

M/s. Jay Jalaram Enterprises

Appellate Authority for Advance Ruling — Gujarat

GUJ/GAAAR/APPEAL/2020/ dated 04.09.2020

Q Questions Before the Authority

- Classification, under which Schedule / Sr. No. / Chapter heading / Sub heading/ Tariff Item (HSN) the rate of CGST / SGST would be applicable on the supply made by the applicant on [J.J.'s] Popcorn, vide Tax Invoice No.GT/411 Dt. 24-02-2018?

F Facts

The appellant manufactures 'J.J.'s POPCORN' by heating raw corn grains in an electric machine at high temperatures until they puff. The resulting product is sieved, mixed with salt, edible oil, and turmeric powder, and packed in 15-gram plastic pouches. The appellant sought a ruling on the correct HSN classification and applicable GST rate for this product.

H Ruling

Classification and GST rate for J.J.'s Popcorn

**Classifiable under
Tariff Item 1904 10 90,
attracting 18% GST (9%
CGST + 9% SGST)**

Falls under Sr. No. 15 of Schedule III of Notification No. 1/2017-Central Tax (Rate)

The Appellate Authority confirmed the original ruling, holding that the product is classifiable under Tariff Item 1904 10 90. Consequently, it attracts GST at the rate applicable to the residual entry under Schedule III of the relevant notification.

R Reasoning

The authority determined that the product fits the description of 'prepared foods obtained by the roasting of cereal' under Chapter Heading 1904. It rejected the appellant's contention that the product falls under Tariff Item 1904 10 20, reasoning that the expression 'and the like' in that entry is restricted to rice-based products under the principle of **noscitur a sociis**. Furthermore, it held that Chapter Note 1(A) and (B) of Chapter 10 excludes processed corn from being classified under Heading 1005. The authority also distinguished the appellant's cited case law, noting that the current classification is governed by the **Harmonised System of Nomenclature** under the GST regime.

P Provisions Relied On

Chapter Heading 1904 of the Customs Tariff Act, 1975

Chapter Heading 1005 of the Customs Tariff Act, 1975

Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017

Notification No. 2/2017-Central Tax (Rate) dated 28.06.2017

Section 100 of the CGST Act, 2017

! For the Practitioner

This ruling clarifies that popcorn manufactured by roasting corn is not covered by the specific entry for 'Paws, Mudi and the like' under Tariff Item 1904 10 20, which is limited to rice-based products. It confirms that such popcorn falls under the **residual Tariff Item 1904 10 90**, attracting a higher GST rate of 18%. Practitioners should note that the authority strictly applied the **Harmonised System of Nomenclature** and rejected the application of older Sales Tax era precedents.

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 -> [guj_aaar_04_2020_jay_jalaram.pdf](#)

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