

M/s Epcos India Pvt. Ltd.

Authority for Advance Ruling — Haryana

Advance Ruling No. 2

Dated **26.03.2018**

Q Questions Before the Authority

- Whether the product 'Battery for Mobile Handset' whether it be separable or non-separable i.e., whether it be detachable or non-detachable, when sold to the mobile handset manufacturers who uses the same to make it form part of the mobile handset, will qualify to be classified under heading-85 having description 'Parts for manufacture of Telephones for cellular networks or for other wireless networks' attracting GST Rate of 12% (CGST rate 6%, SGST rate 6%, IGST rate 12%) as mentioned under Serial No. 203 of Schedule II of the Notification No. 1/2017 Central Tax (Rate) dated 28 June, 2017, Serial No. 203 of Schedule II of the Notification No. 35/ST-2 dated 30th June, 2017 issued under Haryana Goods and Services Tax Act, 2017 and Serial No. 203 of Schedule II of the Notification No. 1/2017 Integrated Tax (Rate) dated 28 June 2017.
- Whether the product 'Battery for Mobile Handset' whether it be separable or non-separable i.e., whether it be detachable or non-detachable, when sold to the customers other than mobile handset manufacturers who does not use the same in manufacture of mobile handset, will qualify to be classified under heading-8507 having description 'Electric accumulators, including separators therefore, whether or not rectangular (including square)', attracting GST Rate of 28% (CGST rate 14%, SGST rate 14%, IGST rate 14%) as mentioned under Serial No. 139 of Schedule IV of the Notification No. 1/2017 Central Tax (Rate) dated 28 June 2017, Serial No. 139 of Schedule IV of the Notification No. 35/ST-2 dated 30th June, 2017 issued under Haryana Goods and Services Tax Act, 2017 and Serial No. 139 of Schedule IV of the Notification No. 1/2017 - Integrated Tax (Rate) dated 28 June 2017.

F Facts

The applicant manufactures lithium-ion batteries for mobile handsets. They sought a ruling on the classification and GST rate for these batteries when sold to mobile handset manufacturers for integration into phones versus when sold to other customers.

H Ruling

Battery sold to mobile handset manufacturers

Classified under heading 85, attracting 12% GST (6% CGST, 6% SGST, 12% IGST) per S.No. 203 of Schedule II.

Applicable when used to make it form part of the mobile handset.

Battery sold to other customers

Classified under heading 8507, attracting 28% GST (14% CGST, 14% SGST, 14% IGST) per S.No. 139 of Schedule IV.

Applicable when not used in the manufacture of mobile handsets.

The Authority ruled that batteries sold to mobile handset manufacturers for use in production are classified as parts for the manufacture of telephones, attracting a 12% GST rate. Conversely, batteries sold to other customers are classified as electric accumulators under heading 8507, attracting a 28% GST rate.

R Reasoning

The Authority applied the **Rules for Interpretation of the Customs Tariff Act**, specifically Rule 3, to determine the most specific heading. It concluded that while lithium-ion batteries generally fall under heading 8507, those specifically intended for use as parts in the manufacture of mobile handsets are more appropriately classified under the specific entry for parts of telephones under heading 85. The ruling relies on the distinction between the end-use of the product by the purchaser.

P Provisions Relied On

Section 97(2) of the CGST/HGST Act, 2017

Section 98 of the CGST/HGST Act, 2017

Notification No. 1/2017 Central Tax (Rate) dated 28 June 2017

Notification No. 35/ST-2 dated 30th June 2017

Notification No. 1/2017 Integrated Tax (Rate) dated 28 June 2017

Customs Tariff Act, 1975

! For the Practitioner

This ruling provides clarity on the **end-use based classification** of mobile batteries. It helps manufacturers confirm that supplying batteries to handset makers qualifies for the lower 12% rate, whereas retail or non-manufacturing sales remain subject to the higher 28% rate.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> haryana-ar 02 2017-18 dt.26.03.18 eipl.pdf

Prepared 16-10-2026.

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