



GOVERNMENT OF PAKISTAN
COLLECTORATE OF CUSTOMS APPRAISEMENT-EAST
CUSTOM HOUSE, KARACHI



C-29 KAPE/DC/PCT/2025

Dated: 19-05-2026

PUBLIC NOTICE NO. 50/2026

Subject: CLASSIFICATION OF PRIME QUALITY IRON & NON-ALLOY STEEL SHEETS/COILS COATED WITH ALLOYS OF ALUMINIUM, ZINC AND OTHER ELEMENTS.

Briefly, the Classification Committee, Collectorate of Customs, Appraisement-East, Custom House, Karachi issued Public Notice No. 12/2025 dated 25-09-2025 and determined classification of 'iron & steel non-alloy steel sheets coated with zinc & aluminium'. The said notice was challenged before the Member (Customs-Policy), Federal Board of Revenue, Islamabad in terms of CGO No. 12 of 2002 (as amended by CGO No. 02 of 2025) read-with Rule 2 of Pakistan Rules of the Pakistan Customs Tariff (First Schedule to the Customs Act, 1969).

02. The competent authority after providing opportunity of hearing to the Department and representatives of the appellants, vide Board's letter C.No. 1(15)Tar-III/2025 dated 03-11-2025, remanded back the matter to the Classification Committee to re-examine and decide the classification of subject goods afresh. The Board further directed to consider the nature of coating on the imported steel sheets/coils to determine whether the coating is of alloy of aluminum, zinc and other elements or it is layered/sprayed coating of different elements (such as aluminum, zinc & other elements). The Committee was further directed to complete the exercise within fifteen (15) days.

03. Background of the Case:

Before proceeding further into the matter, it is pertinent to highlight the background of the case. The Deputy Collector (Group-V), Collectorate of Customs (Appraisement-East), Customs House, Karachi, vide letter No. SI/MISC/KAPE/75/2025-V dated 30-05-2025, referred the matter to the Secretary, Classification Committee, Collectorate of Customs (Appraisement-East), Customs House, Karachi, requesting the issuance of a binding classification ruling in respect of prime quality iron and non-alloy steel sheets/coils coated with the following percentages of aluminum and zinc:

Sample	%age of zinc	%age of Aluminum
A	43.5%	16%
B	6%	13%

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Chief (TPS)

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Vide the aforementioned reference, the stance of the assessment Group was conveyed that the PCT heading 7210.6190 is specifically reserved for products conforming to internationally recognized Galvalume standards, which require a composition of approximately 55% aluminum, 43.4% zinc, and 1.5% silicon—where aluminum constitutes the predominant element (exceeding 50%) and the coating meets established industrial specifications. In accordance with the General Interpretative Rules (GIR), the predominant coating element is determinative for classification purposes. Accordingly, where zinc constitutes the majority (>50%) of the coating, the product is to be classified under PCT 7210.4990, even if aluminum is present in a lesser proportion (<50%), unless the product fully adheres to the recognized Galvalume composition. Conversely, the traders contended that any product containing both aluminum and zinc, irrespective of their respective proportions, should fall under PCT 7210.6190, which pertains to aluminum-zinc alloy coated steel, as the tariff heading does not prescribe specific percentage thresholds. They further argued that the mere presence of aluminum, regardless of its quantity, alters the product's essential character, thereby rendering it ineligible for classification under PCT 7210.4990, which is designated for zinc-coated products only.

04. **Hearing Proceedings:**

In compliance of Board's direction, matter was considered afresh and hearings on the subject matter were held on 05-11-2025, 24-11-2025 & 31-01-2026 that were attended by Mr. Shahab Imam (Advocate), Mr. Hussain Yousaf & Mr. Hamza Noor on behalf of All Iron & Steel Merchant Association (AISMA), Mr. Aqeel Ahmed (Advocate) & Mr. Aqeel Ahmed (Advocate) & Mr. Muhammad Bilal for M/s Black Gold, Mr. Sadiq Gogan of M/s Gogan Steel & others participants.

