

**PRICE VARIATION CLAUSE FOR REC RANGE ALUMINIUM WOUND DISTRIBUTION TRANSFORMERS
COMPLETE WITH ALL ACCESSORIES AND COMPONENTS
(Of ratings up to 160 KVA and voltage up to 33 KV)
supplied against export/ deemed export contracts against duty free inputs
Under special imprest licensing scheme**

The price quoted/confirmed is based on the input 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 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 numbers, the price payable shall be subject to adjustment, up or down in accordance with the following formula:

$$P = \frac{P_0}{100} \left(13 + 15 \frac{AL}{AL_0} + 42 \frac{ES}{ES_0} + 10 \frac{IS}{IS_0} + 2 \frac{IM}{IM_0} + 6 \frac{TO}{TO_0} + 12 \frac{W}{W_0} \right)$$

Wherein,

- P** = Price payable as adjusted in accordance with the above formula.
- P₀** = Price quoted/confirmed.
- AL₀** = Price of EC Grade Aluminium rods (Properzi rods) (refer notes)
This price is as applicable on the 1st working day of the month, one month prior to the date of tendering.
- ES₀** = C&F price of CRGO Electrical Steel Sheets (refer notes)
This price is as applicable on the 1st working day of the month, one month prior to the date of tendering.
- IS₀** = Wholesale price index number for 'Iron & Steel (Base: 1993-94=100)' (refer notes)
This index number is as applicable for the week ending 1st Saturday of the month, three months prior to the date of tendering.
- IM₀** = Price of Insulating Materials (refer notes)
This price is as applicable on the 1st working day of the month, one month prior to the date of tendering.
- TO₀** = Price of Transformer Oil (refer notes)
This price is as applicable on the 1st 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: 2001 = 100)
This index number is as applicable on the first working day of the month, three months prior to the date of tendering.

IEEMA/PVC/REC-AL/DE/2007(R-1)

 Effective from: 1st January 2009

For example, if date of tendering falls in May 2008, applicable prices of Aluminium (AL₀) and Transformer Oil (TO₀), CRGO Steel Sheets (ES₀) and Insulating material (IM₀) should be as on 1st April 2008 and Wholesale price index number for 'Iron & Steel' (IS₀) should be for the week ending first Saturday of February 2008 and all India average consumer price index no. (W₀) should be for the month of February 2008.

The above prices and indices are as published by IEEMA vide circular ref. number IEEMA(PVC)/TRF/DE (R-1)/_/_ one month prior to the date of tendering.

- | | |
|----|--|
| AL | = Price of EC Grade Aluminium rods (Properzi rods) (refer notes)
This price is as applicable on the 1 st working day of the month, <u>one</u> month prior to the date of delivery. |
| ES | = C&F price of CRGO Electrical Steel Sheets (refer note)
This price is as applicable on the 1 st working day for the month, <u>one</u> month prior to the date of delivery. |
| IS | = Wholesale price index number for 'Iron & Steel (Base: 1993-94=100)' (refer notes)
This index number is as applicable for the week ending 1 st Saturday of the month, <u>three</u> months prior to the date of delivery. |
| IM | = Price of Insulating Materials (refer notes)
This price is as applicable on the 1 st working day of the month, <u>one</u> month prior to the date of delivery. |
| TO | = Price of Transformer Oil (refer notes)
This price is as applicable on the 1 st working day of the month, <u>one</u> month 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: 2001 = 100)
This index number is as applicable on the first working day of the month, <u>three</u> months prior to the date of delivery. |

For example, if date of delivery in terms of clause given below falls in December 2008, applicable prices of Aluminium (AL) and Transformer Oil (TO), CRGO Steel Sheets (ES) and Insulating material (IM) should be as on 1st November 2008 and Wholesale price index number for 'Iron & Steel' (IS) should be for the week ending first Saturday of September 2008 and all India average consumer price index no. (W) should be for the month of September 2008.

The above prices and indices are as published by IEEMA vide circular ref. number IEEMA(PVC)/TRF/DE (R-1)/_/_ one month prior to the date of delivery.

