M.Com. Sem II
Sub: Taxation.
Topic: GST

L-5 D.B

Composite supply and mixed supply:

Composite supply should comprises of two or more taxable supplies of goods or services. Such combination of two or more taxable supplies should be naturally bundled. Such naturally bundled goods or services should be supplied in conjunction with each other in the ordinary course of business. Out of two/three supplies one should be principal supply. Tax rate of principal supply will be applied for entire supply.

Mixed supply should comprise of two or more individual supplies of goods/services. Such supply of goods or services should be supplied in conjunction with each other. A mixed supply will be treated as the supply of that particular supply which attracts highest tax rate. The important point is that there should be supply of two or more individual goods/services.

Examples:

Composite Supply: ① Where a tour operator takes 50 people on tour and charges a fix amount for stay, travel and food — it is Composite supply and named — Supply of Service in the form of tour, stay and food. Tour is here principal supply.

Mixed Supply: ① Gift packet containing Sweets, Namkeen, Biscuits and Chocolate is mixed supply. Gift packet is supplied at a single price. Each of the item can be supplied separately and is not dependent on each other.

Other examples:

① M/s A supplied laptop to Mr B along with Window 10 and MS office. Laptop is given along with laptop bag. The laptop is supplied for R. 80000. Discuss. GST treatment.

Ans. This is Composite supply. The entire consideration of R. 80000 will be subject to GST at the GST rate applied to Laptop.

(2) Mr X owns a departmental store in Kolkata. He sells a package consisting of canned foods, sweets, chocolates, cakes, dry fruits and fruit juice for Rs. 1000. Discuss the GST treatment.

Ans A packet containing all of these items of canned foods, sweets etc which is sold and supplied for a single price is a mixed supply. Out of many items highest GST rated item will be considered for GST. Say, it is 28% for an item (single item). Then rate of GST @ 28% on Rs. 1000 will be applied.

Thanks