

Cir. No.: 130/DIV/T&D P/05

July 21, 2010

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

**Sub: New PV Clause for Transmission Line Towers**

Further to our Cir. No. 091/DIV/T&D P/05 dated May 14, 2010 where in we had furnished Draft new PV clause for Transmission Line Towers along with salient points.

Since, no adverse comments have been received from the stakeholders; we are making this new PV clause operational from 1<sup>st</sup> July 2010 by publishing relevant prices and indices on monthly basis. Accordingly, please find enclosed basic price circular for the month of July 2010 applicable for the old (w.e.f. 1<sup>st</sup> January 2002) and new PV clause (w.e.f. 1<sup>st</sup> July 2010) separately.

Please also find enclosed new PV clause for Transmission Line Towers effective from 1<sup>st</sup> July 2010.

We request you to incorporate this new PV clause in all your forthcoming contracts.

We will be also circulating the prices of Heavy and Light angles, zinc and Labour index as per the existing PV clause for the period up to the closure of all the pending contracts agreed for price variation with these prices.

  
Executive Officer

Encl: as above

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## PRICE VARIATION CLAUSE FOR TRANSMISSION LINE TOWERS

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:

### (A) Transmission Line Tower with both Heavy and Light angles

$$P = \frac{P_0}{100} \left( 11 + 32 \frac{SBL}{SBL_0} + 25 \frac{SBI}{SBI_0} + 09 \frac{Zn}{Zn_0} + 23 \frac{W}{W_0} \right)$$

### (B) Transmission Line Tower with only Heavy angles

$$P = \frac{P_0}{100} \left( 11 + 57 \frac{SBL}{SBL_0} + 09 \frac{Zn}{Zn_0} + 23 \frac{W}{W_0} \right)$$

### (C) Transmission Line Tower with only Light angles

$$P = \frac{P_0}{100} \left( 11 + 57 \frac{SBI}{SBI_0} + 09 \frac{Zn}{Zn_0} + 23 \frac{W}{W_0} \right)$$

Wherein,

P = Price payable as adjusted in accordance with the above formula.

P<sub>0</sub> = Price quoted/confirmed.

SBL<sub>0</sub> = Price of Steel Blooms (refer notes)

This price is as applicable on the 1st working day of the month, one month prior to the date of tendering.

SBI<sub>0</sub> = Price of Steel Billets (refer notes)

This price is as applicable on the 1st working day of the month, one month prior to the date of tendering.

Zn<sub>0</sub> = Price of Electrolytic high grade zinc (refer notes)

This price is as applicable on the 1st working day of the month, one month prior to the date of tendering.

W<sub>0</sub> = 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) (Refer notes)

This index number is as applicable on the first working day of the month, three months prior to the date of tendering.

For example, if date of tendering falls in May 2010, the applicable prices of Steel Bloom (SBL<sub>0</sub>), Steel Billets (SBI<sub>0</sub>) and Zinc (Zn<sub>0</sub>) should be for the month April 2010 and all India average consumer price index number (W<sub>0</sub>) should be for the month of February 2010.



IEEMA/PVC/TLT/2010

Effective from: 1<sup>st</sup> July 2010

The above prices and indices are as published by IEEMA vide circular reference number IEEMA (PVC)/TLT-2010/\_/\_ one month prior to the date of tendering.

SBL = Price of Steel Bloom (refer notes)

This price is as applicable on the 1st working day of the month, two months prior to the date of delivery.

SBI = Price of Steel Billets (refer notes)

This price is as applicable on the 1st working day of the month, two months prior to the date of delivery.

Zn = Price of Electrolytic high grade zinc (refer notes)

This price is as applicable on the 1st working day of the month, two months 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) (refer notes)

This index number is as applicable on the first working day of the month, four months prior to the date of delivery.

For example, if date of delivery falls in December 2010, the applicable prices of Steel Bloom (SBL), Steel Billets (SBI) and Zinc (Zn) should be for the month October 2010 and all India average consumer price index number (W) should be for the month of August 2010.

The date of delivery is the date on which Transmission line towers are notified as being ready for inspection/dispatch (in the absence of such notification, the date of manufacturer's dispatch note is to be considered as the date of delivery) or the contracted delivery date (including any agreed extension thereto), whichever is earlier.

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.

(b) All prices are as on first working day of the month.

(c) The details of prices are as under:

1. The prices of Steel Bloom are the average price of Blooms of size 150 x 150 mm of all cities in Rs/MT; as published by Joint Plant Committee (JPC), Kolkata. **Heavy angles of size above 110mm x 110mm are deemed to be related to this price.**
2. The prices of Steel Billet are the average price of Billets of size 100 mm of all cities in Rs/MT; as published by Joint Plant Committee (JPC), Kolkata. **Light angles of size below & including 110mm x 110mm are deemed to be related to this price.**
3. The price of Electrolytic high grade zinc (in Rs/MT) is ex-works price as quoted by a primary producer.
4. Cost weightage of re-rolling/conversion charges is included in Labour cost weightage (W)



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