

INDUCTION FURNACE ANNUAL CAPACITY DETERMINATION RULES, 1997

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INDUCTION FURNACE ANNUAL CAPACITY DETERMINATION RULES, 1997

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. Short title and commencement :-

- (1) These rules may be called the Induction Furnace Annual Capacity Determination Rules, 1997 .
- (2) They shall come into force on the 1st day of August, 1997.

2. Definitions :-

These rules shall apply to ingots and billets of non-alloy steel falling under sub-heading Nos. 7206.90 and 7207.90 of the Schedule of the Central Excise Tariff Act, 1985 (5 of 1986), for determining the annual capacity of production of a factory if such goods are manufactured in an induction furnace unit.

Explanation. - For removal of doubts it is hereby clarified that these rules also apply to an induction furnace unit which ordinarily produces non-alloy steel ingots and billets but may also incidentally produce castings or stainless steel products.

3. 3 :-

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

- (1) the Commissioner of Central Excise (hereinafter referred to as the Com- missioner) shall call for an authenticated copy of the manufacturer's invoice or trader's invoice, who have supplied or

installed the furnace or crucible to the induction furnace unit, and ascertain the total capacity of the furnaces installed in the factory on the basis of such invoice or document;

(2) if the invoice or document referred to in sub-rule (1) is not available for any reason with the manufacturer then the Commissioner shall ascertain the capacity of the furnaces installed in the induction furnace unit on the basis of the capacity of comparable furnaces installed in any other factory in respect of which the manufacturer's invoice or other document indicating the capacity of the furnace is available or, if not so possible, on the basis of any other material as may be relevant for this purpose. The Commissioner may, if he so desires, consult any technical authority for this purpose;

(3) the annual capacity of production of ingots and billets of non-alloy steel in respect of such factory shall be deemed to be as determined by applying the following formula :- $ACP = \frac{1}{3200} [TCF] \times 3200$, where - ACP = Annual Capacity of Production of the factory producing ingots and billets of non-alloy steel in metric tonnes; and TCF = Total capacity of the furnaces installed in the factory producing ingots and billets of non-alloy steel in metric tonnes.

(4) the Commissioner of Central Excise shall, as soon as may be, after determining, the total capacity of furnaces installed in the factory as also the annual capacity of production by an order intimate to the manufacturer.

1. Corrected vide M.F. (D.R.) F. No. 341/61 /97-TRU, dated 30-8-1997.

4. 4 :-

The capacity of production for any part of the year, or for any change in the total furnace capacity, shall be calculated pro rata on the basis of the annual capacity of production determined in the above manner. In case a manufacturer proposes to increase or reduce the capacity of induction furnace, 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.

