

MAHARASHTRA AUTHORITY FOR ADVANCE RULING

GST Bhavan, Room No.107, 1st floor, B-Wing, Old Building, Mazgaon, Mumbai - 400010.

(Constituted under Section 96 of the Maharashtra Goods and Services Tax Act, 2017)

BEFORE THE BENCH OF

(1) Shri. D. P. Gojamgunde, Joint Commissioner of State Tax, (Member)

(2) Ms. Priya Jadhav, Joint Commissioner of Central Tax, (Member)

ARN No.	AD2709230033928
GSTIN Number, if any/ User-id	27AAACK1781H1ZK
Legal Name of Applicant	M/s. KUNTHUNATH TRADING & INVESTMENTS PVT LTD
Registered Address/ Address provided while obtaining user id	Grosvenor House, Peddar Road, Mumbai 400026
Details of application	GST-ARA, Application No. 18 Dated 05.09.2023
Concerned officer	KEMPS-CORNER-701, FORT, MUMBAI-SOUTH-EAST.
Nature of activity(s) (proposed/present) in respect of which advance ruling sought	
A Category	Wholesale Business, Service Provision
B Description (in brief)	The applicant is engaged in the business of sale and distribution of fish finders which is a crucial part of fishing vessels.
Issue/s on which advance ruling required	➤ Classification of goods and/or services or both ➤ Determination of the liability to pay tax on any goods or services or both
Question(s) on which advance ruling is required	As reproduced in para 01 of the Proceedings below.

NO.GST-ARA- 18/23-24/2024-25/B- 100 Mumbai, dt. 28/02/2025

PROCEEDINGS

(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

The present application has been filed under Section 97 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 [hereinafter referred to as "the CGST Act and MGST Act" respectively] by M/s. KUNTHUNATH TRADING & INVESTMENTS PVT LTD, the applicant, seeking an advance ruling in respect of the following questions.

Applicant seeks advance ruling as to whether fish finders merit classification as 'Parts of goods of headings 8901, 8902, 8904, 8905, 8906, 8907' falling Entry 252 of Schedule I to Notification No. 1/2017 - Central Tax (Rate) dated 28.06.2017 (as amended from time to time) and taxable at 5%?

At the outset, we would like to make it clear that the provisions of both the CGST Act and the MGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to any dissimilar provisions, a reference to the CGST Act



would also mean a reference to the same provision under the MGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, the expression 'GST Act' would mean CGST Act and MGST Act.

1. FACTS AND CONTENTION - AS PER THE APPLICANT:

- 1.1. Applicant is engaged in the business of sale and distribution of fish finders.
- 1.2. Applicant either domestically procures fish finders or imports the same from overseas vendors. This is further supplied to Indian as well as foreign flag ships or vessels.
- 1.3. A fish finder is a device boatman use to locate fish in the water. They work on the Sound Navigation and Ranging (SONAR) technology. It works by sending sound waves in water. These waves then strike an object and return to the device and relay important information like shape and size of the fish and so on. Copy of brochure further explaining the function of fish finders is attached with the application.
- 1.4. On perusal of the Entry 252 of Schedule I to Notification No. 1/2017 - Central Tax (Rate) dated 28th June, 2017 (as amended from time to time) (hereinafter referred to as 'goods rate notification'), applicant is inclined to believe that fish finders form an important part of fishing vessels and hence merits classification under the said rate entry.
Applicant's customers have orally informed applicant that other vendors are supplying fish finders at 5% GST rate. Applicant will become non-competitive in the market if it does not classify fish finders under entry no. 252 of Notification No.1/2017 Central Tax which specifically covers parts of goods of various types of the ships and vessels covered under headings 8901, 8902, 8904, 8905, 8906, 8907.
- 1.5. To obtain clarity on the applicable GST rate on supply of fish finders, applicant has made present application to seek advance ruling as to whether fish finders merit classification as 'Parts of goods of headings 8901, 8902, 8904, 8905, 8906, 8907 falling under Entry 252 of Schedule I to Notification No. 1/2017 - Central Tax (Rate) dated 28.06.2017 (as amended from time to time) and consequently liable to GST at 5%?