05. **Importers' Point of View:**

The submissions of the importer's representative, M/s Aqeel Ahmed Associates, are reproduced below:

"In addition to the written submissions earlier made before this Classification Committee on 05-11-2025 as well as appeal filed before the Member (Customs-Policy), FBR in the proceedings of classification of goods i.e., Flat-rolled products of non-alloy steel coated with aluminum & zinc alloys initiated by the Committee in terms of para-2(11) of CGO No. 02/2025 dated 24-03-2025 following contentions are being submitted on above-stated two points: -

1. That the sixth single dash heading of main heading 72.10 prescribed coating of aluminum and zinc alloy for classification of goods under subheading 7210.61 as per quality of goods. An alloy is a mixture of two or more metals or non-metals elements, hence, there is no difference between an alloy made by aluminum and zinc or zinc and aluminum. The third and fourth single dash headings of main heading 72.10 not prescribing coating of zinc-aluminum alloy instead prescribing coating of zinc electrolytically or otherwise.
2. That there are two types of coating one relates to alloy i.e. mixture of two or more metal or non-metal elements the other relates to layered/sprayed coating. The Explanatory Notes of subheading 72.10 prescribes that the products subject to more than one type of coating (layered/sprayed) are to be classified according to the last process which indicates that if the product coated with a layer/spray of aluminum and then zinc it shall be classified according to the last process of zinc coating and in case of vice versa the product shall be classified according to the last process of aluminum coating. Whereas, to distinguish between products electrolytically plated or coated with zinc and products otherwise plated or coated with zinc for the purpose of classification either under subheading 7210.30 and 7210.41, the procedure prescribed in the Explanatory Notes of subheadings 7210.30, 7210.41 & 7210.49 that if the aluminum is detected in excess of 0.5% (in layered/sprayed coating) then such products shall be classified under subheading 7210.41 as hot-dipped zinc coated products, if not, then such products shall be classified under subheading 7210.30 as electrolytically zinc coated products. The aforesaid Explanatory Notes clearly reflect that they are not related to alloy coating. Moreover, if the product coated with alloy of aluminum and zinc classified under subheading 7210.41 or 7210.49 on the basis of detection of aluminum in excess of 0.5% then the subheading 7210.61 prescribing coating of aluminum and zinc alloy irrespective of any percentage of any metal/element shall become redundant which is not permissible under the well settled principle of statutory interpretation that "if two reasonable interpretations are possible, but one leads to redundancy while the other avoid surplusage it is the later interpretation that has to be preferred" as laid down by the Sindh High Court in a case of classification decided in the judgment rendered in case of Iqbal Hussain v/s FOP reported in 2010PTD 2338 having binding effect on this Authority in terms of Article 201 of the Constitution, 1973.
3. It is contended that as the alloy is a mixture of two or more metal or non-metal elements, therefore, there is no difference between the alloy made by the aluminum and

zinc or zinc and aluminum and the goods which are subject matter of classification are admittedly coated with alloy of aluminum and zinc, therefore, the Explanatory Notes of subheadings 7210.30, 7210.41 and 7210.49 which relates to the layered/sprayed coating are not applicable for classification of such goods."

06. Departmental Submissions:

Departmental representatives, in response to importer's submissions submitted following arguments:

- A. Nature of Coating on imported goods: As per the test reports of the referred consignments, the goods are 'hot-dipped non-alloy steel sheets coated with aluminium & zinc, and with zinc & Aluminium'(with varying percentages). The Board, vide aforesaid letter, directed to consider the nature of coating on the imported steel sheets/coils to determine whether the coating is of alloy of aluminum, zinc and other elements or it is layered/sprayed coating of different elements (such as aluminum, zinc & other elements). In this regard, it is stated that the General Explanatory Notes to chapter 72, explain different process of coating & cladding on steel sheets, and categorizes 'hot dipping' under the process *Metallisation* i.e., immersion in a bath of molten metal or metal alloy. Relevant portion of EN is as under:

"(iv) Coating with metal (metallisation) the main processes being: - immersion in a bath of molten metal or metal alloy e.g., hot-dip galvanising, tinning, hot coating with lead, and aluminium coating;

In view of the above, the subject goods are immersed iron or steel sheet into a molten metal bath, such as zinc-aluminium or aluminum-zinc alloys. The goods in question are coated by immersion in a molten alloy (aluminium & zinc), not by successive layering or spraying of separate metals. Had the latter been the case, classification would follow the principle stated in the Explanatory Notes: "*For the purpose of the subheadings of heading 72.10, products subjected to more than one type of coating, plating or cladding are to be classified according to the last of these processes.*"

- B. Definition of steel Sheet Coated with Plated or coated with aluminium-zinc alloys:

The contention of the importers that alloy is the mixture of two or more metals and there is no difference between Aluminium-Zinc and Zinc-Aluminium alloy has been

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examined and the departmental representatives agree to the extent of definition of alloy as defined in Note 5(c) of Section XV as:

"In this Section the term "alloys" includes sintered mixtures of metal powders, heterogeneous intimate mixtures obtained by melting (other than cermets) and intermetallic compounds."

