable functions, individually covered under separate and specific headings of the Pakistan Customs Tariff.

38. For the reasons already discussed in detail in the foregoing analysis regarding the scope and applicability of Rule 1 and Rule 2(a) of the General Rules for Interpretation, Para (xi) of CGO No. 12/2002, Section Note 2 and Section Note 4 to Section XVI, and the principles governing classification of specifically described machinery under their respective tariff headings, the Committee holds that the mere fact that the aforesaid goods were imported under a common contract, for establishment of one industrial project, or through coordinated partial shipments does not alter the essential character or individual classification of such machinery and equipment. The provisions of Rule 2(a) and CGO No. 12/2002 apply only where

consignments together represent a single identifiable machine imported in unassembled or disassembled condition retaining the essential character of the complete article, and do not permit regrouping of multiple independently classifiable machines under one composite heading merely because such machines collectively contribute towards a larger industrial objective. Likewise, although the various machines and systems imported under the subject project may collectively contribute towards the broader process of power generation, the individual machinery continues to perform separate and specifically identifiable functions recognized independently under the tariff and therefore cannot be classified collectively as a single generating set under PCT Heading 8502.3900 by invoking the concept of "functional unit" under Section Note 4 to Section XVI. Accordingly, the Committee determines that the goods imported under the remaining partial shipments are appropriately classifiable under their respective individual PCT headings according to their own description, nature and function. Accordingly, the classification of the goods imported under the remaining Goods Declarations forming part of the subject project is determined as under:

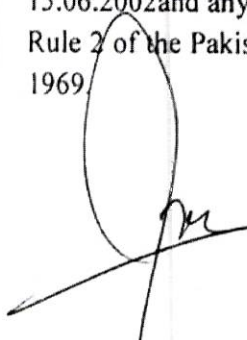
S.No.	GD No.	Description of Goods	Determined PCT Heading
1	KEWB-HC-7527 dated 02.11.2021	Water treatment section	8421.2100
		Boiler section	8402.1110
		Cooling tower / allied thermal equipment	8419.8910
		Air compressors, air tanks and dryers	8414.8090
		Soot blower	8404.1000
2	KAPE-HC-120688 dated 31.12.2021	Electric conductors / cables	8544.4990
3	KAPE-HC-9848 dated 13.01.2022	Steel structures with fittings and attachments	7308.9090
4	KAPE-HC-135139 dated 25.01.2022	Switchgear panels	8537.1090
		Distributed Control System (DCS)	9032.8990

S.No.	GD No.	Description of Goods	Determined PCT Heading
		Valves and fittings	8481.8090
5	KEWB-HC-8928 dated 26.03.2024	Steel structures	7308.9090
6	KEWB-HC-12174 dated 21.06.2024	Prefabricated buildings in dismantled condition	9406.9090
		Deaerator tower	8414.8090
		Coal crusher	8474.2090
		Boiler section	8402.1110
7	KEWB-HC-2238 dated 12.09.2024	Bridge crane	8426.1990
		Dust collection system / filters	8421.3990
		Slag removal system	8479.8990
		Air compressor	8414.8090
		Pumps	8413.7090
		Heat exchanger	8419.5000
		Soot blower	8404.1000
8	KEWB-HC-2674 dated 24.09.2024	Transformer	8504.3400
		Super heater boiler	8402.2000
		Filters	8421.3990

S.No.	GD No.	Description of Goods	Determined PCT Heading
		Drain flash tank	7310.2900
		Air heater / desulphurization equipment	8419.8990
		Ash / slag bin	7326.9090
		Sand silo / coal bin	9406.1030
		Boiler feed pump	8413.7090
9	KAPE-HC-80140 dated 04.11.2021	Drum / tank	7310.2900

39. The above classification determination is specific to the products whose details/specifications have been given above. Further, the ruling is based on the documents and information provided by the referring Collectorate and shall be treated as annulled if it is found at any subsequent stage that the same was obtained by providing incorrect, false, misleading or incomplete information.

40. This Public Notice is issued in terms of Chapter-II (Classification) of CGO 12/2002 dated 15.06.2002 and any appeal against this determination/decision shall lie with the Board in terms of Rule 2 of the Pakistan Rules provided in the preamble of the First Schedule to the Customs Act, 1969.



-Sd-

(Ammara Durrani)


Additional Collector/

Secretary to the Classification Committee

**Copy for information to:**

1. Member (Customs-Policy), Federal Board of Revenue, Islamabad.
2. Member (Customs-Operations), Federal Board of Revenue, Islamabad.
3. Member (Customs-Legal & Accounting), Federal Board of Revenue, Islamabad.
4. Member (FATE), Federal Board of Revenue, Islamabad.
5. The Chief (Tariff & Trade), Federal Board of Revenue, Islamabad.
6. The Chief Collector of Customs (Appraisalment) South, Custom House, Karachi.
7. The Chief Collector of Customs (Enforcement) South, Custom House, Karachi.
8. The Chief Collector of Customs (Exports), Custom House, Karachi.
9. The Chief Collector of Customs (Appraisalment) Central, Custom House, Lahore.

10. The Chief Collector of Customs (Enforcement) Central, Custom House, Lahore.
11. The Chief Collector of Customs (North), Custom House, Islamabad.
12. The Chief Collector of Customs (Khyber Pakhtunkhwa), Custom house, Peshawar.
13. The Chief Collector of Customs (Baluchistan), Custom House, Quetta.
14. M/s. ICI Pakistan, 5 West Wharf, Karachi.
15. M/s. Javaid Umar Enterprises (CHAL No. 18), 205-212 Commerce Center, Hasrat Mohani Road, Karachi.
16. M/s. Masood Aziz Associates, 1<sup>st</sup> Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi.
17. The Director, Reforms and Automation (R&A), Custom House, Karachi.
18. The Karachi Chamber of Commerce & Industry, Karachi.
19. The Federation of Pakistan Chambers of Commerce and Industry, Karachi.
20. The Karachi Customs Agents Association, Karachi.
21. Notice Board.

  
(Ammara Durrani)  
Additional Collector/  
Secretary to the Classification Committee