

Popcorn classified under tariff heading 1904 10 90 and taxable at 18% GST: The AAR, Uttar Pradesh

Fact of the Case

The applicant was engaged in the business of manufacturing and sale of eatable item ready to eat 'Popcorn' with various flavours in retail packs. It filed an application for advance ruling to determine the classification and GST rate on supply of Popcorn.

Decision of the Case

The Authority for Advance Ruling observed that the product "Popcorn" would be manufactured from maize Corn by heating in an electric kettle and due to the heat of kettle, it turned into puffed corns/popcorns and then to make it palatable other ingredients like salt and turmeric powder would be added to it and a negligible quantity of oil would also be used for the purpose of sticking the salt and turmeric on the maize/corn. Thus it would be a ready to eat prepared food and shall fit under the description as 'Prepared foods obtained by the roasting of cereal'. This description would attract classification under chapter sub-heading 1904 10 90 and shall be taxable at 18% under GST.