



501, Kakad Chambers
132, Dr. A. B. Road, Worli,
Mumbai 400 018
India

P +91 22 2493 0532
F +91 22 2493 2705
E mumbai@ieema.org
W www.ieema.org

Cir. No: 98/DIV/Conductor/05

30 October 2017

To all members of Conductor division
SEBs, DISCOMs and other listed purchasing organizations

Sub: Price variation clause for AL-59 Conductors

Conductor manufacturers had felt the need to evolve new Price variation clause for AL-59 Conductors as the demand for these type of conductors in the HTLS category is gaining momentum.

Based on inputs received from Conductor manufacturers and after reviewing PV clauses of utilities and PSUs for this, the draft price variation clause has been prepared.

We have circulated Draft price variation clause for 'AL-59 Conductors to all stakeholders vide Cir. No. 88/DIV/Conductor/05 dated 04 October 2017. Since, no adverse comments were received; we are making the PV clause operational with effect from 1st October 2017.

We recommend users to incorporate this new PV clause in your forthcoming tenders/contracts for settlement of price variation.

The existing PV circular for Conductor covers all relevant prices/indices applicable for AL-59 Conductor PV clause and shall be used for settlement of PV claims from October 2017.


Senior Director

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MISSION PLAN
2012-2022

Delhi
Rishyamoo Building, First Floor,
85 A, Panchkuian Road
New Delhi 110001
P +91 11 2336 3013 / 14
F + 91 11 2336 3015
E delhi@ieema.org
W www.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
W www.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
W www.ieema.org



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IEEMA(PVC)/AL-59 CONDUCTOR/2017

Effective from: 1st October 2017

PRICE VARIATION CLAUSE FOR AL-59 CONDUCTORS

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:

AL-59 Conductors

$$P = \frac{P_o}{100} \left(15 + 80 \frac{AL}{AL_o} + 5 \frac{W}{W_o} \right)$$

Wherein,

P = Ex-works price payable in Rs. per km as adjusted in accordance with the price variation clause

P_o = Ex-works price quoted/confirmed in Rs. per km.

AL_o = LME CSP Average of Aluminium (refer notes)

This price is as applicable on the 1st working day of the month, one month prior to the date of tendering.

W_o = 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.

The above prices and indices are as published by IEEMA vide circular reference IEEMA/PVC/AL Conductor-LME /__ /___ one month prior to the date of tendering.

For example, if date of tendering falls in December 2017, applicable prices of Aluminium (AL_o) should be of November 2017 and all India average consumer price index no. (W_o) should be for the month of September 2017.

AL = LME CSP Average of Aluminium (refer notes)

This price is as applicable on the 1st 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 on the first working day of the month, three months prior to the date of delivery.

For example, if the date of delivery is December 2017, applicable prices of Aluminium (AL) should be of November 2017 and all India average consumer price index no. (W) should be for the month of September 2017.

IEEMA(PVC)/AL-59 CONDUCTOR/2017/Page 1 of 2

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Effective from: 1st October 2017

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The date of delivery is the date on which the Conductor 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:

1. Price of raw material is exclusive of GST and other central, state or local taxes etc.
2. Price of LME average Cash SELLER Settlement price of Primary Aluminium in US\$ per MT as published by London Metal Bulletin (LME) including Premium for Aluminium Ingot in US\$ per MT is converted in Indian Rs./MT using exchange rate and adding applicable customs duty.


Authorized Signatory

IEEMA(PVC)/AL-59 CONDUCTOR/2017/Page 2 of 2

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