

Cir. No.04/DIV/BUSDUCTS/05**02/01/2001**

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

Sub: Updated price variation clause for Busducts 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.

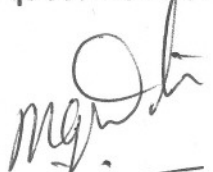
This exercise was proposed to bring the uniformity in IEEMA's price variation clauses and to amend the workings of the existing clauses giving correct references to the basic prices and indices considered for calculations.

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/BUSDUCT/2001

Effective from : 1st January, 2001

PRICE VARIATION CLAUSE FOR BUSDUCTS

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 busducts 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 Index numbers, the price payable shall be subject to adjustment up or down in accordance with the following formula:

$$P = \frac{P_0}{100} \left(15 + 65 \frac{IN - BUSDUCT}{IN_0 - BUSDUCT} + 20 \frac{W}{W_0} \right)$$

Wherein,

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

P₀ = Price quoted/confirmed.

IN₀-BUSDUCT= Index number for busduct is based on relative prices and weightages (as given in the brackets) busbar grade aluminium (50), wholesale price index number for iron and steel (5), epoxy resin (5) and copperwire bars (5) calculated considering their prices as on 1st June 2000 (as base =100) (refer notes).

This index number is as applicable on the first working day of the month, three months 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 busducts (IN₀-BUSDUCT) and all India average consumer price index number (W₀) both should be for the month of February 2001, Which would appear in the circular issued for the month of April 2001.

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

IN-BUSDUCT = Index number for busduct is based on relative prices and weightages (as given in the brackets) busbar grade aluminium (50), wholesale price index number for iron and steel (5), epoxy resin (5) and copperwire bars (5) calculated considering their prices as on 1st June 2000 (as base =100) (refer notes).

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

IEEMA/PVC/BUSDUCT/2001

Effective from : 1st January, 2001

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, three months prior to the date of delivery.

For example, if the date of delivery in terms of clause given below falls in December 2001 the applicable index number for busducts (IN-BUSDUCT) and the applicable all India average consumer price index number (W) should be for the month of September 2001, which would appear in the circular issued for the month of November 2001.

The "date of delivery" is the date on which the busduct 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.

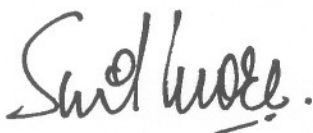
Notes: (a) All prices of raw materials considered for arriving at the index number for busduct are exclusive of modvatable excise/CV duty amount and exclusive of any other central, state or local taxes, octroi etc.

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

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

1. The price of busbar grade aluminium (in Rs/MT) is the average of ex-works price as quoted by the two primary producers for the busbar size 152.4 x 6.35 mm flat approximately, of grade equivalent to E91E as per IS 5082-1981 (or the latest).
2. The wholesale price index number for iron and steel is as published by the office of the economic adviser, Ministry of industry, Govt. of India, New Delhi, with base (1993-94 = 100). This wholesale price index is being published weekly on provisional basis. However, the same gets finalised after 8 weeks and is normally available after two months. Therefore we are considering in our calculations this final index only as published by the economic adviser.
3. The price of Epoxy Resin (Rs/KG) is ex-works price as quoted by a resin manufacturer for their epoxy resin CT5900 or its nearest equivalent.
4. Price for electrolytic copper wire bars (in Rs/MT) is the ex-godown / ex-works price as quoted by the primary producer.

For Indian Electrical & Electronics Manufacturers' Association



Authorised Signatory