



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



No. C-134/KAPE/DC-PCT/2020

Dated: 13.04.2026

PUBLIC NOTICE NO. 24/2026

Subject: CLASSIFICATION OF "COMPLETE SET OF CHIPS PRODUCTION LINE"

01. The Model Customs Collectorate of Appraisalment (West), Karachi, vide letter No. SI/MISC/06/2020-VI dated 20.01.2020, forwarded a reference to the Classification Committee for determination of the correct classification of goods described as "Complete Set of Chips Production Line" imported vide GD No. KAPW-HC-67621 dated 17.12.2019.
02. Hearings in the matter were convened and attended by representatives of the Model Customs Collectorate of Appraisalment (West), Karachi, and members of the Classification Committee. No representative appeared on behalf of the importer despite due notice.
03. M/s. M.D. Food Industries, Karachi imported a consignment described as "**Machine for Chips Production Line Complete with standard accessories and parts**" and declared the same under PCT Heading 8438.1000, covering machinery for bakery and for the manufacture of macaroni or similar products. However, the Collectorate assessed the goods under PCT Heading 8419.8990, pertaining to machinery and plant for the treatment of materials by a process involving a change of temperature such as heating, cooking, roasting, drying, etc.
04. Examination of the import documents, including invoice, packing list, bill of lading, and technical literature, reveals that the consignment comprises a complete and integrated production line consisting of wet mixer, sheeting machine, forming machine, continuous fryer, flavouring unit, and ancillary equipment such as conveying systems. The production process involves mixing of raw material, sheeting, forming into chips, frying at high temperature (approximately 250 kg/hour capacity), and subsequent seasoning.

Chief (TPS)
20/04/2026
Nebrata
Muhammad Abu Bakar Siddique
Chief (TPS)

05. The Collectorate contended as follows:

- i. The imported system constitutes a composite machine within the meaning of Section XVI Note 3, as it consists of multiple machines performing complementary functions to achieve a single objective, i.e., production of chips.
- ii. As per the Harmonized System Explanatory Notes to Heading 8438, machinery whose operation is primarily based on treatment by temperature (e.g., cooking, frying) is excluded and classifiable under Heading 8419.
- iii. In terms of Chapter Note 2 to Chapter 84, where a machine is prima facie classifiable under both Headings 8401–8424 and 8425–8480, classification shall be determined under the former group, thereby favoring Heading 8419.

06. The Classification Committee examined the case in light of the relevant legal provisions of the Pakistan Customs Tariff and the Harmonized System Explanatory Notes, and observed as follows:

- i. Heading 8438 covers machinery for the industrial preparation or manufacture of food or drink, not elsewhere specified or included, including machinery used in various food-processing industries.
- ii. Heading 8419 specifically covers machinery for the treatment of materials by a process involving a change of temperature, including cooking, frying, roasting, drying, etc.
- iii. The Explanatory Notes to Heading 8438 expressly exclude “cooking, roasting, steaming, etc., machinery and plant” which are classifiable under Heading 8419.
- iv. In the present case, the imported goods comprise a complete production line consisting of multiple machines intended to contribute together to a clearly defined function. In terms of Section XVI Note 4, such a functional unit is to be classified as a whole in the heading appropriate to that function.
- v. Further, in terms of Section XVI Note 3, composite machines are to be classified according to the component which performs the principal function.

vi. The Committee finds that the continuous fryer, which performs frying through application of high temperature, constitutes the essential and defining process in the production of potato chips. The remaining components serve preparatory or ancillary roles.

vii. Accordingly, the principal function of the composite machine is the treatment of material by change of temperature, bringing the goods squarely within the scope of Heading 8419.

07. In view of the foregoing, the Classification Committee holds that:

- The imported "Complete Set of Chips Production Line" constitutes a composite machine / functional unit;
- The principal function of the system is frying, involving treatment by change of temperature;
- Therefore, the goods are appropriately classifiable under PCT Heading 8419.8100, by application of GRI 1,3(a) and 6, read with Section XVI Notes 3 and 4 of the First Schedule to the Customs Act, 1969.

08. This determination is specific to the goods described herein and is based on the information made available. It shall be rendered void if it is subsequently found to be based on incomplete, incorrect, or misleading information.

09. This Public Notice is issued in terms of Chapter-II (Para 2) of Customs General Order No. 12 of 2002, as amended by CGO 02/2025 dated 24.03.2025. Any appeal against this decision shall lie before the Board in terms of the relevant provisions of the Customs Act, 1969 and the rules made thereunder.

-S/d-

(Ammara Durrani)

Additional Collector/

Secretary to the Classification Committee

Copy for information to:-

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1. Member (Customs-Policy), Federal Board of Revenue, Islamabad.
2. Member (Customs-Operation), 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) Islamabad.
8. The Chief Collector of Customs (Exports / IOCO), Custom House, Karachi.
9. The Chief Collector of Customs (Appraisalment) Central, Custom House, Lahore.
10. The Chief Collector of Customs (North), Custom House, Islamabad.
11. The Chief Collector of Customs (Khyber Pakhtunkhwa), Custom House, Peshawar.
12. The Chief Collector of Customs (Balochistan), Custom House, Quetta.
13. The Secretary (Tariff -I), Federal Board of Revenue, Islamabad
14. All Collectors / Directors of Customs.
15. The Collector of Customs Appraisalment-(West), Custom House, Karachi.
16. The Collector of Customs Appraisalment-(East), Custom House, Karachi.
17. The Collector of Customs Appraisalment (PMBQ/SAPT), 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. M/s. M. D. Food Industries, Super Highway, near SITE Police Station, Phase-1, Karachi.
22. Notice Board.


(Ammara Durrani)
Additional Collector of Customs
Secretary to the Classification Committee