

## **Hot Re-Rolling Mills Annual Capacity Determination Rules, 1997**

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## **Hot Re-Rolling Mills Annual Capacity Determination Rules, 1997**

M.F. (D.R.) Notification No. 32/97-C.E.(N.T.), dated 1-8-1997 as amended In exercise of the powers conferred by sub-section (2) of section 3A of the Central Excise Act, 1944 (1 of 1944), the Central Government hereby makes the following rules, namely :-

### **1. 1 :-**

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(1) These rules may be called the Hot Re-rolling Steel Mills Annual Capacity Determination Rules, 1997 .

(2) They shall come into force on the 1st day of August, 1997.

### **2. 2 :-**

. These rules shall apply to non-alloy steel hot re-rolled products falling under sub-heading Nos. 7211.11, 7211.19,7211.30,7211.52,7211.59,7211.60,7211.92, 7211.99,7213.90,7214.90,7215.90,7216.10 and 7216.90 of the Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), for determining the annual capacity of production of a factory if such goods are manufactured or produced with the aid of hot re-rolling mill.

### **3. 3 :-**

. The annual capacity of production referred to in rule 2 shall be determined in the following manner, namely :-

(1) a hot re-rolling mill shall declare the values of d, n, i and speed of rolling, the parameters referred to in sub-rule (3), to the Commissioner of Central Excise (hereinafter referred to as the Commissioner), with a copy to the Assistant Commissioner of Central Excise;

(2) on receipt of the information referred to in sub-rule (1), the Commissioner shall take necessary action to verify their correctness and ascertain the correct value of each of the parameters. The Commissioner may, if he so desires, consult any technical authority for this purpose;

[(3) the annual capacity of production of hot re-rolled products of non-alloy steel in respect of such factory shall be deemed to be as determined by applying the following formula :- Annual Capacity =  $1.885 \times 10^{-4} \times d \times n \times i \times e \times w \times$  Number of utilised hours (in metric tonnes) Where: d = Nominal centre distance of the pinions in the pinion stand in millimetres n = Nominal revolutions per minute (RPM) of the drive i = Reduction ratio of the gear box or of the pulley system or combination thereof w = Weight in Kilogramme per metre of the re-rolled product the value of e in the formula shall be deemed to be 0.30 in case of low speed mills, and 0.75 in case of high speed mills the value of w factor in the formula for the high speed mills shall be deemed to be 0.45 and for the low speed mills shall be deemed to be as under, - Nominal centre distance of the pinions in w the pinion stand in millimetres in kilogramme per metre Upto 110 0.100 111 to 160 0.150 161 to 210 0.395 211 to 260 0.888

(a) a high speed mill means a mill which produces hot re-rolled products at a speed of 8.5 metres per second or more and a low speed mill means a mill which produces hot re-rolled products a speed less than 8.5 metres per second.

(b) nominal centre distance is the pinion centre distance of the pinion stand connecting the last rolling mill drive of the finishing mill excluding any pinch roll. Such a pinch roll is not a finishing stand.]

(4) the Commissioner of Central Excise shall, as soon as may be, after determining the total capacity of the hot re-rolling mill installed in the factory as also the annual capacity of production, by an order, intimate to the manufacturer. Provided that the Commissioner may determine the annual capacity of the hot re-rolling unit on provisional basis pending verification of the declaration furnished by the hot re-rolling mills and pass an order accordingly. Thereafter, the Commissioner may determine the

annual capacity, as soon as may be, and pass an order accordingly.]

**4. 4 :-**

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(1) The capacity of production for any part of the year, or any change in the total hot re-rolling mill capacity, shall be calculated pro rata on the basis of the annual capacity of production determined in the above manner stated in rule 3.

(2) In case a manufacturer proposes to make any change in installed machinery or any part thereof which tends to change the value of either of the parameters  $d$ ,  $n$ ,  $e$ ,  $i$  and speed of rolling referred to in sub- rule (3) of rule 3, such manufacturer shall intimate about the proposed change to the Commissioner of Central Excise in writing, with a copy to Assistant Commissioner of Central Excise, at least one month in advance of such proposed change, and shall obtain the written approval of the Commissioner before making such change. Thereafter the Commissioner of Central Excise shall determine the date from which the change in the installed capacity shall be deemed to be effective.

**5. 5 :-**

[. In case, the annual capacity determined by the formula in sub-rule (3) of rule 3 in respect of a mill, is less than the actual production of the mill during the financial year 1996-97, then the annual capacity so determined shall be deemed to be equal to the actual production of the mill during the financial year 1996-97.]