

Cir. No.: 170/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: Revision of IEEMA PV clause for TLA&H effective from 1st September 2008

Price of Light steel angle is used in the IEEMA PV clause for 'Transmission Line Accessories & Hardware (TLA&H)' effective from 1st September 2008.

Prices of Light and Heavy steel angles applicable for old IEEMA PV clause for TLT effective from 1st January 2002 has been discontinued from April 2011 (refer Cir. No. 169/DIV/TRF/T&D P/05 dated 25th July 2011).

Hence, it has been decided to revise IEEMA PV clause for TLA&H by replacing price of Light steel angle with the price of Steel Billets published by JPC and discontinue IEEMA PV clause for TLA&H (effective from 1st September 2008) from April 2011.

Accordingly, we are also enclosing the revised IEEMA PV clause for TLA&H by incorporating the above change. The same has been made operational effective from 1st March 2011 by publishing Prices/indices circulars from March 2011 to July 2011 which are also enclosed along with this.

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 TLA&H (effective from 1st September 2008)
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 TLA&H (effective from 1st March 2011).


Authorized Signatory

Encl: as above

IEEMA/PVC/TL-A&H/2001 (R-2)

Effective from: 1st March 2011

PRICE VARIATION CLAUSE FOR TRANSMISSION LINE ACCESSORIES AND HARDWARE

CONTAINING: (A) BOTH ALUMINIUM AND STEEL, (B) ONLY ALUMINIUM, (C) ONLY STEEL

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 accessories and hardware containing both Aluminium and Steel:

$$P = \frac{P_0}{100} \left(20 + 40 \frac{AL}{AL_0} + 5 \frac{Zn}{Zn_0} + 20 \frac{SBI}{SBI_0} + 15 \frac{W}{W_0} \right)$$

(B) Transmission line accessories and hardware containing only Aluminium:

$$P = \frac{P_0}{100} \left(20 + 65 \frac{AL}{AL_0} + 15 \frac{W}{W_0} \right)$$

(C) Transmission line accessories and hardware containing only Steel:

$$P = \frac{P_0}{100} \left(20 + 58 \frac{SBI}{SBI_0} + 7 \frac{Zn}{Zn_0} + 15 \frac{W}{W_0} \right)$$

Wherein,

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

P₀ = Price quoted/confirmed.

AL₀ = Price of EC Grade Aluminium Ingots (refer notes)
This price is as applicable on the 1st working day of the month, one month prior to the date of tendering.

Zn₀ = 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.

SBI₀ = 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.

W₀ = 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)
This index number is as applicable on the first working day of the month, three months prior to the date of tendering.

IEEMA/PVC/TL-A&H/2001 (R-2)

Effective from: 1st March 2011

For example, if date of tendering falls in October 2011, the applicable prices of Aluminium (AL₀), Zinc (Zn₀) and Steel Billets (SBI₀) should be for the month September 2011 and all India average consumer price index number (W₀) should be for the month of June 2011.

The above prices and indices are as published by IEEMA vide circular reference number IEEMA (PVC)/TLA&H (R-2)/ _/_ prevailing as on first working day of the month i.e., one month prior to the date of tendering.

AL = Price of EC Grade Aluminium Ingots (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.

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.

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)

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 July 2012, the applicable prices of Aluminium (AL), Zinc (Zn) and Steel Billets (SBI) should be for the month May 2012 and all India average consumer price index number (W) should be for the month of February 2012.

The date of delivery is the date on which the instrument transformer is 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 price of Aluminium (in Rs./MT) is the average price of EC grade Aluminium ingots as quoted by three primary producers of Aluminium as per IS: 4026-1987
2. The price of Electrolytic high grade zinc (in Rs./MT) is ex-works price as quoted by a primary producer of zinc.
3. 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.


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