

Cir. No.05/DIV/WT/05

02/01/2001

To: All Members of Switchgear Division. (Wave Traps mailing list)
Members on the CHRG PVC mailing list for Wave Traps.
SEBS & Listed Purchasing Organization.

Sub: Updated price variation clause for Wave Traps effective from 1st January 2001.

You are aware that the work of updating IEEMA Price Variation Clauses was under taken during last 18 months. We had circulated drafts of updated clauses highlighting the modifications being carried out requesting users to send their comments.

This exercise was proposed to bring the uniformity in IEEMA's price variation clauses and to amend the workings of the existing clauses giving correct references to the basic prices and indices considered for calculations.

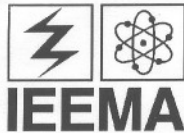
We are now please to enclosed a copy of this updated price variation clause effective from **1st January 2001** for your reference and perusal.

From **1st January 2001 onwards**, we request you to kindly incorporate these clauses in all your future tenders/contracts.

We will issue the indices applicable to this clause in our standard format every month giving reference to this updated clause. To enable users to claim variation on this basis of earlier clause, we will be circulating the indices applicable to the said earlier clause up to December 2001 only.

We request members to kindly make note of this.

Sr. Executive Officer



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IEEMA/PVC/WT/2001

Effective from : 1st January, 2001

PRICE VARIATION CLAUSE FOR WAVE TRAPS

The price quoted/confirmed is based on the cost of raw materials/components and labour cost as on the date of quotation and the same is deemed to be related to prices of raw materials, index number for wave traps and all India average consumer price index number for industrial workers as specified in the price variation clause given below. In case of any variation in these prices and Index number, the price payable shall be subject to adjustment up or down in accordance with the following formula:

$$P = \frac{P_0}{100} \left(30 + 30 \frac{IN - WT}{IN_0 - WT} + 40 \frac{W}{W_0} \right)$$

Wherein,

P = Price payable as adjusted in accordance with the above formula.

P₀ = Price quoted/confirmed.

IN₀-WT = Index number for wave traps, based on relative prices and weightages (as given in the brackets) of aluminium busbar (20), and epoxy resin, CT-5900 (10) calculated considering their prices as on 1st June 2000 as base equal to 100 (refer notes).

This index number is as applicable on the first working day of the month, one month prior to the date of tendering.

W₀ = All India average consumer price index number for industrial workers, as published by the Labour Bureau, Ministry of Labour, Govt. of India (Base 1982 = 100).

This index number is as applicable for the month, three months prior to the date of tendering.

For example, if the date of tendering falls in May 2001, the applicable index number for wave traps (IN₀-WT) should be as on 1st April 2001 and all India average consumer price index number (W₀) should be for the month of February 2001.

The above prices and indices are as published by IEEMA vide circular reference number IEEMA(PVC)/WT/_/_ prevailing as on first working day of the month i.e., one month prior to the date of tendering.

IN-WT = Index number for wave traps, based on relative prices and weightages (as given in the brackets) of aluminium busbar (20), and epoxy resin, CT-5900 (10) calculated considering their prices as on 1st June 2000 as base equal to 100 (refer note).

This index number is as applicable on the first working day of the month, two months prior to the date of delivery.

W = All India average consumer price index number for industrial workers, general index as published by the Labour Bureau, Govt. of India (Base 1982 = 100).

This index number is as applicable for the month, four months prior to the date of delivery.

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For example, if the date of delivery in terms of clause given below falls in December 2001 the applicable index for wave traps (IN-WT) should be that as published by IEEMA as prevailing on 1st October 2001 and the applicable all India average consumer price index number (W) should be for the month of August 2001.

The "date of delivery" is the date on which the wave trap is notified as being ready for inspection/despatch. (In the absence of such notification the date of manufacturer's despatch note is to be considered as the date of delivery) or the contracted delivery date (including any agreed extension thereto), whichever is earlier.

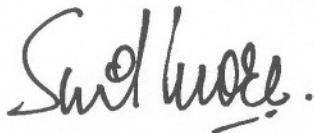
Notes: (a) All prices of raw materials considered for arriving at the index number for wave trap are exclusive of modvatable excise/CV duty amount and exclusive of any other central, state or local taxes, octroi etc.

(b) All prices are as on first working day of the month.

(c) The details of prices considered for index number for wave trap are as under:

- 1) The price of aluminium busbar (in Rs/MT) is the average of the ex-works prices as quoted by two manufacturers, for standard section of busbar of grade, equivalent to E 91 E as per IS 5082 - 1981.
- 2) The price of epoxy resin (in Rs/Kg) is as quoted by the manufacturer for epoxy resin CT-5900 or its nearest equivalent.

For Indian Electrical & Electronics Manufacturers' Association



Authorised Signatory