

Cir. No.: 169/DIV/T&D P/05

Date: 25th July 2011

To all members of IEEMA T&D Projects Division
SEBs, Utilities and other listed purchasing organizations

Sub: Discontinuation of PV circulars for Transmission Line Towers giving steel angle prices

As you are aware IEEMA had published new Price Variation Clause for Transmission Line Towers (TLT) made effective from 1st July 2010 which is based on prices of Blooms and Billets sourced from Joint Plant Commission (JPC), Kolkata. The said PV clause was released vide Cir. No. 130/DIV/T&D P/05 dated 21st July 2010.

We are sure you would have started incorporating this new PV clause in your tenders/bids/contracts announced post July 2010 as recommended by IEEMA vide the above mentioned circular.

Parallely, we had also continued to publish steel angle prices as per old PV clause (effective from 1st January 2002) of Transmission Line Towers. This was being done till March 2011 for settlement of the pending contracts; if any; during this period.

We now understand that the new IEEMA PV clause for TLT effective from 1st July 2010 has been incorporated in most of the new contracts from March 2011 onwards. Hence it has been decided by IEEMA T&D Projects division to discontinue circulation of prices of steel angles as per old PV clause for TLT from start of current financial year 2011-12 i.e. from April 2011 onwards.

For contracts that are still pending, to arrive at the final price variation, we recommend using the following two stage method, which is similar to the methodology adopted by IEEMA in the past.

1. Calculate price variation 'P' from your base date up to March 2011 using old IEEMA PV clause for TLT (effective from 1st January 2002)
2. Treat the above calculated 'P' as 'P₀' and calculate final price variation using March 2011 as base prices/indices up to the date of delivery as per new IEEMA PV clause for TLT (effective from 1st July 2010).


Authorized Signatory

Encl: as above