

### CENVAT CREDIT RULES, 2004

#### Admissibility of CENVAT credit on structural components of boiler – CBEC clarifies

It has been clarified by the CBEC that as per Rule 2(k) of the CENVAT Credit Rules, 2004, CENVAT credit is available in respect of structural components if used as parts of Boiler. However, CENVAT credit would not be available in respect of structural components used for laying of foundation or making of structures for support of capital goods/ Boiler.

Earlier in April, 2012 the Board had issued *Circular No 964/07/2012-CX dated 02.04.2012* wherein it was clarified that structural components of Boiler which are essentially parts of the boiler would be classified under heading 8402 and CENVAT credit would be admissible in respect of such structural components/ parts (of the Boiler) for the reason that they are not used for laying of foundation or making of structures for support of capital goods.

In view of the Circular doubts have arisen as to whether CENVAT credit will be available on structural components used for the support of the Capital Goods.

The Board has now clarified that 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.

*[Circular No. 966/09/2012 CX dated 18.05.2012]*

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Secretary

Indirect Taxes Committee

The Institute of Chartered Accountants of India

ICAI Bhawan A-29, Sector -62, NOIDA (U.P.)India