



Indian Electrical & Electronics Manufacturers' Association

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IEEMA/PVC/BTR/2001

Effective from : 1st January, 2001

PRICE VARIATION CLAUSE FOR LEAD ACID BATTERIES

The price quoted/confirmed is based on the input cost of raw material and labour cost as on the date of quotation and the same is deemed to be related to the price of lead ingot 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 this price/index number, the price payable shall be subject to adjustment up or down in accordance with the following formula:

$$P = \frac{P_0}{100} \left(40 + 30 \frac{LD}{LD_0} + 30 \frac{W}{W_0} \right)$$

Wherein,

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

P₀ = Price quoted/confirmed.

LD₀ = Price of lead ingot (refer notes).

This price is as applicable on the first 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 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 price of lead ingot (LD₀) should be that prevailing as on 1st April 2001 and the applicable all India average consumer price index number (W₀) should be for the month of January 2001.

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

LD = Price of lead ingot (refer notes).

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

W = All India average consumer price index number for industrial workers (base 1982 = 100) as published by Labour Bureau, Ministry of Labour, Govt. of India.

This index number is as applicable for the month, four 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 lead ingot (LD) should be that as published by IEEMA as prevailing on 1st November 2001 and the applicable all India average consumer price index number (W) should be for the month of August 2001.

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The "date of delivery" is the date on which the battery charger 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.

Note:(a) The price of lead ingot (in Rs/MT) is the ex-works price of 99.97% pure lead as quoted by a primary producer and is exclusive of modvatable excise duty and of any other central, state or local taxes, octroi etc.

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Authorised Signatory