

M/s Switching Avo Electro Power Limited

Appellate Authority for Advance Ruling — West Bengal

Appeal Case No. 04/WBAAAR/Appeal/2018

Dated 25.07.2018

Q Questions Before the Authority

- Whether Uninterrupted Power Supply (UPS) supplied with an external storage battery is naturally bundled and hence a composite supply under the GST Act, or a mixed supply.

F Facts

The Appellant is a manufacturer and supplier of power backups and solar products, including Uninterrupted Power Supply (UPS) systems and storage batteries. The Appellant sought advance ruling on whether supplying a UPS along with an external storage battery under a single contract at a combined price is a composite supply or mixed supply. The West Bengal Authority for Advance Ruling held that the transaction constitutes a mixed supply under Section 2(74) of the GST Act, against which the Appellant filed this appeal.

H Ruling

The Appellate Authority upheld the ruling of the lower authority, confirming that external storage batteries and UPS static converters supplied together for a single price do not qualify as a composite supply. Because external batteries have multiple independent uses and are not naturally bundled with UPS units, the combination is a **mixed supply** under Section 2(74) of the GST Act.

R Reasoning

The AAAR noted that while a UPS with an in-built battery forms an inseparable composite supply, an external storage battery is not naturally bundled with a static converter (UPS). External batteries can be put to distinct and varied uses independent of the UPS and are regularly sold separately. Section 2(30) requires supplies to be naturally bundled in the ordinary course of business to constitute a composite supply. Furthermore, pre-GST Excise and Customs case laws cited by the Appellant were found inapplicable as they did not interpret statutory definitions of **composite supply** and **mixed supply** unique to GST law.

P Provisions Relied On

Section 2(30) of the GST Act, 2017

Section 2(74) of the GST Act, 2017

Section 2(90) of the GST Act, 2017

Notification No. 01/2017-Central Tax dated 28.06.2017

Notification No. 1125-FT dated 28.06.2017



For the Practitioner

This ruling establishes that bundling a static converter (UPS) with an external storage battery under a single price constitutes a **mixed supply** under GST law. Pre-GST classification rulings under Excise/Customs cannot be relied upon to determine natural bundling under GST definitions. Suppliers must charge tax at the highest rate applicable among the items in such a single-price combination.

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 -> [wbaaar-appeal no-04 2018 dt 25-07-2018.pdf](#)

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