The same are further explained in General Explanatory Notes to Chapter 72 as:

Intermetallic compounds composed of two or more base metals are also treated as alloys... []"

On the other hand, the Department's view with respect to "aluminium-zinc" and "zinc-aluminium" alloys is that these are two distinct alloys and the contention of the importer is not tenable in this regard. This fact is clarified from the General Explanatory Notes to Chapter 76 and 79. The General Explanatory Notes to Chapter 79 indicate *zinc-aluminium alloys* are categorized as **principal zinc alloys**, whereas similar General Explanatory Notes to Chapter 76, classify *aluminium-zinc-magnesium alloys* as **principal aluminium alloys**.

The said fact is further corroborated from extract of the book "Physical Metallurgy Principles" by Reza Abbaschian, Lara Abbaschian which states that "*the principal element in an alloy is listed first, as it constitutes the majority of the alloy's composition, while minor alloying elements are listed afterward.*"

Citation: Abbaschian, R., & Abbaschian, L. (2009). *Physical Metallurgy Principles*, 3rd Edition. Cengage Learning.

Hence the description "plated or coated with aluminium-zinc alloys" implies that the term to cover only those alloys in which the aluminium is the prime metal i.e., weight of aluminium predominates over that of zinc. Conversely, alloys in which zinc constitutes the majority by weight, exceeding aluminium and any other elements, would fall outside the scope of the term "aluminium-zinc alloys."

C. Explanatory Notes- Subheadings 7210.30, 7210.41 and 7210.49:

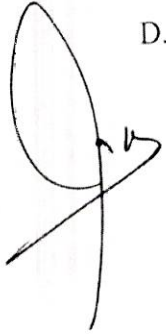
The Explanatory Notes to heading 72.10 provides the following procedure to distinguish between products electrolytically plated or coated with zinc and those otherwise plated or coated with zinc:

"To distinguish between products electrolytically plated or coated with zinc and products otherwise plated or coated with zinc, the following procedure can be used:

- The products are first to be examined for the presence or otherwise of spangle by visual or microscopic observations.
- If spangle is detected, they are hot-dipped zinc-coated products. If spangle is not detected, even when magnified 50 times, the coating should be chemically analysed.
- If aluminium is detected, or lead is detected in excess of 0.5 %, they are hot-dipped zinc-coated products. If not, they are electrolytically zinc-coated products."

It is evident from the above-referred testing procedure that iron and (non-alloy) steel hot-dipped zinc-coated products may contain aluminium and lead. This fact clearly establishes that the presence of aluminium is not exclusive to iron and (non-alloy) steel sheets coated with aluminium-zinc alloy. Once it is accepted that aluminium may be present in both categories of products, the critical issue that arises is the determination of which products are classifiable under heading 7210.49 and which fall under heading 7210.61. Accordingly, classifying all products in which aluminium is detected under heading 7210.61 would be inconsistent with the Explanatory Notes, which expressly acknowledge that aluminium may also be present in hot-dipped zinc-coated products classifiable under heading 7210.49. Such an approach would undermine the distinction expressly prescribed in the Explanatory Notes and would result in an incorrect and over-broad application of heading 7210.61.

D. Redundancy of heading 7210.61:



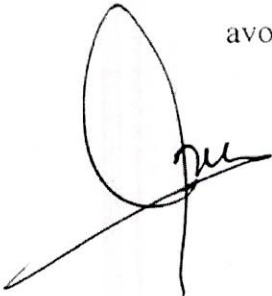
The importer's representative contention regarding redundancy of PCT 7210.61 is *not tenable*, rather the position taken is contradictory. It has been argued that when aluminium coating is found along with zinccoating on steel sheets, the coating should be regarded as layered or sprayed, whereas, the Explanatory Notes clearly identify such coatings as being "hot-dip galvanizing- immersion in a bath of molten metal or metal alloy". In light of this explicit description, treating the coating as layered or sprayed is not supported by the Explanatory Notes. Further, it is acknowledged in Paragraph B above that an alloy is a mixture of two or more metals. When aluminium is present together with zinc, the coating acquire the character of an alloy. In such circumstances, there is no clear basis for treating the coating as layered or sprayed

instead of as an alloy coating, nor for disregarding the applicability of the relevant Explanatory Notes.

