

Annexure-“A”

Terms and conditions for price variation

1.0 PRICE VARIATION CLAUSE: -

1.1 BASE PRICE OF RAW MATERIAL:

Variable rates quoted in Price schedule-P1 (Price Bid) shall be based on the base price of EC Grade Aluminum Rod as per CACMAI Circular prevailing as on **01.05.2022 (base date)**.

1.2 CALCULATION OF PRICE VARIATION:

- (i) The price variation shall be admissible as per the latest CACMAI price circular of EC Grade Aluminum Wire Rod corresponding to Base Price on above mentioned base date.
- (ii) No price variation in the cost of labour or any other component or input charges shall be allowed.
- (iii) No variation on account of variation in transport charges on raw material from supplier's works/Depots to tenderer's works or prices of other material as required in the manufacture of ordered item or taxes and duties on intermediate products or Railway Freight or packing and forwarding charges or wages escalation and other incidents, if any, shall be entertained.
- (iv) For purpose of calculating price variation on either side, the ruling cost of the E.C. Grade Aluminum Wire Rod as prevailing on the date of 15 days before the date of offer, for inspection to SE (MM-I), PVVNL-Meerut within contracted delivery schedule shall be taken into consideration.
- (v) The price variation claim shall be duly supported with CACMAI circular in original or photocopies duly certified by a chartered Accountant and signed by an authorized signatory of the Company under its seal alongwith calculations of price variation.
- (vi) No price rise shall be claimed unless authorized by the Engineer of the Contract.

1.3 Formula for calculation of price variation:

$$\text{Updated Ex-works prices of EC Grade Al. } (P) = (P_0) \times AL_E/AL_0$$

P_0	- Ex-works price (as per LOI/Order.) (Rs/ Kg)
AL_0	- Base prices of EC grade Aluminum Wire Rod. (Rs./ MT) (as per CACMAI)
AL_E	- Prices of EC grade Aluminum Wire Rod on applicable date of P.V. (Rs./MT) (as per CACMAI)
AL_E/AL_0	- Factor of Price Variation
P	- Updated Ex-works prices of EC Grade Aluminum. (Rs/ Kg)