M/s. Jay Jalaram Enterprises, Beside Astha Petrol Pump, Plot no. 67-68, Jalaram Industries Estate, Surat (GSTIN 24ASNPS4231L1ZD)

Authority for Advance Ruling — Gujarat

Advance Ruling No. GUJ/GAAR/R/03/2020 (in Application No. Advance R… Dated **11.03.2020**

Q Questions Before the Authority

- Under which Schedule, Sr. No., Chapter heading, sub-heading or tariff item (HSN) would the CGST/SGST rate apply to the supply of [J.J.'s] Popcorn, as shown in Tax Invoice No. GT/411 dated 24-02-2018?

F Facts

The applicant, a proprietorship, makes popcorn by heating raw maize grains in an electric machine or oven, sieving out unpuffed grains, adding salt, edible oil and turmeric powder, and packing 15 gm quantities in sealed plastic pouches under the registered brand [J.J.'s] POPCORN. The applicant argued that the product is maize put up in unit container under Sr. No. 50 of Schedule I (2.5% CGST and 2.5% SGST), or alternatively under Sr. No. 57 of Schedule I, and relied on Supreme Court and Gujarat High Court decisions treating parched and puffed rice as cereal.

H Ruling

Classification and GST rate for [J.J.'s] Popcorn (Tax Invoice GT/411 dated 24-02-2018)	**Heading 1904 (residual tariff item 1904 10 90); Sr. No. 15 of Schedule III to Notification No. 1/2017-CT(Rate); 9% CGST and 9% SGST, or 18% IGST**	The Authority rejected Sr. No. 50 of Schedule I (heading 1005, maize) because Chapter 10 Note 1(A) requires grain to be present, and rejected Sr. No. 57 of Schedule I (heading 1104) because Chapter 11 Note 1 excludes corn flakes and other products of heading 1904. The ruling is limited to the product as described in the application.

The Authority held that **[J.J.'s] POP CORN is a prepared food obtained by the roasting of cereal, classifiable under heading 1904 and residual tariff item 1904 10 90** . It therefore falls under **Sr. No. 15 of Schedule III** of Notification No. 1/2017-Central Tax (Rate), attracting 9% CGST and 9% SGST or 18% IGST. The applicant's claims under Sr. No. 50 and Sr. No. 57 of Schedule I were rejected.

R Reasoning

The Authority applied the Explanation to Notification No. 1/2017-CT(Rate), which makes the Customs Tariff Act, 1975 headings and Chapter Notes applicable, and relied on the HSN Explanatory Notes as a dependable guide, citing L.M.L. Ltd. v. Commissioner of Customs. It found that the heated, seasoned product is a ready-to-eat food within the description 'prepared foods obtained by the roasting of cereal'. It held that Chapter 10 Note 1(A) excludes products that no longer contain grain, and that Chapter 11 Note 1 excludes products of heading 1904. It

distinguished the Supreme Court decision in Alladi Venkateshwaralu and the Gujarat High Court decision in Vadilal Wafers as arising under the Central Sales Tax Act and the Gujarat Sales Tax Act, which use a different classification system. The order also notes that the applicant's own description of the process (salt, turmeric and oil added after heating) showed the product no longer remained grain. The order's narrative gives the heating temperature as 180 to 200 degrees in one place and 1800 to 2000 centigrade in another; the difference does not affect the ruling.

P Provisions Relied On

- Section 97(2)(a) of the CGST Act, 2017 (classification of goods)
- Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017, Schedule I Sr. No. 50 (heading 1005) and Sr. No. 57 (heading 1…
- Notification No. 27/2017-Central Tax (Rate) dated 22.09.2017 (amendment to Schedule I)
- Notification No. 2/2017-Central Tax (Rate) dated 28.06.2017, Sr. No. 95 (puffed and parched rice under heading 1904)
- Customs Tariff Act, 1975, First Schedule: heading 1904, tariff items 1904 10 10, 1904 10 20, 1904 10 30 and 1904 10 90; Ch…
- L.M.L. Ltd. v. Commissioner of Customs, 2010 (258) ELT 321 (SC), on HSN Explanatory Notes
- Frito Lay India, 2009 (242) ELT 3 (SC), on ordinary and eclair popcorn
- Alladi Venkateshwaralu v. Govt. of A.P., (1978) 41 STC 394 (SC), distinguished
- M/s Vadilal Wafers Company, Gujarat High Court, S.T. Reference No. 31 of 1980 (24.02.1982), distinguished

! For the Practitioner

A practitioner advising a popcorn manufacturer can use this ruling to show that branded, heat-puffed and seasoned popcorn is taxed at 9% plus 9% under Schedule III, not at 2.5% under the maize entry or the cereal-grain entry. It is a useful reference against attempts to rely on earlier state-law cereal decisions. The ruling does not decide the rate for plain unseasoned maize kernels or other cereal snacks, and its reasoning turns on the salt, turmeric and oil additions and on the grain-presence test, so a product without those features should be examined separately.

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_aar_03_2020_11.03.2020_jje.pdf

Prepared 20-11-2026.

About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

Pune (HQ)
RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Mumbai
104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Delhi
3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Gurugram
Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram…

Ahmedabad
Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp…

Talk to us: **+91 94594 56700** | sales@patronaccounting.com | patronaccounting.com

Patron Accounting LLP