2. STATEMENT CONTAINING APPLICANT'S INTERPRETATION OF LAW

- 2.1. Applicant is engaged in business of selling and distribution of imported domestically procured fish finders.
- 2.2. Applicant submits that since fish finders are essential and crucial for operation of the fishing vessel, they merit classification under Entry 252 of Schedule I to goods rate notification. The said entry is reproduced herewith as under:



Entry No	HSN	Description	GST Rate
Entry 252 of Schedule I	Any chapter	Part of goods of headings 8901, 8902, 8904, 8905, 8906, 8907	5%

Rate entry for parts of ship covers parts of followings headings:

8901	Cruise ships, excursion boats, ferry-boats, cargo ships, barges and similar vessels for the transports of persons or goods.
8902	Fishing vessels; factory ships another vessels for processing or preserving fishery products.
8904	Tugs and pusher craft
8905	Light-vessels, fire-floats, dredgers, floating cranes and other vessels the navigability of which is subsidiary to their main function; floating docks; floating or submersible drilling or production platforms.
8906	Other vessels, including warships and lifeboats other than rowing boats
8907	Other floating structures (for example, rafts, tanks, coffer-dams, landing-stages, buoys and beacons)

2.3. Fish finders are an important part of a fishing vessel and hence should be considered as parts of goods of headings 8901, 8902, 8904, 8905, 8906, 8907.

2.4. Term 'part' is neither defined under GST legislation (including rules and rate notification) nor defined under the Customs Tariff Act (including schedule, section notes and chapter notes). It is settled legal principle that in absence of the definition of a particular term in the statute or a statutory document, it must be given same meaning which it receives in the ordinary parlance. This was held by Hon'ble Apex Court in case of MSCO Private Limited vs. Union of India and Others [1985 (19) E.L.T. 15 (S.C.)]. Further, Hon'ble Supreme Court in case of CIT, Bangalore v. Venkateswara Hatcheries (P.) Ltd. [(1999) 3 SCC 632] held that 'when the word is not so defined in the Act it may be permissible to refer to dictionary to find out the meaning of that word as it is understood in the common parlance'.

Dictionary meanings of the word 'part' are as under:

Dictionary	Meaning
Black's Law Dictionary	An integral portion, something essential belonging to a larger whole, that which together with another or other makes up a whole.
Collins Dictionary	A part for a machine or vehicle is one of the smaller pieces that is used to make it.
Dictionary.com	An essential or integral attribute or quality



Oxford Dictionary	One of the pieces, areas, periods, things, etc. that together with others forms the whole of something
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From perusal of above dictionary meanings, part is an essential component of the whole (i.e. a ship or a vessel) without which the whole (i.e. such ship or vessel) cannot function. As per of guidelines issued by the Ministry of Agriculture and Farmers Welfare in respect of Centrally Sponsored Scheme (CSS) on Blue Revolution: Integrated Development and Management of Fisheries (No. 27035-19/2015-Fy (IV) Vol. II), fish finder is a mandatory requirement in the safety kit used by fishermen at sea.

2.5. Maharashtra Advance Ruling Authority in case of C S Diesel Engineering Private Limited [(2019) 106 taxmann.com 261 (AAR - MAHARASHTRA)] observed as under:

"There is no separate tariff item as 'parts of ship' under chapter 89 of First Schedule to Customs tariff Act, 1975 thus meaning of the term, parts of goods could then be adopted from its meaning in common parlance. The term, 'part' as defined in Black's Law dictionary: 'an integral portion, something essentially belonging to a larger whole, that which together with another or others makes up a whole' We find that as per Cambridge English Dictionary:

"a separate piece of something or a piece that combines with other pieces to form the whole of something One of the pieces that together form a machine or some type of equipment"

As per Import-Export Policy "Part" means an element of a sub-assembly or assembly not normally useful by itself, and not amenable to further disassembly for maintenance purposes. A part may be a component, spare or an accessory.

From the above it could be understood that anything which is an integral element and is also essential to an object, could be considered as part of the article".

2.6. Hon'ble Supreme Court in case of Mehra Brothers vs. Joint Commercial Officer [1991 (51) ELT 173 (SC)] held that, the term 'part' has a broad coverage and the same includes any article which is an adjunct or accompaniment or addition for the convenient use of another part. The ratio of said judgement squarely applies to the present case and hence any article or product that is fitted to the ship or vessel can be construed to be a part of such ship or vessel.



Fish finders are fitted on fishing vessels for the convenience of finding fishes in deep sea. Hence, fish finders should be considered as an essential part of the fishing vessel which is classifiable under Entry 252 of Schedule I to goods rate notification. Karnataka AAR in case of Bharat Electronics Limited [2019-TIOL-289-AAR-GST] took cognizance of the above judgement and ruled that various systems, sub-systems and onboard spares fitted on the ship are integral part of the ship or vessel and hence shall be classifiable under Entry 252 of Schedule I to the goods rate notification and taxable at 5%.

