

## ***18% GST payable on Children Scooter, Activity Ride-on, Smart Tricycle, and Kick Scooter: The AAR, Tamil Nadu***

### **Fact of the Case**

The applicant, Joshna Candesh Shah are regular importers and traders of toys from various countries, they sell these goods in India, in retail as well as through E-Commerce platforms. They also intend to manufacture these toys in India in future. The toys imported include both electronically operated toys as well as manually operated toys in which electronic parts were fitted for providing light, music and horn etc.

The applicant has sought the advance ruling on the issue when Physical force is the primary action of a toy and if the light and the music are ancillary to it then whether it is to be classified under “Electronic Toys” or “other than Electronic Toys”.

### **Decision of the Case**

The Coram ruled that Children Scooter, Activity Ride-on, Smart Tri-cycle and Kick Scooter, in which physical force is the primary action and contains an in built electronic circuit, are ‘Electronic Toys’ and the applicable GST Rate is CGST @ 9% as per Sl.No. 440 of Schedule-III of Notification No. 01/2017 C.T.(Rate) dated 28.06.2017 and SGST 9% as per Sl.No. 440 of Schedule III to Notification No. II(2)/CTR/532(d-4/2017 vide G.O. (Ms) No. 62 dated 29.06.2017.

“We find that in the case at hand, the products are designed to develop gross motor skills in as much as they are designed to use the physical force and can be enjoyed by either pedaling, or by pushing with the leg and also fine motor skills like blinking, discrete tasks of switching on/off the music/light etc provided through the inbuilt electronic circuit, powered with the electrical energy (battery)/ induction force. Both the functions of the toys are targeted to develop a certain skill while amusing the child playing with it. Therefore, we hold that the products in hand are Electronic Toys’ and the applicable GST Rate is as per Sl.No 440 of Schedule III of the Rate Notification,” the AAR said.

***The Tamil Nadu Authority of Advance Ruling (AAR) ruled that 18% GST payable on Children Scooter, Activity Ride-on, Smart Tri-cycle and Kick Scooter.***