



## Indian Electrical & Electronics Manufacturers' Association

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IEEMA/PVC/SWGR/2001 (R-1)

Effective from : 1<sup>st</sup> January, 2002

### PRICE VARIATION CLAUSE FOR SWITCHGEAR AND CONTROLGEAR

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 / components 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 number, the price payable shall be subject to adjustment up or down in accordance with the following formula:

$$P = \frac{P_0}{100} \left( 25 + 17 \frac{IS}{IS_0} + 18 \frac{C}{C_0} + 10 \frac{Al}{Al_0} + 13 \frac{In}{In_0} + 17 \frac{W}{W_0} \right)$$

Wherein,

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

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

IS<sub>0</sub> = Wholesale price index of 'Iron and Steel' (base: 1993-94 = 100) (refer notes).

This index is as applicable on the first week ending Saturday of the month, three months prior to the date of tendering.

C<sub>0</sub> = Price of electrolytic copper wire bars (refer notes).

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

Al<sub>0</sub> = Price of busbar grade aluminium (refer notes).

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

In<sub>0</sub> = Price of phenolic moulding powder for switchgear and controlgear of medium/lower voltage (upto 650 volts) or price of epoxy resin for HT switchgear (above 650 volts) (refer notes)

This price is as applicable on the first 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 1982 = 100).

This index number is as applicable for the month, four months prior to the date of tendering.

For example, if the date of tendering falls in May 2001, the applicable prices of electrolytic copper wire bars (C<sub>0</sub>), busbar grade aluminium (Al<sub>0</sub>) and insulating material (In<sub>0</sub>) should be for the month of April 2001 and wholesale price index of 'Iron and Steel' (IS<sub>0</sub>) should be for the first week ending Saturday of February 2001 and all India average consumer price index number (W<sub>0</sub>) should be for the month of January 2001.

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

IS = Wholesale price index of 'Iron and Steel' (base: 1993-94 = 100) (refer notes).

This index is as applicable on the first week ending Saturday of the month, four months prior to the date of delivery.

C = Price of electrolytic copper wire bars (refer notes).

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

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- AI = Price of busbar grade aluminium (refer notes).  
This price is as applicable on the first working day of the month, two months prior to the date of delivery.
- In = Price of phenolic moulding powder for switchgear and controlgear of medium/lower voltage (upto 650 volts) or price of epoxy resin for HT switchgear (above 650 volts) (refer notes).  
This price 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, five 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 price of raw materials viz: C, AI and In should be for the month of October 2001 and wholesale price index of 'Iron and Steel' (IS) should be for the first week ending Saturday of August 2001 all India average consumer price index number (W) should be for the month of July 2001.

The "date of delivery" is the date on which the switchgear equipment 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.

(c) The details of prices are as under:

- 1) The wholesale price index number for 'Iron and 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 is being published weekly on provisional basis. However, the same gets finalised after eight weeks and is normally available after two months. Therefore, we are considering in our calculations this final index published by Economic Advisor for the first Saturday of the months two months prior to the date of which the prices of other raw materials such as C, AI and In are published for the corresponding month.
- 2) The price for electrolytic copper wire bars (in Rs/MT) is ex-godown price as quoted by the primary producer of copper.
- 3) The price of busbar grade aluminium (in Rs/MT) is the average of ex-works price as quoted by the two primary producers for the busbar size 152.4 x 6.35 mm flat approximately, of grade equivalent to E91E as per IS 5082-1981 (or the latest)
- 4) The price of insulating material (in Rs/Kg)  
is the average price of phenolic moulding powder quoted by three manufacturers. (for switchgear and controlgear of medium/lower voltage upto 650 volts). or  
is the price of epoxy resin quoted by a resin manufacturer for their grade CT 5900 or its nearest equivalent. (for HT switchgear above 650 volts).

For Indian Electrical & Electronics Manufacturers' Association

*Sandhu*

Authorised Signatory

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