2.7. Further, if any equipment, spares or parts are designed for a particular product, it shall be classified along with such product only. Fish finders are designed for marine purpose only i.e. to be fitted on a fishing vessel to assist fishermen in finding fishes in deep sea. They do not have any application other than to be fitted on a fishing vessel. Hence, fish finders merit classification under the rate entry for parts of the ships.

Applicant relies on decision in case of Eureka Forbes v. CCE [2001 773 (CEGAT - New Delhi)], wherein, it was held that a hose specifically designed for a particular product and not capable of general use will be classified as part of that machine and not as a 'hose'.

Applicant further relies on decision of Hon'ble Supreme Court in case of G S Auto International v. CCE [2003 2113 (SC)], wherein, it was held that if a part solely or primarily suitable for automobiles will be classified as automobile part (under heading 87.08) and not under general heading. The said ruling was followed in CCE v. Basmark Components [2007 (213) ELT 533 (Trib. - Chennai)], where it was held that plastic goods designed specifically for automobile with high precision are to be classified as automobile parts.

Applicant further relies on decision in case of Hallmark Industries v. CCE [2000 (122) ELT 540 (CEGAT)], Elgi Ultra Appliances v. CCE [2001(134) ELT 245 (Trib. - Chennai)] and EPC Irrigation v. CCE [2001 128 (CEGAT - Mum.)], wherein, it was held that plastic pipes and pipe fittings manufactured with intention of being used as part of irrigation systems should be classified as parts of irrigation system and not as plastic pipes. The same has been followed in:

- CCE v. EPC Irrigation [2002 1459 (CEGAT - Mum.)]
- CCE v. Mahavir Aluminium Ltd. [2002 764 (CEGAT - New Delhi)]
- CCE v. Rungta Irrigation [2004 827 (New Delhi - CESTAT)]



Hon'ble Tribunal in case of CCv. Rajasthan Industrial & Scientific Corpn. [1997(96) ELT 104 (CEGAT)], held that in absence of any exception, the basic criteria of the parts being classifiable under the parent machine would hold good.

2.8. Notification 01/2017 -CGST dated 27th June 2017 states that the "classification of goods should be as per the rules of classification enshrined in the Customs Act, 1962."

Relevant portion of Rule 3[a] of the customs valuation rules reads as under:

"When by application of rule 2(b) or for any other reason, goods are prima facie, classifiable under two or more headings, classification shall be effected as follows:

The heading which provides the most specific description shall be preferred to headings providing a more general description."

As stated above, fish finders are necessarily parts of a fishing vessel.

2.9 The applicant submits that, on a plain and literal reading of the rate entry for parts of the ships, all goods used as part of goods which fall under tariff headings 8901, 8902, 8903, 8904, 8905, 8906, 8907, even though classifiable under any chapter of the GST Tariff, deserve to get covered under the said entry. In support of this proposition, the Applicant relies upon Judgment of the Hon'ble Supreme Court in Oswal Agro Mills Ltd. vs. CCE, a position which was reiterated in Tata Consultancy Services vs. State of Andhra Pradesh.

2.10. In support of the contention that fish finders will merit the rate of 5%, so long as they satisfy the description mentioned in rate entry for parts of the ships, Applicant refers to the judgment in the case of Mahindra and Mahindra Limited vs. Commissioner of Central Excise, Nagpur [2007 (210) E.L.T. 579 (Tribunal)], wherein, the Hon'ble Tribunal evaluated availability of exemption to goods falling under "any Chapter", when used as parts of goods Heading 8701. Similar view was taken by the Hon'ble Tribunal in the case of High Energy Batteries (I) Limited vs. Commissioner of Central Excise, Trichy [2002 (142) E.L.T. 266 (Tribunal)] pertaining to parts of an aircraft or a helicopter.

2.11 in light of above submissions, applicant humbly submits that fish finder are an essential art of fishing vessels and hence classifiable under Entry 252 of schedule I to the goods rate notification and taxable 5%

3. CONTENTION - AS PER THE JURISDICTIONAL OFFICER DATED 22.01.2025.

"Applicant seeks to advance ruling as to whether fish finders merit classification as 'Parts of goods of headings 8901, 8902, 8904, 8905, 8906, 8907' falling entry 252 of

schedule I to Notification No.1/2017- Central Tax (Rate) Dt.28/06/2017 (as amended from time to time) and taxable at 5%?"

