

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

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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 1st July 2010

However, from 1st 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 1st 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 1st 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 'P₀' and calculate final price variation considering April 2014 as base prices/indices as per new IEEMA PV clause; effective from 1st 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.



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IEEMA/PVC/TL-A&H/2001 (R-3)

Effective from: 1st April 2014

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:

$$P = \frac{P_0}{100} \left(20 + 40 \frac{AL}{AL_0} + 5 \frac{Zn}{Zn_0} + 20 \frac{SBIR}{SBIR_0} + 15 \frac{W}{W_0} \right)$$

(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:

$$P = \frac{P_0}{100} \left(20 + 58 \frac{SBIR}{SBIR_0} + 7 \frac{Zn}{Zn_0} + 15 \frac{W}{W_0} \right)$$

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)

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

SBIR₀ = 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.

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.

For example, if date of tendering falls in October 2014, the applicable prices of Aluminium (AL₀), Zinc (Zn₀) and Steel Billets-Retail (SBIR₀) should be for the month September 2014 and all India average consumer price index number (W₀) should be for the month of July 2014.

The above prices & indices are as published by IEEMA vide circular reference no. IEEMA (PVC)/TLA&H (R-3)/_/_ 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.

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.

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 2015, the applicable prices of Aluminium (AL), Zinc (Zn) and Steel Billets-Retail (SBIR) should be for the month May 2015 and all India average consumer price index number (W) should be for the month of March 2015.

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-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.



Deputy Director General