The date of delivery is the date on which the transformer 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.

IEEMA/PVC/REC-AL/DE/2007 (R-1)

Effective from: 1st January 2009

Notes: (a) All prices of raw materials are exclusive of modvatable excise/CV duty amount and exclusive of any other central, state or local taxes, octroi etc. In deemed export contract under special imprest licence, the basic inputs like Copper, CRGO steel sheets and insulating pressboards etc. are imported duty free. While modvatable CVD is already excluded, the customs duty is also removed from basic prices.

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

(c) The details of prices are as under:

1. The price of Aluminium in Rs./MT is the average Ex-works price of EC Grade Aluminium rods quoted by the primary producers confirming to specifications IS: 5484.
 2. The price of CRGO Electrical Steel Sheets suitable for Transformers of rating up to 10 MVA and voltage up to 33 KV (in Rs./MT) is the average price of as quoted by local lamination suppliers, excluding value addition and C&F price in US \$ per MT converted into Indian Rupees with applicable exchange rate prevailing as on 1st working day of the month; as quoted by primary producers.
 3. The wholesale price index number for 'Iron & Steel' is as published by the Office of Economic Advisor, Ministry of Industry, Govt. of India, New Delhi with base 1993-94=100. This wholesale price index number is being published weekly on provisional basis. However, the same gets finalized after eight weeks and is normally available after two months. Therefore, we are considering in our calculations this final index for the first Saturday of the months two months prior to the date of which the prices of other raw materials such as Al, IM are published for the corresponding month.
 4. The average price of Insulating materials (in Rs./Kg) of pre-compressed pressboards of size 3 mm and 10 mm thick, 3200 mm x 4100 mm C&F price free currency per MT converted into Indian Rupees with applicable exchange rates prevailing as on 1st working day of the month, as quoted by primary suppliers.
 5. The price of Transformer Oil (in Rs./K.Ltr) is the average price on ex-refinery basis as quoted by two manufacturers for supply in drums.
- (d) Some purchasers are purchasing oil immersed Transformers from manufacturers without first filling of oil. Oil for first filling is procured and filled by the purchasers. For such supplies PVC formula, excluding Oil will apply as under:

$$P = \frac{P_0}{94} \left(13 + 15 \frac{AL}{AL_0} + 42 \frac{ES}{ES_0} + 10 \frac{IS}{IS_0} + 2 \frac{IM}{IM_0} + 12 \frac{W}{W_0} \right)$$

Where, description of P, P₀, AL, ES, IS, IM and W etc. remains same as mentioned earlier.


Authorised Signatory

IEEMA/PVC/REC-CU/DE/2007 (R-1)

Effective from: 1st January 2009

**PRICE VARIATION CLAUSE FOR REC RANGE COPPER WOUND DISTRIBUTION TRANSFORMERS
COMPLETE WITH ALL ACCESSORIES AND COMPONENTS
(Of ratings up to 160 KVA and voltage up to 33 KV)
Supplied against export/ deemed export contracts against duty free inputs
Under special imprest licensing scheme**

The price quoted/confirmed is based on the input 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 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 numbers, the price payable shall be subject to adjustment, up or down in accordance with the following formula:

$$P = \frac{P_0}{100} \left(13 + 27 \frac{C}{C_0} + 31 \frac{ES}{ES_0} + 9 \frac{IS}{IS_0} + 2 \frac{IM}{IM_0} + 6 \frac{TO}{TO_0} + 12 \frac{W}{W_0} \right)$$

Wherein,

- P = Price payable as adjusted in accordance with the above formula.
- P₀ = Price quoted/confirmed.
- C₀ = Average LME settlement price of copper wire bars (refer notes)
This price is as applicable for the month, one month prior to the date of tendering.
- ES₀ = C&F price of CRGO Electrical Steel Sheets (refer notes)
This price is as applicable on the 1st working day of the month, one month prior to the date of tendering.
- IS₀ = Wholesale price index number for 'Iron & Steel (Base: 1993-94=100)' (refer notes)
This index number is as applicable for the week ending 1st Saturday of the month, three months prior to the date of tendering.
- IM₀ = Price of Insulating Materials (refer notes)
This price is as applicable on the 1st working day of the month, one month prior to the date of tendering.
- TO₀ = Price of Transformer Oil (refer notes)
This price is as applicable on the 1st 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: 2001 = 100)
This index number is as applicable on the first working day of the month, three months prior to the date of tendering.