As per application of applicant, it is observed that he is engaged in the business of sale and distribution of fish finders. Applicant either domestically procures fish finders or imports the same from overseas vendors. This is further supplied to Indian as well as foreign flagships or vessels. A fish finder is a device boatman use to locate fish in the water. It works by sending waves in water. Theses waves then strike an object and return to the device and relay important information like shape and size of the fish and so on.

This office going thoroughly applicant submission and found the following details:

A fish finder is an electronic device used primarily by anglers and fishermen to locate fish underwater. It uses sonar technology (sound navigation and ranging) to detect objects, such as fish, underwater. The device sends sound waves into the water and analyzes the echoes that return after bouncing off objects. Based on this data, it creates a visual representation of the underwater environment.

Key Components of a Fish Finder:

1. Transducer: Sends and receives sonar signals.
2. Display Unit: Shows a visual representation of the data, often on an LCD or LED screen.
3. Power Source: Powers the device, typically a battery.
4. Mounting Equipment: For attaching the transducer to a boat or kayak.

The applicant sought information about the applicability of the Notification No.1/2017- Central Tax (Rate) Dt.28/06/2017 (as amended from time to time) and taxable at 5%.

As per Notification No.1/2017 Dt.28/06/2017- Central Tax rate, the details are as follow:

Schedule I - 2.5%

246.	8901	Cruise ships, excursion boats, ferry-boats, cargo ships, barges and similar vessels for the transport of persons or goods
247.	8902	Fishing vessels; factory ships and other vessels for processing or preserving fishery products
248.	8904	Tugs and pusher craft

249.	8905	Light-vessels, fire-floats, dredgers, floating cranes and other vessels the navigability of which is subsidiary to their main function; floating docks; floating or submersible drilling or production platforms
250.	8906	Other vessels, including warships and lifeboats other than rowing boats
251.	8907	Other floating structures (for example, rafts, tanks, coffer-dams, landing stages, buoys and beacons)
252.	Any chapter	Parts of goods of headings 8901, 8902, 8904, 8905, 8906, 8907

The applicant asked question, whether the Fish finder is falls under the entry No.252 of the above notification and tax rate is 2.5%.

The answer of the above question is as per below discussion:

A Fish Finder is not typically considered a necessary part for the manufacturing of fishing vessels but rather an optional accessory or auxiliary equipment. Here's a detailed explanation:

1. Relevance of Fish Finder in Fishing Vessels

- **Integral Part:** A fishing vessel can function without a Fish Finder, as its primary purpose is to provide a platform for fishing operations. Essential components for manufacturing fishing vessels include hulls, engines, navigation systems, and safety equipment.
- **Auxiliary Equipment:** A Fish Finder enhances the vessel's functionality by helping detect fish underwater, improving fishing efficiency. However, it is not mandatory for the vessel's basic operation or construction.

2. Impact on GST Rate

- **Fishing Vessel Components:** Components or parts that are integral to the structure and operation of fishing vessels are often classified under a lower GST rate. For example, parts directly related to the propulsion system or hull construction may attract a reduced or exempt rate.
- **Fish Finder Classification:** A Fish Finder is an electronic device, and its classification is independent of the vessel it is installed on. As per the GST framework:
- It is typically taxed at 18% GST, under the classification of electronic devices and equipment.
- The GST rate does not change even if it is purchased for use in fishing vessels, as it is not categorized as an integral part of the vessel.

3. Clarification from GST Notifications

- Notifications under GST law specifically outline that items directly used for vessel construction or as an essential part of the vessel may attract concessional rates (e.g.,



5%). Since a Fish Finder is not a structural or operational necessity, it does not fall under these concessional categories and continues to attract the standard rate of 18%.

4. Conclusion

While a Fish Finder is an important tool for fishing operations, it is not necessary for the manufacturing of fishing vessels. As a result:

- It will be taxed at the standard GST rate of 18% as per its classification.
- There is no specific provision or exemption under GST law to consider a Fish Finder as a part of the fishing vessel that qualifies for a lower rate.