Moreover, the departmental representative has argued that classifying non-alloy steel sheets coated with a zinc-aluminium alloy under heading 7210.61 solely on the basis of the presence of aluminium, irrespective of its proportion, would instead render headings 7210.41 and 7210.49 redundant. The Explanatory Notes to heading 72.10 clearly state that "If aluminium is detected, or lead is detected in excess of 0.5 %, they are hot-dipped zinc-coated products." This clearly establishes that galvanized sheets may contain aluminium. Therefore, the mere presence of aluminium cannot justify classification under heading 7210.61, and such classification would be contrary to the structure and scheme of the tariff as well as the Explanatory Notes.

In addition to that, such an interpretation would be inconsistent with Rule 1 of the Pakistan Rules (First Schedule to the Customs Act, 1969), which explicitly provides that *the Explanatory Notes to the Harmonized Commodity Description and Coding System, as published by the World Customs Organization, constitute an authentic source of interpretation.*

Such perceived redundancy between headings 7210.61, 7210.41, and 7210.49 can be avoided by applying Notes 5(a), 5(c), and 6 of Section XV, which clearly provide that:



"5(a) An alloy of base metals is to be classified as an alloy of the metal which predominates by weight over each of the other metals"

"6.- Unless the context otherwise requires, any reference in the Nomenclature to a base metal includes a reference to alloys which, by virtue of Note 5 above, are to be classified as alloys of that metal."

07. Committee's Findings:

The Classification Committee heard the arguments advanced by the importers' representatives and the departmental representative and examined the matter in detail in the light of the General Rules for Interpretation (GRIs), the scheme of the Pakistan Customs Tariff, and the relevant Section Notes and Explanatory Notes.

Heading 72.10 of the Pakistan Customs Tariff covers "Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated." Within this heading, goods electrolytically plated or coated with zinc are classifiable under PCT 7210.30, whereas goods

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otherwise plated or coated with zinc fall under PCT 7210.4. On the other hand, iron and non-alloy steel sheets plated or coated with aluminium are covered under PCT 7210.6, wherein PCT 7210.61 specifically covers products plated or coated with aluminium-zinc alloys, and PCT 7210.69 covers all other products plated or coated with aluminium.

The classification dispute in the present case pertains to two samples referred by the Collectorate. The enclosed lab reports indicate that in case of first sample, iron and non-alloy steel sheets coated through the hot-dip process, wherein zinc constitutes the dominant component of the coating, though aluminium is also present in small quantities. In case of second sample aluminium constitutes the main component of the alloy coating.

The Explanatory Notes to Heading 72.10 provide relevant interpretative guidance in two respects. Firstly, where products are subjected to more than one process of coating, plating, or cladding, classification is determined according to the last coating process. Secondly, the Explanatory Notes prescribe a technical procedure to distinguish between electrolytically zinc-coated products and those otherwise zinc-coated (including hot-dipped products) reproduced as under:

- The products are first examined visually or microscopically to detect the presence of spangle.
- If spangle is detected, the goods are regarded as hot-dipped zinc-coated products.
- If spangle is not detected, even at magnification of 50 times, the coating is to be chemically analyzed.
- If aluminium is detected, or lead exceeds 0.5%, the goods are considered hot-dipped zinc-coated products; otherwise, they are treated as electrolytically zinc-coated products.

In the present case, the principle relating to classification based on the last coating process is not directly applicable, as the goods are produced through a hot-dip process, involving immersion of the steel sheet in a molten metal bath, rather than through multiple sequential coating operations (as explained in para 6A above). This is substantiated by the technical procedure prescribed in the Explanatory Notes for distinguishing the electrolytic from hot-dipped coatings are highly relevant. Significantly, the Explanatory Notes clearly indicate that hot-dipped zinc-coated products may contain aluminium in the coating. Mere presence of aluminium in the coating will not exclude the sheets as classified as zinc coated sheets. This

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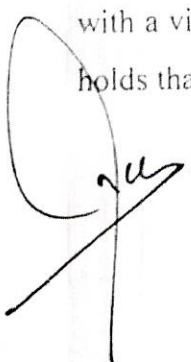
position effectively negates the contention advanced by the importers' representatives that the presence of aluminium, in any proportion, mandates classification under PCT 7210.61.

Furthermore, the tariff description under PCT 7210.61, namely "Plated or coated with aluminium-zinc alloys," refers specifically to products coated with aluminium-zinc alloy coatings in which aluminium constitutes the dominant metal by weight in light of the General Explanatory Notes to Chapter 76. For aluminium alloys or those starting with the word aluminium, presence of aluminium predominantly in terms of weight percentage is mandatory. Accordingly, only those coatings in which aluminium predominates over other metals combined qualify for classification under PCT 7210.61.

