



Indian Electrical & Electronics Manufacturer's Association
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IEEMA/PVC/ST Poles/2023

Effective from: 1st Apr 2023

Cir. No. 16/PVC/T & D Project/05

08 May 2023

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

**Sub: Revision in PV formulae for Steel Tubular Pole (galvanized) and
New PV formulae for Steel Tubular Pole - MS painted/Ungalvanized**

IEEMA had circulated draft revised price variation formulae for Steel Tubular Poles and draft PV formula for Steel Tubular Pole - MS painted/Ungalvanized to all stakeholders vide circular no. **12/PVC/T & D Project/05 dated 23 Mar 2023** for review with intention to make these applicable from 1st Apr 2023.

Since there are no adverse comments received; we are making it operational from 1st April 2023.

We have enclosed revised PV clause applicable for Steel Tubular Poles and new PV formula for Steel Tubular Pole - MS painted/Ungalvanized which are effective from 1st April 2023.

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

Kindly note that for the current ongoing/pending contracts for supply of Steel Tubular Poles (Galvanized) where PV formula of Steel Tubular Poles (Galvanized) wef 1st April 2022 has been made applicable for settlement of PV claims; the same will only be applicable. There will not be switch over/Two stage method applicable for PV calculation for such contracts. i.e. For such contracts, user will have to consider steel price of 4 months prior to the date of delivery in the PV calculation.

Note: There is no change in PV formulae applicable for Polygonal Poles as published vide circular no. **10/PVC/T & D Project/05 dated 25 May 2022 wef April 2022.**

Director

IEEMA/PVC/ST Poles/2023

Effective from: 1st Apr 2023**PRICE VARIATION CLAUSE FOR STEEL TUBULAR 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 - Galvanised

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

(B) Steel Tubular Poles – MS painted – Ungalvanised

$$P = \frac{P_0}{100} \left(8 + 81 \frac{IS}{IS_0} + 11 \frac{W}{W_0} \right)$$

Wherein,

- P = Price payable as adjusted in accordance with the above formula.
- P₀ = Price quoted/confirmed.
- IS₀ = 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.
- 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.
- W₀ = 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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For example, if date of tendering falls in May 2023, the applicable prices of HR Coil (IS₀) and Zinc (Zn₀) should be for the month April 2023 and all India average consumer price index number (W₀) should be for the month of February 2023.

The above prices and indices are as published by IEEMA vide circular reference number IEEMA (PVC)/TLT-2022//_/_ **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, **TWO** 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 2023, the applicable prices of HR Coil (IS) should be for October 2023 and Zinc (Zn) should be for the month November 2023 and all India average consumer price index number (W) should be for the month of September 2023.

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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