Also, this office brought your attention towards the Order of the Maharashtra Appellate Authority for Advance Ruling for Goods & Service Tax on Dt.14/02/2019 and in the order the Hon'ble Appellate authority had rejected the claim of the above question for the applicant M/s A S Moloobhoy Pvt Ltd, the paragraph no. 37 of the order is reproduced here:

"As regards Fish Finders and SONAR. They are not part of the GMDSS. Neither are the integral to the function of the ship. They only help certain vessels which are fish vessels to locate fish and increase the accuracy in finding fish shoal. Therefore, they would not be part of a ship as they are not integral to the functioning of the ship. Also, they are not attached to all ships but only to fishing vessels and therefore have specific application. They assist in the operation of the vehicle for the purpose to which they are dedicated to and they are not mandatorily required to be attached to all ships. A part of thing qualifies to be part only when is so essential and integral to the whole that the whole cannot function without it. The SONAR or Fish Finder do not confirm to the definition of a part given above. We therefore agree with the finding of the AAR that Fish Finder and SONAR are not part of the ship."

4. HEARING

Preliminary e-hearing in the matter held on 27.11.2024. Ms. Nafeesa Adil Moloobhoy, Director and requested for admission of the application. Jurisdictional Officer Mr. Eknath K. Said, Sales Tax Officer of SGST, also appeared.

The application was admitted and called for final hearing on 06.02.2025. Ms. Nafeesa Adil Moloobhoy, Director Authorized Representative of the applicant, appeared and made oral and written submissions. Jurisdictional Officer, Mr. Eknath K. Said, Sales Tax Officer of SGST appeared. We heard both the sides.

5. OBSERVATIONS AND FINDINGS:

We have perused the documents on record, facts of the case and the submissions made by both, the applicant as well as the department.



5.1 We find that the applicant is engaged in the activity of trading i.e. sale and distribution of 'fish finders'. They have mentioned in their application that they either domestically procure or import the fish finders from overseas vendors and supply the same to Indian as well as foreign flag ships of vessels. The applicant has filed this application seeking an order as to whether the fish finders sold by them are parts of goods of Headings 8901, 8902, 8904, 8905, 8906, 8907 and whether the benefit of Entry No.252 of Notification No.1/2017 Central Tax (Rate) dated 28.6.2017 would be available to the said product.

It is seen that Entry no. 252 of Schedule 1 of Notification No.1/2017-Central Tax (Rate) dated 28.6.2017 is as under: -

Entry No.	HSN	Description	GST Rate
252 of Schedule 1	Any Chapter	Parts of goods of headings 8901, 8902, 8904, 8905, 8906, 8907	5%

The description of the goods covered under headings 8901, 8902, 8904, 8905, 8906 and 8907 are as under: -

Chapter Heading	Description
8901	Cruise ships, excursion boats, ferry-boats, cargo ships, barges and similar vessels for the transport of persons or goods
8902	Fishing vessels; factory ships and other vessels for processing or preserving fishery products.
8904	Tugs and Pusher craft
8905	Light vessels, fire floats, dredgers, floating cranes and other vessels the navigability of which is subsidiary to their main function; floating docks; floating or submersible drilling or production platforms.
8906	Other vessels, including warships and lifeboats other than rowing boats
8907	Other floating structures (for example rafts, tanks, coffer-dams, landing-stages, buoys and beacons)

5.2 We find that the issue that is raised before us by the applicant is whether the product 'Fish Finder' sold by them, which are used by the fishermen to locate fish in the water forms parts of vessels falling under Chapter 8901, 8902, 8904, 8905, 8906 or 8907 and therefore chargeable to reduced tax @ 5% under Sr.No.252 of Notification No.1/2017 Central Tax (Rate) dated 28.06.2017.

5.3 To deal with the limited issue before us, it is necessary to find out whether the 'Fish Finder' sold by the applicant are parts of a fishing vessel/ vessels falling under HSN



8901 to 8907. It is necessary to examine as to what are "Parts" and then find out whether the product 'fish finder' sold by the applicant can be considered to be a 'part' of the goods specified under Chapter Headings 8901, 8902, 8904, 8905, 8906 or 8907. We find that the word "Part/Parts" has not been defined in GST law. The Hon'ble Supreme Court in the case of CIT, Bangalore Vs. Venkateswara Hatcheries OP) Ltd., reported in 1999 (3) SCC 632 has held that 'when the word is so defined in the Act, it may be permissible to refer to dictionary to find out the meaning of that word, as it is understood in common parlance'. In view of this, first we are required to understand the general meaning of the word 'Part/Parts' which is of relevance to us in the present case.

i) We find that as per Cambridge English Dictionary:

Part (noun) – *a separate piece of something or a piece that combines with other pieces to form the whole of something*

One of the pieces that together form a machine or some type of equipment.

