M/s V PAC CARTONS INDIA PVT LTD.

Authority for Advance Ruling — Karnataka

Advance Ruling No. KAR ADRG 17 / 2018 Dated **06.08.2018**

Q Questions Before the Authority

- What is the GST rate applicable on the finished goods 'Pallets and Box Pallets'?

F Facts

The applicant is a private limited company engaged in the manufacture of plywood pallets, plywood boxes, corrugated boxes, and paper packaging products. In manufacturing pallets, it utilizes plywood sheets as raw material, which fall under HSN 4412 and attract 18% GST. The applicant sought an advance ruling to confirm the correct HSN classification and GST rate for its finished products, namely 'Pallets and Box Pallets'.

H Ruling

Classification and GST rate on 'Pallets and Box Pallets'	**Covered under HSN 4415 20 00; GST rate is 6% CGST and 6% SGST/KGST**	Entry No. 97 of Schedule II of Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017

The Authority held that the commodity 'pallets and box pallets' is classified under **HSN code 4415 20 00** . The applicable rate of tax is **6% CGST and 6% KGST** pursuant to Entry No. 97 of Schedule II to Notification No. 01/2017-Central Tax (Rate) and corresponding State Tax notification.

R Reasoning

The Authority analyzed HSN Heading 4415, which encompasses packing cases, boxes, crates, drums, and pallets of wood. Specifically, Entry 4415.20 covers 'Pallets, box pallets and other load boards; pallet collars', corresponding to HSN 4415.20.00. Entry No. 97 of Schedule II of Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017 prescribes a rate of 6% CGST (and equal State Tax) for goods falling under HSN 4415. Consequently, finished wooden pallets and box pallets are taxable at 12% total GST regardless of the higher rate on raw inputs.

P Provisions Relied On

Section 97 of CGST Act, 2017	Section 98 of CGST Act, 2017
Section 98 of KGST Act, 2017	HSN Code 4415 20 00
Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017 (Entry No. 97, Schedule II)	

Notification No. 01/2017-State Tax (Rate) dated 28.06.2017 (Entry No. 97, Schedule II)

! For the Practitioner

This ruling establishes that wooden and plywood 'pallets and box pallets' fall under **HSN 4415 20 00** and attract **12% GST** (6% CGST + 6% SGST). It assists packaging manufacturers dealing with an inverted duty scenario where raw plywood inputs are taxed at 18% while finished pallets are taxed at 12%. It does not decide procedures or eligibility for input tax credit refunds under inverted duty structure.

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 -> krntk_17_2018_vpaccipl.pdf

Prepared 22-10-2026.

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