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To Members of Conductor, Cable, Transformer, Project T&D division, Subscribers of PV Circulars
All SEBs, Utilities and other listed Purchasing Organizations

Sub: Inclusion of London Metal Exchange (LME) based Aluminium prices in the IEEMA PV Circulars

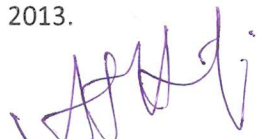
The Aluminium metal prices world-wide are primarily based on the LME prices. While majority of the foreign Aluminium producers keep their prices linked to the LME, the Indian Aluminium producers are yet to link their prices to LME. On the other hand, the consumers of Aluminium conductors & cables and other Aluminium based products, especially in the private sector, are linking their Purchase Orders with the LME. The benefit of this linkage is that the LME prices are transparent, hedge-able and highly credible.

Based on the wider acceptance of LME based metal prices and our experience with LME Copper prices which are also readily accepted by all stakeholders; it was decided to include LME linked prices of Aluminium in the IEEMA Monthly Price Index Circulars. The users would be facilitated by having the information available through the IEEMA PV circular & consequently it would help all the stakeholders to settle their Price Variation claims more accurately.

Monthly IEEMA PV circulars for Conductor, Cable, Transformers and Transmission Line Accessories & Hardware (TLA&H) would be mentioning both the domestic & the LME linked prices of Aluminium from July 2013.

IEEMA in view of the above therefore recommends to electrical equipment suppliers/bidders to preferably opt for LME based Aluminium prices for all future contracts/quotes. However, equipment suppliers/bidders can also opt for domestic Aluminium prices as per their choice since we will continue to publish both the prices in parallel.

Further, due to frequent changes in domestic Aluminium prices due to volatility during the month; IEEMA Cable division has decided to publish monthly weighted average of Aluminium price instead of 1st working day price for better and fair representation in the monthly IEEMA PV circular for Cable from July 2013.



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