



Indian Electrical & Electronics Manufacturer's Association
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Director General

SEC/REP/UK/154

19th August 2021

Dear Shri Alok Kumar ji,

Sub: Request for Delivery extension in ongoing contacts of Energy Meters due to increase in the lead time of key components

Indian Electrical & Electronics Manufacturers Association (IEEMA), the apex association of Indian electrical equipment, industrial electronics and allied equipment manufacturers. All major manufacturers of energy meters in India are members of IEEMA. The members of Energy Meter Division has been actively participating in making the various schemes of the Government of India such as Make in India, Digital India, Uday, Saubhagya, etc.

Indian electrical industry is experiencing an unprecedented situation and passing through difficult times, caused by the ongoing deadly COVID 19 pandemic. This has put most industries to a complete deadlock and resulted in close of operations, casting significant negative impact on the sustainability of businesses and employment. The Small and medium Enterprises with their limited resources are the worst hit.

In recognition of the need for special measures to mitigate the impact of the pandemic on the industry and economy, the Government of India, along with various state governments & RBI have taken several measures by way of reduced compliances and increased credit flow. The rapidly changing situation in the wake of the second wave of corona virus cases across the country, which may lead to lockdown of major parts of the country once again, however, warrants more of such measures and continuous monitoring of the situation at the ground level.

With this letter, I would like to inform you that while Meter Industry is recovering from the effect of the pandemic, the Industry is finding it very difficult to honor the delivery expectations due to increase in the lead time of the key components and raw materials imported from across the globe.

I am listing below some of the key components/ raw materials and their current delivery status as informed by Industry, for your reference.

Polycarbonate:

Global shortage of PC (Demand Vs Supply issue) has resulted in non-availability of material as well as hardening of the price by almost around 100% in the last 4 months. Even with this increased price, we are finding it difficult to source the material as per our requirement. (The annual consumption of clear Polycarbonate by the Energy Meter manufacturing industry in India itself will be approx. 7200 tones).

Electronic Components:

Lead time of some of the Electronic Components used in manufacturing of Electronic equipment is stretching due to increased demand in global market for other high volume electronic goods like Mobiles etc. Some examples are

Chip Capacitor	increased from 10-12 wks	to 24-50 wks
Actives SOT23 pack	increased from 12-14 wks	to 22-26 wks

good partners in implementation





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Memories	increased from 8-10 wks to 20-36 wks
Melf Resistors	increased from 10-12 wks to 44 + wks
Microcontroller	Increased from 10-12 wks to 20 - 24 wks.
Chip Resistors	Increased from 8-10 wks to 20-24 wks.
PCBs	Increased from 8-10 weeks to 16-24 weeks
Semiconductors (like DC-DC Convertor , LDO, Relay Driver, Boost Convertor etc)	Increased from 10-12 wks to 36 wks

In the light of delayed delivery of components and raw materials, industry is not in position to honour the contractual delivery schedule despite their best efforts. To address the above, we request your support on following aspects:

1. To allow relaxation on Liquidated Damages (LD), such as delivery time extension by minimum 6 months, without LD levies. LD / Penalty should not be deducted under ongoing contracts, while settling the invoices. These should be amicably settled between the purchaser and seller post-agreement in the final bill only.
2. In fresh tenders, reasonable delivery schedule should be kept considering the availability of components and raw materials in global market described above.

A delegation of senior members of IEEMA would like to call on to you (virtually) at any time convenient to you to explain the issue and seek your intervention & help.

Best Regards

Sincerely,

J Pande
 Director General (Officiating)

Shri Alok Kumar
Secretary
Ministry of Power
Government of India