IEEMA/PVC/REC-CU/DE/2007 (R-1) Page 1 of 3

delhi
804, surya kiran,
19, kasturba gandhi marg,
new delhi 110001, india
p +91 11 2373 3013 / 14
f +91 11 2373 3015
e delhi@ieema.org

bangalore
204, swiss complex,
33, race course road,
bangalore 560 001, india
p +91 80 2220 1316 / 1318
f +91 80 2220 1317
e bangalore@ieema.org

kolkata
503a, oswal chambers,
2, church lane,
kolkata 700 001, india
p +91 33 6510 7855
f +91 33 2213 1326
e kolkata@ieema.org

IEEMA/PVC/REC-CU/DE/2007 (R-1)

 Effective from: 1st January 2009

For example, if date of tendering falls in May 2008, applicable prices of Copper Wire Bars (C₀) and Transformer Oil (TO₀), CRGO Steel Sheets (ES₀) and Insulating material (IM₀) should be as on 1st April 2008 and Wholesale price index number for 'Iron & Steel' (IS₀) should be for the week ending first Saturday of February 2008 and all India average consumer price index no. (W₀) should be for the month of February 2008.

The above prices and indices are as published by IEEMA vide circular ref. number IEEMA(PVC)/TRF/DE (R-1)/_/_ one month prior to the date of tendering.

- | | |
|----|--|
| C | = Average LME settlement price of copper wire bars (refer notes)
This price is as applicable for the month, <u>one</u> month prior to the date of delivery. |
| ES | = C&F price of CRGO Electrical Steel Sheets (refer note)
This price is as applicable on the 1 st working day for the month, <u>one</u> month prior to the date of delivery. |
| IS | = Wholesale price index number for 'Iron & Steel (Base: 1993-94=100)' (refer notes)
This index number is as applicable for the week ending 1 st Saturday of the month, <u>three</u> months prior to the date of delivery. |
| IM | = Price of Insulating Materials (refer notes)
This price is as applicable on the 1 st working day of the month, <u>one</u> month prior to the date of delivery. |
| TO | = Price of Transformer Oil (refer notes)
This price is as applicable on the 1 st working day of the month, <u>one</u> month 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: 2001 = 100)
This index number is as applicable on the first working day of the month, <u>three</u> months prior to the date of delivery. |

For example, if date of delivery in terms of clause given below falls in December 2008, applicable prices of Copper Wire Bars (C) and Transformer Oil (TO), CRGO Steel Sheets (ES) and Insulating material (IM) should be as on 1st November 2008 and Wholesale price index number for 'Iron & Steel' (IS) should be for the week ending first Saturday of September 2008 and all India average consumer price index no. (W) should be for the month of September 2008.

The above prices and indices are as published by IEEMA vide circular ref. number IEEMA(PVC)/TRF/DE (R-1)/_/_ one month prior to the date of delivery.

The date of delivery is the date on which the transformer 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.

IEEMA/PVC/REC-CU/DE/2007 (R-1)

Effective from: 1st January 2009

Notes: (a) All prices of raw materials are exclusive of modvatable excise/CV duty amount and exclusive of any other central, state or local taxes, octroi etc. In deemed export contract under special imprest licence, the basic inputs like Copper, CRGO steel sheets and insulating pressboards etc. are imported duty free. While modvatable CVD is already excluded, the customs duty is also removed from basic prices.

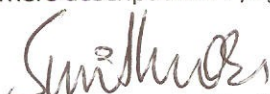
(b) All prices are as on first working day of the month.

