



Indian Electrical & Electronics Manufacturer's Association
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Cir. No.: 126/DIV/Capacitor/05

Date: 10 October 2025

**To All members of Capacitor and Power Quality Division
 To all State Electricity Boards, Utilities and Other purchasing organizations**

Sub: Revision in Price variation clause for Power Capacitor effective from 1st March 2025

IEEMA had circulated and made operational Power Capacitor price variation clause with effect from July 2009. As per contemporary manufacturing practices and availability of the raw material, for change in source for one of the raw material prices, after due consultation with the Capacitor division members, it has been decided to revise IEEMA **Power Capacitor** PV clauses.

After detailed deliberations and expert inputs from manufacturers and division members, on the consensus IEEMA revised **Power Capacitor** PV clause for change in the price source for Capacitor oil which is effective from 1st March 2025.

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

For pending contracts, for the date of delivery on or after from 1st May 2025, to arrive at the final price variation, we recommend using the following two stage method, which is a standard institutionalized methodology adopted by IEEMA for change over in all IEEMA PV clauses.

1. Calculate price variation 'P' from applicable prices/indices as per your base date / date of tendering up to March 2025 i.e. considering all prices/indices published in PV circular of March 2025 at numerator place, using IEEMA PV clauses of Power Capacitor effective from July 2009.
2. Treat the above calculated 'P' as 'P₀' and calculate final price variation considering all prices / indices published in PV circular of March 2025 applicable for revised PV clause of power Capacitor effective from 1st March 2025 as base prices/indices (at the denominator place) up to the applicable prices/indices as per the date of delivery; applicable as per revised PV clause of Power Capacitor effective from 1st March 2025.

Senior Director

IEEMA/PVC/CAP-PWR (R-1)/2025

Effective from: 1st Mar 2025

PRICE VARIATION CLAUSE FOR POWER CAPACITORS

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:

$$P = \frac{P_0}{100} \left(18 + 16 \frac{CO}{CO_0} + 17 \frac{AF}{AF_0} + 26 \frac{BO}{BO_0} + 23 \frac{W}{W_0} \right)$$

Wherein,

- P = Price payable as adjusted in accordance with the above formula.
- P₀ = Price quoted/confirmed.
- CO₀ = Price of Capacitor 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 for 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.
- 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 for the month, three months prior to the date of tendering.

For example, if date of tendering falls in October 2025, the applicable prices of Capacitor Oil (CO₀), LME average settlement price of Aluminium (AF₀) and BOPP Film (BO₀) should be for the month September 2025, and all India average consumer price index number (W₀) should be for the month of July 2025.

The above prices and indices are as published by IEEMA vide circular reference number IEEMA(PVC)/CAP_PWR (R-1)/_/ for the month i.e., one month prior to the date of tendering.

- CO = Price of Capacitor Oil (refer notes)
This price is as applicable for the month, one month prior to the date of delivery.
- AF = Average LME settlement price of Aluminium (refer notes)
This price is as applicable for the month, one month prior to the date of delivery.

IEEMA/PVC/CAP-PWR (R-1)/01/02



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Effective from: 1st Mar 2025

BO = Price of BOPP Film (refer notes)

This price is as applicable for the month, one 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 for the month, three months prior to the date of delivery.

For example, if date of delivery in terms of clause given below falls in December 2025, the applicable prices of Capacitor Oil (CO), LME average settlement price of Aluminium (AF) and BOPP Film (BO) should be for the month November 2025, and all India average consumer price index number (W) should be for the month of September 2025.

The date of delivery is the date on which the Power Capacitor 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; octroi etc. Power Capacitor manufacturers import major raw materials like Capacitor 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.

(c) The details of prices are as under:

- 1) The Capacitor Oil price (in Rs./MT) is average price that arrived using prices of select equivalent grades of oil used by manufacturers', as received from 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.

Authorized Signatory

IEEMA/PVC/CAP-PWR (R-1)/02/02