

Cir. No.: 168/DIV/IEL/05

August 23, 2012

To all member manufacturer of PLCC Equipment and respective PVC mailing list  
SEBs/Utilities and other listed purchasing organizations

**Sub: PV clause of 'PLCC Equipment'**

Power Line carrier Communication Equipment, Telemetry Equipment, Transducers and its Accessories PV circular of IEEMA (PV clause effective from 1<sup>st</sup> January 2002) was discontinued from August 2010 due to non-availability of Wholesale price indices (WPI) for 'Iron and Steel' and 'Other Electrical Equipment and Systems' representing in the index for PLCC i.e. 'IN-PLCC' while changing the base of WPI series to 2004-05=100.

Hence, it has been decided to evolve new PV formula for PLCC Equipment. In this PV formula, steel and domestic electronics components are represented by WPI for 'Ferrous Metals' and 'Electronic PCB / Micro circuits' respectively whereas import portion is represented by exchange rate of US Dollar only.

IEEMA had circulated a Draft PV clause for PLCC Equipment vide cir. No. 141/DIV/IEL/05 dated 07 July 2012. Since there are no adverse comments received; we make it operational from 1<sup>st</sup> July 2010 and also furnish relevant prices/indices from July 2010 to July 2012 along with this circular.

We recommend using following guidelines to settle price variation claims for the pending contracts where old IEEMA PV formula of PLCC Equipment effective from 1<sup>st</sup> January 2002 was applicable in the contract for price variation claims.

1. Calculate price variation 'P' from your date of tendering/base date up to July 2010 using old IEEMA PV clause of PLCC Equipment effective from 1<sup>st</sup> January 2002
2. Treat the above calculated 'P' as 'P<sub>0</sub>' and calculate final price variation from July 2010 as base prices/indices up to the date of delivery as per new IEEMA PV clause for PLCC Equipment effective from 1<sup>st</sup> July 2010.

  
Assistant Director

Encl: as above

**New Delhi**  
Rishyamook Building, First Floor  
85 A, Panchkuian Road  
New Delhi 110001, India  
P: +91 11 2336 3013/14  
F: +91 11 2336 3015  
E: delhi@ieema.org

**Bangalore**  
204, Swiss Complex  
33, Race Course Road  
Bangalore 560001, India  
P: +91 80 2220 1316/18  
F: +91 80 2220 1317  
E: bangalore@ieema.org

**Kolkata**  
503 A, Oswal Chambers  
2, Church Lane  
Kolkata 700001, India  
P: +91 33 6510 7855  
F: +91 33 2213 1326  
E: kolkata@ieema.org

IEEMA/PVC/PLCC/2010

Effective from: 1<sup>st</sup> July 2010

**PRICE VARIATION CLAUSE FOR POWERLINE CARRIER COMMUNICATION EQUIPMENT, TEEMETERING EQUIPMENT, TRANSDUCERS AND ITS ACCESSORIES**

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:

$$P = \frac{P_0}{100} \left( 10 + 32 \frac{EP}{EP_0} + 29 \frac{ER}{ER_0} + 12 \frac{FE}{FE_0} + 4 \frac{AL}{AL_0} + 13 \frac{W}{W_0} \right)$$

Wherein,

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

P<sub>0</sub> = Price quoted/confirmed.

EP<sub>0</sub> = Wholesale Price Index Number (WPI) of Electronic PCB/ Micro Circuits (refer notes)  
This price is as applicable for the month, **THREE** months prior to the date of tendering.

ER<sub>0</sub> = IEEMA's Banker's selling rate of exchange between foreign currency prevailing on the Banker's first working day, **ONE** month prior to the date of tendering (refer notes)

FE<sub>0</sub> = Wholesale price index number for 'Ferrous Metals' (Base: 2004-05=100) (refer notes)  
This index number is as applicable for the month, **THREE** months prior to the date of tendering.

AL<sub>0</sub> = Price of EC Grade Aluminium Ingots (refer notes)  
This price is as applicable on the 1<sup>st</sup> working day of the month, **ONE** month prior to the date of tendering.

W<sub>0</sub> = 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 for the month, **THREE** months prior to the date of tendering.

For example, if date of tendering falls in October 2010, the applicable Wholesale Price Index Number (WPI) of Electronic PCB/ Micro circuits (EP<sub>0</sub>) should be for July 2010, IEEMA's Banker's selling rate of exchange between foreign currency prevailing on the Banker's first working day (ER<sub>0</sub>) of September 2010, Price of EC Grade Aluminium Ingots (AL<sub>0</sub>) should be for September 2010 and Wholesale price index number for 'Ferrous Metals' (FE<sub>0</sub>) should be for July 2010 and all India average consumer price index number (W<sub>0</sub>) should be for the month of July 2010.

The above prices and indices are as published by IEEMA vide circular reference number IEEMA(PVC)/PLCC-2010/\_/\_ prevailing as on first working day of the month ..... i.e., **ONE** month prior to the date of tendering.

IEEMA/PVC/PLCC/2010/01/02

**New Delhi**  
Rishyamook Building, First Floor  
85 A, Panchkuian Road  
New Delhi 110001, India  
P: +91 11 2336 3013/14  
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E: delhi@ieema.org

**Bangalore**  
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P: +91 80 2220 1316/18  
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F: +91 33 2213 1326  
E: kolkata@ieema.org



IEEMA/PVC/PLCC/2010

Effective from: 1<sup>st</sup> July 2010

- EP = Wholesale Price Index Number (WPI) of Electronic PCB/ Micro Circuits (refer notes)  
This price is as applicable for the month, **THREE** months prior to the date of delivery.
- ER = IEEMA's Banker's selling rate of exchange between foreign currency prevailing on the Banker's first working day **ONE** month prior to the date of delivery. (refer notes)
- FE = Wholesale price index number for 'Ferrous Metals' (Base: 2004-05=100) (refer notes)  
This index number is as applicable for the month, **THREE** months prior to the date of delivery.
- AL = Price of EC Grade Aluminium Ingots (refer notes)  
This price is as applicable on the 1<sup>st</sup> working day of the month, **ONE** 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 for the month, **THREE** months prior to the date of delivery.

For example, if date of delivery in terms of clause falls in December 2010, the applicable Wholesale Price Index Number (WPI) of Electronic PCB/ Micro circuits (EP) should be for September 2010, IEEMA's Banker's selling rate of exchange between foreign currency prevailing on the Banker's first working day (ER) of November 2010, Price of EC Grade Aluminium Ingots (AL) should be for November 2010 and Wholesale price index number for 'Ferrous Metals' (FE) should be for September 2010 and all India average consumer price index number (W) should be for the month of September 2010.

The date of delivery is the date on which the PLCC product is notified as being ready for inspection/dispatch. In the absence of such notification, the date of manufacturer's dispatch 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 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 are as under:
- 1) The price of Aluminium in Rs./MT is the average of EC Grade Aluminium ingots as quoted by three primary producers of Aluminium as per IS:4026-1987
  - 2) The wholesale price index number for 'Ferrous & Metals' and Electronic PCB/ Micro Circuits is as published by the Office of Economic Advisor, Ministry of Industry, Govt. of India, New Delhi with base 2004-05-100.
  - 3) The exchange rate that would be published by IEEMA would be for US Dollars



Authorised Signatory

IEEMA/PVC/PLCC/2010/02/02