

Cir. No.: 66/DIV/T&D P/05

Date: 20 May 2014

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

- Sub: 1. Discontinuation of PV circulars for Transmission Line Towers (TLT) and Transmission Line Accessories & Hardware (TLA&H) giving JPC Market prices of steel Billets & Blooms**  
**2. Revision in IEEMA PV clauses for TLT and TLA&H giving JPC RETAIL prices of Steel Billets & Blooms**

IEEMA had publishing prices of Steel Billets and Blooms based on prices published by Joint Plant Commission (JPC), Kolkata in their circular titled 'JPC Indicative Market Prices' till April 2014 for using the revised Price Variation Clauses for TLT and TLA&H; both effective from 1<sup>st</sup> July 2010

However, from 1<sup>st</sup> April 2014, JPC has started publishing a different price circular titled "JPC Prices (Retail)" which is on the different basis of working of prices.

IEEMA has therefore decided to revise the PV formulae for TLT and TLA&H incorporating the above 'Retail' prices with different nomenclature effective from 1<sup>st</sup> April 2014. Both the PV formulae are enclosed along with April 2014 PV circular giving 'Retail' prices of Steel Billets and Blooms.

We request and recommend all the users & stakeholders including Utilities, PSUs etc. to incorporate these new PV formulae in all the new tenders/contracts requiring base prices/indices of April 2014.

For contracts that will remain still pending which will require prices/indices beyond April 2014, to arrive at the final price variation, we recommend using the following two stage method, which is a standard methodology adopted by IEEMA for change over in all IEEMA PV clauses.

1. Calculate price variation 'P' from prices/indices of your base date applicable as per IEEMA PV clause effective from 1<sup>st</sup> July 2010 up to April 2014 (i.e. by taking April 2014 prices/indices at the numerator) applicable for the same PV clause.
2. Treat the above calculated 'P' as 'P<sub>0</sub>' and calculate final price variation considering April 2014 as base prices/indices as per new IEEMA PV clause; effective from 1<sup>st</sup> April 2014 (i.e. by taking April 2014 prices/indices at the denominator) up to the prices/indices of your date of delivery as per this new IEEMA PV clause.



**Deputy Director General**

Encl.: as above

**New Delhi**  
Rishyamook Building, First Floor  
85 A, Panchkuian Road  
New Delhi 110001, India  
P: +91 11 2336 3013/14  
F: +91 11 2336 3015  
E: [delhi@ieema.org](mailto:delhi@ieema.org)

**Bangalore**  
204, Swiss Complex  
33, Race Course Road  
Bangalore 560001, India  
P: +91 80 2220 1316/18  
F: +91 80 2220 1317  
E: [bangalore@ieema.org](mailto:bangalore@ieema.org)

**Kolkata**  
503 A, Oswal Chambers  
2, Church Lane  
Kolkata 700001, India  
P: +91 33 6510 7855  
F: +91 33 2213 1326  
E: [kolkata@ieema.org](mailto:kolkata@ieema.org)

### 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**

$$P = \frac{P_0}{100} \left( 11 + 32 \frac{SBLR}{SBLR_0} + 25 \frac{SBIR}{SBIR_0} + 09 \frac{Zn}{Zn_0} + 23 \frac{W}{W_0} \right)$$

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

$$P = \frac{P_0}{100} \left( 11 + 57 \frac{SBLR}{SBLR_0} + 09 \frac{Zn}{Zn_0} + 23 \frac{W}{W_0} \right)$$

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

$$P = \frac{P_0}{100} \left( 11 + 57 \frac{SBIR}{SBIR_0} + 09 \frac{Zn}{Zn_0} + 23 \frac{W}{W_0} \right)$$

Wherein,

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

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

SBLR<sub>0</sub> = Price of Steel Blooms- Retail (refer notes)

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

SBIR<sub>0</sub> = Price of Steel Billets- Retail (refer notes)

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

$Zn_0$  = 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.

$W_0$  = 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 2014, the applicable prices of Steel Bloom-Retail ( $SBLR_0$ ), Steel Billets-Retail ( $SBIR_0$ ) and Zinc ( $Zn_0$ ) should be for the month April 2014 and all India average consumer price index number ( $W_0$ ) should be for the month of February 2014.

The above prices and indices are as published by IEEMA vide circular reference number IEEMA (PVC)/TLT-2014/\_/\_ one month prior to the date of tendering.

$SBLR$  = Price of Steel Bloom-Retail (refer notes)

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

$SBIR$  = Price of Steel Billets-Retail (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 2014, the applicable prices of Steel Bloom-Retail ( $SBLR$ ), Steel Billets-Retail ( $SBIR$ ) and Zinc ( $Zn$ ) should be for the month October 2014 and all India average consumer price index number ( $W$ ) should be for the month of August 2014.



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-Retail are the average Retail 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-Retail are the average Retail 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)



Deputy Director General