



Indian Electrical & Electronics Manufacturers' Association

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To: All Members of IMIEC Division.
Members on the CHRG PVC mailing list for IMIEC.
SEBS & Listed Purchasing Organization.

Sub: Updated price variation clause for Unclad Glass Fabric Laminates/Components
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 pleased to enclosed a copy of this updated price variation clause effective from **1st January 2001** for your reference and perusal.

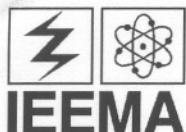
From **1st January 2001 onwards**, we request you to kindly incorporate these clauses in all your future tenders/contracts.

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

Nr\ppt\c:pooja\ pvclause final



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IEEMA/PVC/GLBL/2001

Effective from : 1st January, 2001

PRICE VARIATION CLAUSE FOR UNCLAD GLASSFABRIC BASED LAMINATES / COMPONENTS

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 epoxy-fibreglass laminates/components or phenolic-fibreglass laminates/components and all India average consumer price index number for industrial workers as specified in the appropriate 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 appropriate formula:

- 1) For epoxy fibreglass laminates / components

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

- 2) For phenolic fibreglass laminates / components

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

Wherein,

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

P₀ = Price quoted/confirmed.

IN₀-EPX-GL= Index number for epoxy fibreglass laminates / components based on relative wholesale price indices and weightages (as given in the brackets) of fibreglass fabric (35), epoxy resin (25), corresponding wholesale price index number for fuel, power, light and lubricants (5) calculated considering their price / index number as on 1st June 2000 (as base =100) (refer note).

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

IN₀-PNL-GL= Index number for phenolic fibreglass laminates / components based on relative wholesale price indices and weightages (as given in the brackets) of fibreglass fabric (35), phenolic moulding powder (25), corresponding wholesale price index number for fuel, power, light and lubricants (5) calculated considering their price / index number as on 1st June 2000 (as base =100) (refer note).

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.

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

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

IN-EPX-GL= Index number for epoxy fibreglass laminates / components based on relative wholesale price indices and weightages (as given in the brackets) of fibreglass fabric (35), epoxy resin (25), corresponding wholesale price index number for fuel, power, light and lubricants (5) calculated considering their price / index number as on 1st June 2000 (as base =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.

IN-PNL-GL= Index number for phenolic fibreglass laminates / components based on relative wholesale price indices and weightages (as given in the brackets) of fibreglass fabric (35), phenolic moulding powder (25), corresponding wholesale price index number for fuel, power, light and lubricants (5) calculated considering their price / index number as on 1st June 2000 (as base =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, as published by the Labour Bureau, Ministry of Labour, Govt. of India (Base 1982 = 100).

This index number is as applicable for the month, four 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 numbers (IN-EPX-GL) and (IN-PNL-GL) should be as on 1st October 2001 and the corresponding 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 laminates / components are 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 epoxy fiberglass laminates / components and for phenolic fiberglass laminates / components 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 epoxy fiberglass laminates / components and for phenolic fiberglass laminates / components are as under:

- 1) The price of fiberglass fabric (in Rs/Kg) is as quoted by a fiberglass fabric manufacturer for 7 mil - 200 g.s.m.
- 2) The price of epoxy resin (in Rs/kg) is as quoted by a resin manufacturer for their grade LY 556 or its nearest equivalent.

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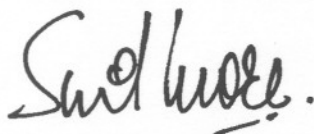
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- 3) The price of phenolic moulding powder (in Rs/Kg) is the average of the ex-works prices as quoted by three manufacturers.
- 4) The wholesale price index number for fuel, power, light and lubricants is as published by the office of the economic 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 published by the economic adviser for the first Saturday of the month three months prior to the date for which the prices of other raw materials are considered.

For example, for calculating the index number for laminate / components as on 1st day of the month of October, the basic prices of epoxy resin or phenolic moulding powder are to be considered as on 1st working day of October and the wholesale price index number for fuel, power, light and lubricants (base 1993-94 = 100) is to be considered as published by the economic adviser, for the 1st week ending Saturday of the month of July.

In calculating the index number for laminate / components, the lagging time of 3 months for wholesale price index number for fuel, power, light & lubricants in relation with the prices of raw material is maintained.

For Indian Electrical & Electronics Manufacturers' Association



Authorised Signatory