It has other meanings also in other context which are not of relevance in present context like:

----*a single broadcast of a series of television or radio programme or Division of a story.*

----*one of two or more equal or almost equal measures of something etc.*

ii) The Black's Law Dictionary, defined parts as an integral portion, something essentially belonging to a larger whole, that which together with another or others makes up a whole.

iii) Sarkars Words, Phrases of Excise & Customs- Second Edition, defines 'Part' as 'Part is an element of a sub assembly, not normally useful by itself and not amenable to further dis-assembly for maintenance purpose. In common parlance, parts are used in the manufacture of the final product and without which the final product cannot be conceived of.

iv) Further, we also find the definition of 'Spare Part' as per Wikipedia

A spare part, spare, service part, repair part or replacement part is an interchangeable part that is kept in an inventory and used for the repair or replacement of failed units. Spare parts are an important feature of Logistics Engineering and Supply Chain Management.



5.4 We also find that Explanatory Notes to Section XVII at General (III) Parts and accessories provides that Chapter 89 make no provisions for parts (other than hulls) or accessories of ships, boats or floating structures. Such parts and accessories, even if identifiable as being for ships etc., are therefore classified in other chapter in their respective headings.

In the light of the aforesaid definitions, it is necessary to examine whether the product 'Fish finder' can be considered as a part of the vessels falling under Chapter heading 8901, 8902, 8904, 8905, 8906 or 8907.

5.5 We find that a **Fishfinder** is a sonar instrument used on boats to identify aquatic animals, underwater topography and other objects by detecting reflected pulses of sound energy, usually during fishing activities. A modern Fishfinder displays measurements of reflected sound on a graphical display, allowing an operator to interpret information to locate schools of fish, underwater debris and snags, and the bottom of a body of water. Fishfinder instruments are used both by recreational and commercial fishermen, as well as by marine biologists.

5.6 We find that items like Anchor, Bow, Bowsprit, Fore and Aft, Hull, Keel, Mast, Rigging, Rudder, Sails, Shrouds, Engines, gearbox, Propeller, Bridge, etc. are very essential parts of a ship or vessel and are quite clearly parts of a vessel/ship and a ship/vessel cannot be imagined to be in existence without these parts. However, in addition to the above, there are some additional equipment that are required to be made available on a ship as a measure of statutory compliances under various marine acts such as Merchant Shipping Act or Additional Safety measures. Some of such products are Walkie-talkie, Binoculars, Life Jackets, Lifeboats, etc. Though these are also to be compulsorily made available on a vessel and ship but these products cannot be taken to be parts of a ship as per general understanding but are rather additional equipment on a ship. Similarly, a fishing vessel may be equipped with fishing nets, fishing lines etc., but these equipment cannot be treated as part of the fishing vessel. In addition to the above there are other essential items like furniture, fans, air-conditioners, television, etc. which are very essential for comfort of officers and crew of the ship but do not come under essential parts or equipment of a vessel/ship. In order to form a part of a vessel, the product should be so integral to the main vessel that the vessel cannot be envisaged to function without the said part. A part of a vessel is that piece of equipment/apparatus without which the vessel would be incomplete and would not be able to function.



5.7 We find that the items that are discussed as essential parts of a ship/vessel are such essential components of a vessel/ship without which the vessel would not be complete and would not exist. These are very integral for the functioning of the ship and can also be separated from the ship for repair/replacement. When we refer to the definition of the word 'part' as discussed in detail above, we find that 'part' is a separate piece of something or a piece that combines with other pieces to form the whole of something. Similarly, the second definition of 'part' also defines 'part' as one of the pieces that together form a machine or some type of equipment.

The issue has to be examined in the light of the following decisions of the Hon'ble Supreme Court of India.

i) In case of **Saraswati Sugar Mills Vs Commissioner of Central Excise Civil Appeal No.5295 of 2003** decided on 2nd Aug 2011 Hon. Supreme Court of India observed:

12. *In order to determine whether a particular article is a component part of another article, the correct test would be to look both at the article which is said to be component part and the completed article and then come to a conclusion whether the first article is a component part of the whole or not. One must first look at the article itself and consider what its uses are and whether its only use or its primary or ordinary use is as the component part of another article. There cannot possibly be any serious dispute that in common parlance, components are items or parts which are used in the manufacture of the final product and without which, final product cannot be conceived of.*

13. *The meaning of the expression 'component' in common parlance is that 'component part of an article is an integral part necessary to the constitution of the whole article and without it, the article will not be complete'.*

14. *This Court, in Star Paper Mills (supra) has made a settled distinction while considering whether paper cores are 'components' in the manufacture of paper rolls and manufacture of paper sheets. It is stated that 'paper cores' are component parts in so far as manufacture of roll is concerned, but it is not 'component part' in the manufacture of sheets. It is useful to quote the observations made by this Court:*

"Paper core would also be constituent part of paper and would thus fall within the term "component parts" used in the Notification in so far as manufacture of paper in rolls is concerned. Paper core, however, cannot be said to be used in the manufacture of paper in sheets as component part.