(c) The details of prices are as under:

- 1) The LME price of Copper Wire Bars (in Rs./MT) is the LME average settlement price of Copper Wire Bars converted into Indian Rupees with applicable exchange rates prevailing as on 1st working day of the subsequent month.
- 2) The price of CRGO Electrical Steel Sheets suitable for Transformers of rating up to 10 MVA and voltage up to 33 KV (in Rs./MT) is the average price of as quoted by local lamination suppliers, excluding value addition and C&F price in US \$ per MT converted into Indian Rupees with applicable exchange rate prevailing as on 1st working day of the month; as quoted by primary producers.
- 3) The wholesale price index number for 'Iron & Steel' is as published by the Office of Economic Advisor, Ministry of Industry, Govt. of India, New Delhi with base 1993-94=100. This wholesale price index number is being published weekly on provisional basis. However, the same gets finalized after eight weeks and is normally available after two months. Therefore, we are considering in our calculations this final index for the first Saturday of the months two months prior to the date of which the prices of other raw materials such as Al, IM are published for the corresponding month.
- 4) The average price of Insulating materials (in Rs./Kg) of pre-compressed pressboards of size 3 mm and 10 mm thick, 3200 mm x 4100 mm C&F price in free currency per MT converted into Indian Rupees with applicable exchange rates prevailing as on 1st working day of the month, as quoted by primary suppliers.
- 5) The price of Transformer Oil (in Rs./K.Ltr) is the average price on ex-refinery basis as quoted by two manufacturers for supply in drums.
- (d) Some purchasers are purchasing oil immersed Transformers from manufacturers without first filling of oil. Oil for first filling is procured and filled by the purchasers. For such supplies PVC formula, excluding Oil will apply as under:

$$P = \frac{P_0}{94} \left(13 + 27 \frac{C}{C_0} + 31 \frac{ES}{ES_0} + 9 \frac{IS}{IS_0} + 2 \frac{IM}{IM_0} + 12 \frac{W}{W_0} \right)$$

Where description of P, P₀, C, ES, IS, IM, W etc. remains same as mentioned earlier.



Authorised Signatory

**PRICE VARIATION CLAUSE FOR DRY TYPE REC RANGE DISTRIBUTION TRANSFORMERS
COMPLETE WITH ALL ACCESSORIES AND COMPONENTS
(Of ratings up to 160 KVA and voltage up to 33 KV)
Supplied against export/ deemed export contracts against duty free inputs
Under special imprest licensing scheme**

The price quoted/confirmed is based on the input 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 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 numbers, the price payable shall be subject to adjustment, up or down in accordance with the following formula:

$$P = \frac{P_0}{100} \left(13 + 32 \frac{C}{C_0} + 25 \frac{ES}{ES_0} + 5 \frac{IS}{IS_0} + 6 \frac{IM}{IM_0} + 7 \frac{ER}{ER_0} + 12 \frac{W}{W_0} \right)$$

Wherein,

- P = Price payable as adjusted in accordance with the above formula.
- P₀ = Price quoted/confirmed.
- C₀ = Average LME settlement price of copper wire bars (refer notes)
This price is as applicable for the month, one month prior to the date of tendering.
- ES₀ = C&F price of CRGO Electrical Steel Sheets (refer notes)
This price is as applicable on the 1st working day of the month, one month prior to the date of tendering.
- IS₀ = Wholesale price index number for 'Iron & Steel (Base: 1993-94=100)' (refer notes)
This index number is as applicable for the week ending 1st Saturday of the month, three months prior to the date of tendering.
- IM₀ = Price of Insulating Materials (refer notes)
This price is as applicable on the 1st working day of the month, one month prior to the date of tendering.
- ER₀ = Price of Epoxy resin (refer notes)
This price is as applicable on the 1st 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: 2001 = 100)
This index number is as applicable on the first working day of the month, three months prior to the date of tendering.

