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**Cir. No. 10/PVC/T & D Project/05**

**25 May 2022**

To Members of T & D Project Division, SEBs and other listed purchasing bodies.

**Sub: New PV formulae for Steel Tubular Pole and Polygonal Pole**

Currently Steel poles are increasingly used in distribution network especially in hilly area due to sturdiness and ease of transportation. And in the wake of upcoming scheme of Revamped Distribution network strengthening scheme (RDSS); members of IEEMA T & D project division decided to evolve PV formula for Steel Tubular Poles and Polygonal Poles.

IEEMA has collected costing data, lead time for manufacturing etc. from major manufacturers of poles and in consultation with division arrived at the draft Price Variation Clauses for Steel Tubular Poles and Polygonal Poles and circulated to all stakeholders vide circular no. **14/PVC/T & D Project/05 dated 9 Mar 22** for their comments.

After incorporating changes suggested by the industry stakeholders on the **Steel Tubular Pole and Polygonal Pole** PV formulae; we are making the Price Variation formulae operational from 1<sup>st</sup> April 2022.

We have enclosed PV clauses applicable for **Steel Tubular Pole and Polygonal Pole** which are effective from 1<sup>st</sup> April 2022.

Although, the PV clause is made effective from 1<sup>st</sup> April 2022, practically it can be incorporated in all the current new tenders/contracts starting from 1<sup>st</sup> May 2022.

We request and recommend all the users & stakeholders including Utilities, PSUs etc. to incorporate the above PV formulae in all the new tenders/contracts henceforth.

**Director**

IEEMA/PVC/Poles/2022

Effective from: 1<sup>st</sup> Apr 2022**PRICE VARIATION CLAUSE FOR POLES**

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) Steel Tubular Poles**

$$P = \frac{P_0}{100} \left( 7 + 70 \frac{IS}{IS_0} + 13 \frac{Zn}{Zn_0} + 10 \frac{W}{W_0} \right)$$

**(B) Polygonal Poles**

$$P = \frac{P_0}{100} \left( 9 + 64 \frac{IS}{IS_0} + 13 \frac{Zn}{Zn_0} + 14 \frac{W}{W_0} \right)$$

Wherein,

- P = Price payable as adjusted in accordance with the above formula.
- P<sub>0</sub> = Price quoted/confirmed.
- IS<sub>0</sub> = Price of HR Coil of 3.15 mm thickness (refer notes)  
This price is as applicable for 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: 2016 = 100) (Refer notes)  
This index number is as applicable for the month, **THREE** months prior to the date of tendering.

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**IEEMA/PVC/Poles/2022****Effective from: 1<sup>st</sup> Apr 2022**

For example, if date of tendering falls in May 2022, the applicable prices of HR Coil (IS<sub>0</sub>) should be for the month March 2022, Zinc (Zn<sub>0</sub>) should be for the month April 2022 and all India average consumer price index number (W<sub>0</sub>) should be for the month of February 2022.

The above prices and indices are as published by IEEMA vide circular reference number IEEMA (PVC)/TLT-2014 (R-1)/\_/ \_ **ONE** month prior to the date of tendering.

- IS = Price of HR Coil of 3.15 mm thickness (refer notes)  
This price is as applicable for the month, **FOUR** month 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, **ONE** month 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: 2016 = 100) (Refer notes)  
This index number is as applicable on the first working day of the month, **THREE** months prior to the date of delivery.

For example, if date of delivery falls in December 2022, the applicable prices of HR Coil (IS) should be for August 2022 and Zinc (Zn) should be for the month November 2022 and all India average consumer price index number (W) should be for the month of September 2022.

The date of delivery is the date on which Poles 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 GST and any other central, state or local taxes etc.

(b) The details of prices are as under:

1. Price of steel is the average retail price of HR Coil 3.15 mm thickness as published by Joint Plant Committee (JPC) in Rs./MT.
2. The price of Electrolytic high grade zinc (in Rs/MT) is ex-works price as quoted by a primary producer.



**Director**

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