15. In *Modi Rubber Ltd. v. Union of India*, (1997) 7 SCC 13, the appellant had set up tyre and tube manufacturing plant and imported various plants and machineries. While using the plants and machineries, PPLF (Polypropylene Liner Fabric) was used as a device in the form of liner components to various machinery units to protect the rubber-coated tyre fabric from atmospheric moisture and dust. This Court held that the PPLF was not a component of the machine itself. It was not a constituent part. It was used as a Liner Fabric not only in tyre production but also in similar other industrial processes.

ii) In case of *Jindal Strips Vs Collector of Customs*, Equivalent citations: 1997 ECR 98 Tri Delhi, 1997 (94) ELT 234 Tri Del. the Two Member Bench of the Tribunal referred the appeal before the larger bench on the following questions:

(i) Whether the phrase "component parts" occurring in Notification 77/90 would cover "spare parts" for the purpose of granting of benefit thereunder?

The larger Bench of the Tribunal having regards to dictionary meaning of 'part', and "Component" observed that in common parlance meaning of the expression "component" is also the same, that is, one of the parts or elements of which anything is made up or into which it may be resolved or a Constituent. The meaning in common parlance has to be looked into since the notification itself does not contain any definition of the expression.

iii) In the *State of Uttar Pradesh vs M/S. Kores (India) Ltd* on 18 October, 1976, Equivalent citations: 1977 AIR 132, 1977 SCR (1) 837.

In this case the appellant contended before the Hon SC that carbon paper does not lose its character as paper in spite of being subjected to chemical processes, and that ribbon is not an accessory but an essential part of the typewriter. While dismissing the appeal Court held that "A word which is not defined in an enactment has to be understood in its popular and commercial sense with reference to the context in which it occurs. It has to be understood according to the well-established canon of construction in the sense in which persons dealing in and using the article understand it."

The Hon.SC further observed that "Bearing in mind the ratio of the above mentioned decisions, it is quite clear that the mere fact that the word 'paper' forms part of the denomination of a specialized article is not decisive of the question whether the article is paper as generally understood. 'the word 'paper' in the common parlance or in the commercial sense means paper which is used for printing, writing or packing purposes. We are, therefore, clear of opinion that Carbon paper is not paper as



envisaged by entry 2 of the aforesaid Notification. Regarding ribbon also to which the above mentioned rule construction equally applies, we have no manner of doubt that it an accessory and not a part of the typewriter (unlike spool) though it may not be possible to use the latter without the former. Just as aviation petrol is not a part of the aero- plane nor diesel is a part of a bus in the same way, ribbon is not a part of the typewriter though it may not be possible to type out any matter without it.

The very same question with which we are here confronted came up for decision before the High Court of Mysore in *State of Mysore v. Kores (India) Ltd* (26STC 87). (1) Where it was held:

"Whether a typewriter ribbon is a part of a typewriter is to be considered in the light of what is meant by a typewriter in the commercial sense. Typewriters are being sold in the market without the typewriter ribbons and therefore typewriter ribbon is not an essential part of a typewriter so as to attract tax as per entry 18 of the Second Schedule to the Mysore Sales Tax Act, 1957."

In light of the above discussions, considering the meaning of an expression 'Part' as given in the dictionary and also the ratio as adopted by the Hon'ble Courts as mentioned above besides common parlance test, we find that Fish Finders are not a 'part' of fishing vessel or any of the goods of Chapter headings 8901, 8902, 8904, 8905, 8906 or 8907.

