

Circular No 966/09/ 2012-CX

F No 84/1/2011-CX.1
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs

New Delhi the 18th May 2012

To

All Chief Commissioner of Central Excise and Customs
All Chief Commissioner of Central Excise
All Director Generals

Sir/ Madam

Sub: Clarification regarding classification of Structural Components of Boiler and Admissibility of CENVAT Credit on these Structural Components, reg-

References have been received from the field formations seeking clarification in respect of the Circular No 964/07/2012-CX issued vide F No 84/1/2011-CX.1 dated 2nd April 2012 on the above subject. In the said circular it has been clarified that structural components of Boiler which are essentially parts of the boiler are to be classified under heading 8402 and CENVAT credit shall be admissible in respect of such structural components/ parts (of the Boiler), as they are not used for laying of foundation or making of structures for support of capital goods.

2. Clarifications have been sought as to whether in view of the said circular, CENVAT Credit will be admissible on structural components used for the support of the Capital Goods.

3. The circular dated 2nd April 2012 was issued in the context of a dispute as to whether certain structural components were to be treated as boiler parts or as goods for making structures to support the boilers. Whether a particular structural component is a part of the Boiler or a component to make structure for supporting the Boiler is a question of facts and needs to be examined on a case to case basis, depending on the nature and use of the said structural component as per the existing legal provisions and judicial pronouncements on the subject.

4. As clearly stated in para 3 of Boards' above circular dated 2.4.2012, it is once again reiterated that in terms of the Rule 2(k) of the CENVAT Credit Rules, 2004, while CENVAT Credit is available in respect of parts of Boiler, the same is not admissible in respect of the structural components used for laying of foundation or making of structures for support of capital goods/ Boiler. The above clarification is in conformity with the views expressed in the judgments of the Hon'ble Supreme Court/ different benches of the CESTAT.

5. Trade, industry and field formations may be suitably informed.

6. Hindi version will follow

Yours faithfully

(Madan Mohan)
Under Secretary (CX.1)