IEEMA/PVC/REC-DT/DE/2007 (R-1)

 Effective from: 1st January 2009

For example, if date of tendering falls in May 2008, the applicable prices of Copper Wire Bars (C_0), CRGO Steel Sheets (ES_0), and Insulating material (IM_0) and Epoxy resin (ER_0) should be as on 1st April 2008 and Wholesale price index number for 'Iron & Steel' (IS_0) should be for the week ending first Saturday of February 2008 and all India average consumer price index no. (W_0) should be for the month of February 2008.

The above prices and indices are as published by IEEMA vide circular ref. number IEEMA(PVC)/TRF/DE (R-1)/_/_ one month prior to the date of tendering.

- | | | |
|----|---|--|
| C | = | Average LME settlement price of copper wire bars (refer notes)
This price is as applicable for the month, <u>one</u> month prior to the date of delivery. |
| ES | = | C&F price of CRGO Electrical Steel Sheets (refer note)
This price is as applicable on the 1 st working day for the month, <u>one</u> month prior to the date of delivery. |
| IS | = | Wholesale price index number for 'Iron & Steel (Base: 1993-94=100)' (refer notes)
This index number is as applicable for the week ending 1 st Saturday of the month, <u>three</u> months prior to the date of delivery. |
| IM | = | Price of Insulating Materials (refer notes)
This price is as applicable on the 1 st working day of the month, <u>one</u> month prior to the date of delivery. |
| ER | = | Price of Epoxy resin (refer notes)
This price is as applicable on the 1 st working day of the month, <u>one</u> month 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: 2001 = 100)
This index number is as applicable on the first working day of the month, <u>three</u> months prior to the date of delivery. |

For example, if date of delivery in terms of clause given below falls in December 2008, the applicable price of Copper Wire Bars (C), CRGO Steel Sheets (ES), Insulating material (IM) and Epoxy resin (ER) should be as on 1st November 2008 and Wholesale price index number for 'Iron & Steel' (IS) should be for the week ending first Saturday of September 2008 and all India average consumer price index (W) should be for the month of September 2008.

The above prices and indices are as published by IEEMA vide circular ref. number IEEMA(PVC)/TRF/DE (R-1)/_/_ one month prior to the date of delivery.

The date of delivery is the date on which the transformer 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.

IEEMA/PVC/REC-DT/DE/2007 (R-1)

Effective from: 1st January 2009

Notes: a) All prices of raw materials are exclusive of modvatable excise/CV duty amount and exclusive of any other central, state or local taxes, octroi etc. Transformers manufacturers import major raw materials like Copper, CRGO Steel Sheets and Insulating pressboards etc. are imported duty free. While modvatable CVD is already excluded, the customs duty is also removed from basic prices.

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

c) The details of prices are as under:

- 1) The LME price of Copper Wire Bars (in Rs./MT) is the LME average settlement price of Copper Wire Bars converted into Indian Rupees with applicable exchange rates prevailing as on 1st working day of the subsequent month.
- 2) The price of CRGO Electrical Steel Sheets suitable for Transformers of rating up to 10 MVA and voltage up to 33 KV (in Rs./MT) is the average price of as quoted by local lamination suppliers, excluding value addition and C&F price (landed cost) in US \$ per MT converted into Indian Rupees with applicable exchange rate prevailing as on 1st working day of the month; as quoted by primary producers.
- 3) The wholesale price index number for 'Iron & Steel' is as published by the Office of Economic Advisor, Ministry of Industry, Govt. of India, New Delhi with base 1993-94=100. This wholesale price index number is being published weekly on provisional basis. However, the same gets finalized after eight weeks and is normally available after two months. Therefore, we are considering in our calculations this final index for the first Saturday of the months two months prior to the date of which the prices of other raw materials such as Al, IM are published for the corresponding month.
- 4) The average price of Insulating materials (in Rs./Kg) of pre-compressed pressboards of size 3 mm and 10 mm thick, 3200 mm x 4100 mm C&F price in free currency per MT converted into Indian Rupees with applicable exchange rates prevailing as on 1st working day of the month as quoted by primary suppliers.
- 5) The price of Epoxy resin is price quoted by resin manufacturer for their grade CT 5900 or its nearest equivalent.



Authorised Signatory