5.8 We find that the applicant has relied upon the guidelines on Centrally Sponsored Scheme on Blue Revolution: Integrated Development and Management of Fisheries issued by Department of Animal Husbandry, dairying & Fisheries to emphasize that the Fish Finders are mandatory requirement in the safety kit used by the fishermen at sea. We have gone through the said guidelines and we do not find anything to point out that Fish Finders are mandatory part of any safety kit used by fishermen. In fact, the guidelines mentions amongst many other things, fish finders as a part of safety kit and at the same time directs the concerned states to assess specific and essential requirement of items mentioned in the kit for a particular fishing vessel, which clearly indicates that it is not a mandatory part of the fishing vessel and can be provided as an additional equipment. Thus, it further reinforces the fact that fish finders are not part of fishing vessel. They are additional equipment which may be used by fishermen in their occupation.

5.9 We also find that the case laws cited by the applicant are not relevant to the facts of this case. Whether any equipment is a part or otherwise has to be determined on



the basis of the facts of each case and the nature of the equipment. It is a fact that Fish Finders are manufactured for use on fishing vessels, yachts and other vessels. However, the vessels are complete, even without the Fish Finders affixed on them. The case laws cited by the applicant in the case of G S Auto International Vs. CCE (2003) 2113 SC, Hallmark Industries Vs. CCE (2000 (122) ELT 540 CEGAT), Elgi Ultra Appliances Vs. CCE (2001(134)ELT 245 (Tri)) etc., were in respect of classification of the said goods under the Central Excise Tariff and to decide whether they should be classified as parts of the main goods for which they were designed or in their individual capacity. In the present case, the issue involved is not the classification of Fish Finders but to decide the whether the Fish Finder is a part of vessels of Chapter headings 8901, 8902, 8904, 8905, 8906 or 8907. Therefore, we find that the said case laws cited by the applicant are not relevant to the facts of this case.

5.10 We further find that the Maharashtra Appellate Authority for Advance Ruling for Goods & Service Tax vide its order No.MH/AAAR/SS-RJ/20/2018-19dated 1.2.2019 in the case of Ms. A. S. Moloobhoy Pvt. Ltd., had decided the issue whether Fish Finder is a part of the vessels falling under Chapter headings 8901, 8902, 8904, 8905, 8906 or 8907. The relevant part of the said order is as under: -

"As regards Fish Finders and SONAR, they are not part of the GMDSS (Global Maritime Distress Safety System). Neither are they integral to the function of the ship. They only help certain vessels which are fish vessels to locate the fish and increase the accuracy in finding fish shoal. Therefore, they would not be part of a ship as they are not integral to the function of the ship. Also, they are not attached to all ships but only to fishing vessels and therefore have a specific application. They assist in the operation of the vehicle for the purpose to which they are dedicated to and they are not mandatorily required to be attached to all ships. A part of thing qualifies to be part only when it is so essential and integral to the whole that the whole cannot function without it. The SONAR or Fish finder do not confirm to the definition of a part given above"

5.11 We find that the above decision clearly emphasize the fact that Fish Finders cannot be considered as a part of a vessel falling under headings 8901, 8902, 8904, 8905, 8906 or 8907 and agree with the said findings of the Appellate Authority for Advance Ruling.

6. In view of the extensive deliberations as held hereinabove, we pass an order as follows:

ORDER

(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

NO.GST-ARA- 18/23-24/2024-25/B- 100

Mumbai, dt. 28/02/2025

For reasons as discussed in the body of the order, the questions are answered thus -

Question 1: - Whether fish finders merit classification as "Parts of goods of headings 8901, 8902, 8904, 8905, 8906, 8907" falling under entry number 252 of the schedule I of the Notification No 01/2017-Central Tax (Rate) dated 28.6.2017 (as amended from time to time) and taxable at 5%?

Answer: - No, the fish finders do not merit classification as 'parts of goods of headings 8901, 8902, 8904, 8905, 8906, 8907' and do not fall under entry number 252 of the Schedule I of the Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017 (as amended from time to time).

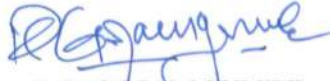


PLACE - Mumbai

DATE - 28/02/2025

Copy to:

1. The applicant
2. The concerned Central / State officer
3. The Commissioner of State Tax, Maharashtra State, Mumbai
4. The Pr. Chief Commissioner of Central Tax, Churchgate, Mumbai
5. The Joint commissioner of State Tax, Mahavikas for Website.


D.P. GOJAMGUNDE
(MEMBER)


PRIYA JADHAV
(MEMBER)

Note: -An Appeal against this advance ruling order shall be made before The Maharashtra Appellate Authority for Advance Ruling for Goods and Services Tax, 15th floor, Air India Building, Nariman Point, Mumbai - 400021. Online facility is available on gst.gov.in for online appeal application against order passed by Advance Ruling Authority.

