



Indian Electrical & Electronics Manufacturer's Association
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Cir. No. 38/PVC/CAP/05

03 October 2023

To Members of Capacitor and Power Quality Division
utilities, PSUs and other listed purchasing bodies.

Sub: Final PV clause for 'MV APFC Panel'

The Capacitor and Power Quality Division members in view of the volatility in raw material prices and demand for the product, after due deliberations decided to explore new Price Variation Clause for '**MV APFC Panel**'. IEEMA collected the costing data in devised format and in consensus with members drafted the price variation formula.

IEEMA had circulated the draft formula vide cir. no. 30/PVC/CAP/05 dated 21 August 2023 to all stakeholders for their review and comments.

Since there are no adverse comments received; we are making it operational from 1st September 2023; enclosed PV clauses applicable for '**MV APFC Panel**'.

We request and recommend all the users & stakeholders including Utilities, PSUs etc. to incorporate these new PV formulae in all the new tenders/contracts henceforth.

Ninad Ranade
Director

IEEMA/PVC/APFC Panel/2023

Effective from: 01 September 2023

PRICE VARIATION CLAUSE FOR MV APFC PANEL

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:

$$P = \frac{P_0}{100} \left(12 + 5 \frac{CO}{CO_0} + 8 \frac{AF}{AF_0} + 7 \frac{BO}{BO_0} + 32 \frac{IS}{IS_0} + 14 \frac{C}{C_0} + 5 \frac{ER}{ER_0} + 4 \frac{ES}{ES_0} + 13 \frac{W}{W_0} \right)$$

Wherein,

- P = Price payable as adjusted in accordance with the above formula
- P₀ = Price quoted/confirmed
- CO₀ = Price of Non-PCB Condenser Oil (refer notes)
This price is as applicable for the month, **ONE** month prior to the date of tendering.
- AF₀ = Average LME settlement price of Aluminum (refer notes)
This price is as applicable on the 1st working day of the month, **ONE** month prior to the date of tendering.
- BO₀ = Price of BOPP Film (refer notes)
This price is as applicable for the month, **ONE** month prior to the date of tendering.
- IS₀ = Price of CR Coil of 1.00 mm thickness (refer notes)
This price is as applicable for the month, **ONE** month prior to the date of tendering.
- C₀ = Average LME settlement price of copper wire bars (refer notes)
This price is as applicable for the month, **ONE** month prior to the date of tendering.
- ER₀ = Price of Epoxy resin (refer notes)
This price is as applicable for the month, **ONE** month prior to the date of tendering.
- ES₀ = Price of CRGO Electrical Steel Lamination (refer notes)
This price is as applicable for 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: 2016 = 100)
This index number is as applicable on the first working day of the month, **THREE** months prior to the date of tendering.

For example, if date of tendering falls in October 2023, the applicable prices of Non-PCB Condenser Oil (CO₀), Aluminium (AF₀), BOPP Film (BO₀), Steel (IS₀), Copper (C₀), Epoxy Resin (ER₀) and CRGO (ES₀) should be for the month September 2023, and all India average consumer price index number (W₀) should be for the month of July 2023.



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The above prices and indices are as published by IEEMA vide circular reference number IEEMA(PVC)/CAP_PWR /_/_ prevailing for the month i.e., **ONE** month prior to the date of tendering.

- CO = Price of Non-PCB Condenser Oil (refer notes)
 This price is as applicable for the month, **TWO** month prior to the date of delivery.
- AF = Average LME settlement price of Aluminum (refer notes)
 This price is as applicable on the 1st working day of the month, **TWO** month prior to the date of delivery.
- BO = Price of BOPP Film (refer notes)
 This price is as applicable for the month, **TWO** month prior to the date of delivery.
- IS = Price of CR Coil of 1.00 mm thickness (refer notes)
 This price is as applicable for the month, **TWO** month prior to the date of delivery.
- C = Average LME settlement price of copper wire bars (refer notes)
 This price is as applicable for the month, **TWO** month prior to the date of delivery.
- ER = Price of Epoxy resin (refer notes)
 This price is as applicable for the month, **TWO** month prior to the date of delivery.
- ES = Price of CRGO Electrical Steel Lamination (refer notes)
 This price is as applicable for the month, **TWO** 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: 2016 = 100)
 This index number is as applicable on the first working day of the month, **FOUR** months prior to the date of delivery.

For example, if date of delivery falls in December 2023, the applicable prices of Non-PCB Condenser Oil (CO), Aluminium (AF), BOPP Film (BO), Steel (IS), Copper (C), Epoxy Resin(ER) and CRGO (ES) should be for the month October 2023, and all India average consumer price index number (W₀) should be for the month of August 2023.

The date of delivery is the date on which the APFC Panel 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: (a) All prices of raw materials are exclusive of modvatable excise/CV duty, GST amount and exclusive of any other central, state or local taxes etc. APFC Panel manufacturers import major raw materials like Non-PCB Condenser Oil, Aluminium Foil and BOPP Film. The landed cost of these imported raw materials includes applicable custom duty but exclusive of modvatable CVD.

(b) All prices are as on first working day of the month.



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(c) The details of prices are as under:

- 1) The Non-PCB Condenser Oil price (in Rs./MT) is Jarylec Base Oil Grade- C101D as received from an imported supplier in foreign currency. The price is converted into Indian Rupees with applicable exchange rates prevailing as on 1st working day of the subsequent month. This price is the landed cost, inclusive of applicable customs duty only but exclusive of countervailing duty
- 2) The LME price of Aluminium (in Rs./MT) is the LME average settlement price of Aluminium converted into Indian Rupees with applicable exchange rates prevailing as on 1st working day of the subsequent month. This price is the landed cost, inclusive of applicable customs duty only but exclusive of countervailing duty
- 3) The BOPP Film price of 10 micron thickness (in Rs./MT) is as received from an imported supplier in foreign currency. The price is converted into Indian Rupees with applicable exchange rates prevailing as on 1st working day of the subsequent month. This price is the landed cost, inclusive of applicable customs duty only but exclusive of countervailing duty
- 4) Price of steel is the average retail price of CR Coil 1.00 mm thickness as published by Joint Plant Committee (JPC) in Rs./MT
- 5) The LME price of Copper Wire Bars (in Rs./MT) is the LME average settlement price of Copper Wire Bars converted into Indian Rupees with applicable average exchange rate of RBI of the month. This price is the landed cost, inclusive of applicable customs duty only but exclusive of countervailing duty
- 6) The price of Epoxy resin is price quoted by resin manufacturer for their grade CT 5900 or its nearest equivalent
- 7) The price of CRGO Electrical Steel Lamination is the average price as quoted by processing centres of mills and lamination suppliers

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