

Definition of - composite supply

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Reading of certain definition from CGST Act, 2017

GST-6

Sec. 2(30) “composite supply” means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply.

Illustration: Where **goods** are **packed** and **transported** with **insurance**, the supply of -

- i) **packing materials**,
- ii) **transport** and
- iii) **insurance**

is a composite supply and

supply of **goods** is principal supply.

“composite supply” means –

- a) a supply made by a taxable person
- b) to a recipient
- c) **consisting of two or more taxable supplies** of goods or services or both,
- d) or any **combination** thereof,
- e) which are **naturally bundled** and
- f) supplied in **conjunction** with each other
- g) in the ordinary course of business,
- h) one of which is a **principal** supply.

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Contact: taxupdate.otu@gmail.com.