

**PRICE VARIATION CLAUSE FOR POWER TRANSFORMERS AND REACTORS
 COMPLETE WITH ALL ACCESSORIES AND COMPONENTS
 of ratings above 10 MVA or voltage above 33 kV up to 400 kV
 Of supplied against domestic contracts**

This price variation clause is applicable for 'Power Transformers', ratings above 10 MVA or voltage above 33 kV up to 400 kV. The clause is to be used for domestic contracts. A separate price variation IEEMA/PVC/PWR TRF_upto 400 KV/DE/2015 has been evolved for above types of Transformers supplied against export/deemed export contracts under special imprest licensing scheme.

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:

$$P = \frac{P_0}{100} \left(10 + 29 \frac{C}{C_0} + 27 \frac{ES}{ES_0} + 7 \frac{IS}{IS_0} + 5 \frac{IM}{IM_0} + 7 \frac{TO}{TO_0} + 15 \frac{W}{W_0} \right)$$

Wherein,

- P = Price payable as adjusted in accordance with the above formula.
- P₀ = Price quoted/confirmed.
- 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.
- ES₀ = Price of CRGO Electrical Steel Lamination (refer note)
 This price is as applicable on the 1st working day of the month, ONE months prior to the date of tendering.
- IS₀ = Average price of steel Plates 10 mm thick (refer notes)
 This price is as applicable on the 1st working day of the month, ONE month prior to the date of tendering.
- IM₀ = Price of Insulating Materials (refer notes)
 This price is as applicable on the 1st working day of the month, ONE months prior to the date of tendering.
- TO₀ = Price of Transformer Oil (refer notes)
 This price is as applicable on the 1st 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: 2001 = 100)
 This index number is as applicable on the first working day of the month, THREE months prior to the date of tendering.

IEEMA/PVC/PWR TRF_upto 400 KV2015/1/3



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For example, if date of tendering falls in June 2015, applicable prices of Copper Wire Bars (C₀), Transformer Oil (TO₀), Steel Plates 10 mm thick (IS₀), CRGO Electrical Steel Laminations (ES₀) and Insulating material (IM₀) should be as on 1st May 2015 and all India average consumer price index no. (W₀) should be for the month of 1st March 2015.

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

- C = Average LME settlement price of copper wire bars (refer notes)
 This price is as applicable for the month, **TWO** months prior to the date of delivery.
- ES = Price of CRGO Electrical Steel Lamination (refer notes)
 This price is as applicable on the 1st working day for the month, **TWO** months prior to the date of delivery.
- IS = Average price of Steel Plates 10 mm thick (refer notes)
 This price is as applicable on the 1st working day of the month, **ONE** month prior to the date of delivery.
- IM = Price of Insulating Materials (refer notes)
 This price is as applicable on the 1st working day of the month, **TWO** months prior to the date of delivery.
- TO = Price of Transformer Oil (refer notes)
 This price is as applicable on the 1st working day of 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: 2001 = 100)
 This index number is as applicable on the first working day of 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 2015, applicable prices of Copper Wire Bars (C), Insulating material (IM), CRGO Electrical Steel Lamination (ES) should be as on 1st October 2015 and Transformer Oil (TO), Plates 10 mm thick (IS) should be 1st November 2015 and all India average consumer price index no. (W) should be for the month of September 2015.

The date of delivery is the date on which the transformer 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.

IEEMA/PVC/PWR TRF_upto 400 KV2015/2/3

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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. transformers manufacturers import major raw materials like Copper, CRGO Steel Sheets and Plates etc. 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 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 SBI of the month. This price is the landed cost, inclusive of applicable customs duty only but exclusive of countervailing duty.
 2. The price of CRGO is the price of CRGO Electrical Steel Lamination in Rs./MT suitable for Transformers of rating above 10 MVA or voltage above 33 kV up to 400 kV
 3. Price of steel is the average retail price of steel plates 10 mm thick as published by Joint Plant Committee (JPC) in Rs./MT as on 1st working day of the month.
 4. The price of Insulating materials (in Rs./Kg) of pre-compressed pressboards of size 10 mm thick, 3200 mm x 4100 mm is the average C&F price in free currency per MT converted into Indian Rupees with applicable exchange rates prevailing as on 1st working day of the month as quoted by primary suppliers. This price is the landed cost, inclusive of applicable customs duty only but exclusive of countervailing duty.
 5. The price of Transformer Oil (in Rs./K.Ltr) is the average price on ex-refinery basis as quoted by primary producers for supply in drums.
- (d) Some purchasers are purchasing oil immersed Transformers from manufacturers without first filling of oil. Oil for first filling is procured and filled by the purchasers. For such supplies PVC formula, excluding Oil will apply as under:

$$P = \frac{P_0}{93} \left(10 + 29 \frac{C}{C_0} + 27 \frac{ES}{ES_0} + 7 \frac{IS}{IS_0} + 5 \frac{IM}{IM_0} + 15 \frac{W}{W_0} \right)$$

Where description of P, P₀, C, ES, IS, IM, W etc. remains same as mentioned earlier.



 Deputy Director General

IEEMA/PVC/PWR TRF_upto 400 KV2015/3/3