

12% GST applicable on Plastic Toys: AAR

Fact of the Case

The applicant-Company is engaged in the business of manufacturing and supply of toys made up of plastic and/or rubber or both wherein essentially plastic is the main component. According to the applicant, the plastic toys manufactured and supplied by the applicant would squarely be eligible to be classified under Chapter Heading 9503 for which 12% of GST.

Referring Heading 9503 as well as the Chapter Notes pertaining to Chapter 95 of the First Schedule to the Customs Tariff Act, 1975, in depth, the bench observed that the provision covers various kinds of toys for children such as Tricycles, scooters, pedal cars and similar wheeled toys, dolls' carriages, dolls, other toys, reduced-size ("scale") models and similar recreational models, working or not as well as puzzles of all kinds.

Decision of the Case

"We have also seen the pictures/photographs of some of the Plastic toys given by the applicant along with their submission as well as some of the samples of toys shown/produced by the representative of the applicant during the course of personal hearing. After going through the above, and comparing the same to the issue in hand, we find that the said toys are made of plastic meant for children and are not electronic toys, and therefore conclude that the plastic toys manufactured and supplied by the applicant are correctly classifiable under Heading 95030030 of Chapter 95 of the First Schedule to the Customs Tariff Act, 1975(51 of 1975)," the bench said.

"We therefore conclude that the Toys of plastic manufactured and supplied by the applicant fall under Sr.No.228 of Schedule-II of Notification No.01/2017- Central Tax(Rate) dated 28.06.2017 and the GST applicable on the said product is 12% (6% SGST + 6% CGST)," the bench said.

The Authority for Advance Rulings (AAR), Ahmedabad bench has held that 12% GST is applicable on the plastic toys.