HP India Sales Private Limited (appellant; the listing gives H.P. Sales India Pvt. Ltd.)

Appellate Authority for Advance Ruling — Maharashtra

ORDER NO. MAH/AAAR/SS-RJ/21/2018-19, Date-17.02.2019 (as printed; t… Dated **17.02.2019**

Q Questions Before the Authority

- What is the classification under GST of Electrolink supplied along with consumables for HP Indigo presses: composite supply or mixed supply?
- What are the time and value of supply of Electrolink with consumables under the Indigo press contract?

F Facts

HP India Sales Private Limited imports Electrolink ink and printing consumables for HP Indigo digital presses and stores them in Maharashtra. It supplies them through non-exclusive authorised resellers under an HP Indigo Supplier Reseller Agreement, on a per-click basis under either a Tier programme or an A-la-carte programme. The resellers sell onward to end customers across India, and the appellant raises a consolidated click-charge invoice on each reseller.

H Ruling

Classification of Electrolink supplied with consumables under GST	**Appeal dismissed; the AAR holding that it is a mixed supply and not a composite supply is upheld**	The Appellate Authority found the supply is a compulsory bundle, not naturally bundled, and that no principal supply can be identified. No HSN or rate is stated in the order.
Time and value of supply of Electrolink with consumables	**Not decided on appeal; the appellant did not contest the AAR's findings**	The AAR had held the supply to be a continuous supply of goods, with time of supply under s.12(2) and value as the transaction value in the invoice. The appellant accepted this.

The Appellate Authority dismissed the appeal and did not interfere with the Advance Ruling Authority's order. It upheld the holding that the Electrolink and consumables supply is a mixed supply and not a composite supply. The appellant did not appeal the time and value findings, which therefore stand unchallenged.

R Reasoning

The authority reproduced the composite supply definition in s.2(30) and accepted the four ingredients the AAR had identified. It held that the supply is a bundle, but that the bundling is compulsory rather than natural, because the Tier model requires consumables to be used only on a given HP press. It also found no principal supply: the Electrolink and the other consumables are equally necessary, so no one item is predominant under s.2(90). It applied the CBIC flyer tests and found the 'elements not available separately' test not satisfied. The order also

noted that the appellant gave no evidence that the Tier programme is an industry practice. The appellant's contention that the Tier programme reflects a natural bundle was therefore rejected.

P Provisions Relied On

- Section 2(30) CGST Act, 2017 (composite supply)
- Section 2(74) CGST Act, 2017 (mixed supply)
- Section 2(90) CGST Act, 2017 (principal supply)
- Section 2(32) CGST Act, 2017 (continuous supply of goods), as relied on by the AAR
- Section 12(2) CGST Act, 2017 (time of supply), as relied on by the AAR
- Section 15 CGST Act, 2017 (value of supply), as relied on by the AAR
- Sections 100 and 101 CGST Act and MGST Act (appeal and proceedings)
- CBIC GST flyer on composite and mixed supply
- CBIC education guide, para 9.2.1 (hotel accommodation with breakfast illustration), cited by the appellant

! For the Practitioner

The order is useful for practitioners with bundled consumables sold on a per-click basis under a vendor-controlled programme. It confirms that a usage restriction that forces the bundle is treated as compulsion, so the bundle is not 'naturally' bundled and the supply is mixed. It does not decide the classification for other consumable or per-click arrangements, nor the merits of the AAR's continuous-supply analysis. The order is short on the operative text and is best read with the AAR order it upholds.

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 -> mah aaar ss-rj 21 2018-19.pdf

Prepared 30-10-2026.

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