

Indian Electrical & Electronics Manufacturers' Association
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IEEMA/IEEMA/2000

Effective from: 1st January 2000

MATERIAL PRICE VARIATION CLAUSE FOR TRANSFORMER OIL

Price quoted/confirmed is based on the cost of raw materials/components as on the date of quotation. The same is deemed to be related to prices of TOBS and drums as specified in the price variation clause given below. In case of any variation in these prices, the price payable shall be subject to adjustment up or down, in accordance with the following formula:

$$P = P_0 + 1.2 (TB - TB_0) + 4.8 (D - D_0)$$

Wherein,

- P = Price (in Rs/KLtr) payable as adjusted in accordance with the above formula.
 P_0 = Price (in Rs/KLtr) quoted/confirmed for transformer oil supplied in drums and conforming to IS.335-1993 and amended from time to time.
 TB_0 = CIF price of TOBS (refer notes).
 This price is as applicable on first working day of the month, one month prior to the date of tendering.
 D_0 = Price of drums (refer notes).
 This price is as applicable on first working day of the month, one month prior to the date of tendering.

For example, if the date of tendering falls in May 2000, the applicable prices of TOBS (TB_0) and drums (D_0) should be prevailing as on 1st April 2000.

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

- TB = CIF price of TOBS (refer notes).
 This price is as applicable on first working day of the month, one month prior to the date of delivery.
 D = Price of drums (refer notes).
 This price is as applicable on first working day of the month, one month prior to the date of delivery.

For example, if the date of delivery in terms of clause given below falls in December 2000 the applicable prices for TOBS (TB) and drums (D) should be as published by IEEMA as prevailing on 1st November 2000.

The "date of delivery" is the date on which the Transformer Oil 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 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.

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Continuation Sheet No. 1

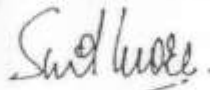
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(c) The details of prices are as under:

1. The price of TOBS (in Rs/KLtr) considered is the CIF price for N-60 grade oil as published in ICIS-LOR bulletin for the first week of the previous month. This price is normally published in US dollars per gallon, which is converted in Rs/KLtr, by IEEMA, using multiplying factor and the customs exchange rate prevailing on first working day of the previous month. This price is inclusive of import duty prevailing as on the first working day of previous month, but exclusive of modifiable CVD and other taxes.
2. The price of drum (in Rs) is the ex-works price as quoted by a drum manufacturer for drum of capacity of 210 liters.

For Indian Electrical & Electronics Manufacturers' Association,



Authorized Signatory



Superintending Engineer (MM)