In view of the foregoing analysis, it is evident that hot-dipped zinc-coated steel sheets containing minor quantities of aluminium in the coating remain classifiable as zinc-coated products, and do not fall under aluminium-zinc alloy coatings unless aluminium is the predominant constituent by weight. Consequently, such goods are appropriately classifiable under PCT 7210.49, being flat-rolled products of iron or non-alloy steel, otherwise plated or coated with zinc.

08. Conclusion/Holding:

After meticulous consideration of the arguments advanced by the importers' representatives, the rebuttal furnished by the departmental representatives, and upon examination of the matter in the light of the directions issued by the Board, the Classification Committee is of the considered view that the goods referred to as Sample 'A' in para 3 above—wherein the coating composition reflects zinc at 43.5% and aluminium at 16%—are appropriately classifiable under PCT heading 7210.49. Conversely, Sample 'B', wherein the coating of alloy is reported as 13% and 6% for aluminium and zinc, respectively, the same merits to be classified under PCT heading 7210.61. Moreover, in general, the Classification Committee, with a view to laying down guiding principles for the customs classification of similar goods, holds that:

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- a) *Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-dipped coated with zinc or zinc alloys, in which the percentage of zinc predominates by coating weight over all other elements, shall be classified under PCT 7210.49.*

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- b) Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, coated with aluminium-zinc alloys, wherein the percentage of aluminium predominates over zinc by coating weight, shall be classified under PCT 7210.61.

(The last 02 digits of the PCT codes shall be ascertained by the clearance Collectorates on the basis of quality of goods i.e., prime or secondary quality)

The above, classification determination is specific to the product whose details specifications have been given above. Further, the ruling is based on the documents and information provided by the representatives of association and importers 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.

This ruling is issued in accordance with Chapter-II (Classification) of CGO 02/2025 dated 24.03.2025, 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.

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) 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 (Baluchistan), Custom House, Quetta.
13. The Secretary (Tariff -I), Federal Board of Revenue, Islamabad
14. All Collectors / Directors of Customs.
15. The Karachi Chamber of Commerce & Industry, Karachi.
16. The Federation of Pakistan Chambers of Commerce and Industry, Karachi.
17. The Karachi Customs Agents Association, Karachi.
18. M/s. Aqeel Ahmed Associates on behalf of M/s. Black Gold engineering, Bunglow No. B-13, First Floor, Gulshan Iqbal behind Usmani Restaurant, Karachi.

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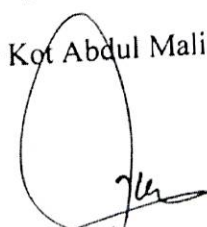
(Ammara Durrani)

Additional Collector/

Secretary to the Classification Committee

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19. M/s. V.N, Lakhani & Co on behalf of M/s. Master Pipe Industries, Suit No. 904, 9th Floor, Business Plaza, Mumtaz Hassan Road, Karachi.
20. M/s. DSI Law Associates on behalf of M/s. Iron Steel Merchant Association, Suit No. 907-905, Horizon Tower, Block-3, Clifton, Karachi.
21. M/s. Franklin Law Associates on behalf of M/s. Amal Steel Karachi, 1st Floor Plot No. 4C, Lane-3, Al Murtaza Commercial, DHA Phase-VIII, Karachi.
22. M/s M/s. Pioneer Steel, Room No. 8, 1st Floor, Jubilee Centre, Opp: New Memon Market, M.A Jinnah Road Karachi.
23. M/s. Pearl Traders, Office No. 219, 2nd Floor Jilani Centre, Behind Liaquat Market, M.A. Jinnah Road, Karachi.
24. M/s. A.A Traders, 7-A, Asghari Market Behind Motandas Market, M.A. Jinnah Road, Karachi.
25. M/s Patanwala & Sons, 19, Jubilee Centre, Behind Liaquat Market M.A. Jinnah Road, Karachi.
26. M/s. Sun Steel Private Limited, Haji Fazal Kareem Korona, Jahazono, DAG Sakhakot, Tehsil Dargan, Malakand.
27. M/s. Supreme Roofing & Sheet Metals, Plot No. 115/5, Abigal Road, Ghanchi Para, Off. Siddiq Wahab Road, Saddar, Karachi.
28. M/s. Hussain CAN Co, 10.5 KM Sheikhpura Road, Near Kot Abdul Malik, Lahore.
29. Notice Board.


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

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