

ANNEXURE-B

PVC FORMULA FOR ELECTRODES

$$X1 = X0 [1 + 0.5 (P1 - P0) / P0]$$

- X1 = Revised price of finished product with price variation clause (rate/thousands or rate/kg)
- X0 = Price of finished product at the time of offer (rate/thousands or rate/kg)
- 0.5 = Raw material cost portion of the finished product.
- P0 = Raw material Cost/Rate at the time of tender (price bid) opening date [Rate of steel wire of *6mm dia (Rs/metric ton). The rates published in JPC Web ~~_____~~) shall be considered.
- P1 = Raw material cost applicable as on four weeks prior to dispatch/invoice, whichever is earlier. (The rates published in JPC Web on the date close to one month before the dispatch or invoice date whichever is earlier shall be considered subject to Clause 5.0 below)

The following Terms and Conditions will be applicable in arriving the PVC formula

1. It is proposed to use JPC steel bulletin which is published in 'NIC' website www.ipcindiansteel.nic.in on fortnightly basis, for basic price of raw material.
2. Basic price of 6 mm wire rod as published in www.ipcindiansteel.nic.in as applicable for Mumbai shall be considered. (The website gives price for four cities name Delhi, Kolkata, Mumbai & Chennai, and hence it is proposed to use raw material rate of Mumbai for all the PVC calculations).
3. PVC formula will be same for all the vendors for all types of electrodes.
4. Price variation clause will not be applicable in case of variation in the raw material cost upto 5% (plus or minus)
5. In case of delivery delays, the PVC shall be restricted to the purchase order delivery date or the actual dispatch date which ever is advantageous to HSL.
6. In case PO delivery date is extended by HSL, the PVC shall be applicable for the extended delivery date.
7. In case of delay in delivery the LD shall be calculated on the PO value including PVC.
8. Fortnightly clubbing of dispatches would be done for PVC calculation, since the JPC prices are published once in a fortnight only.