

Cir. No.: 98/DIV/Surge Arrester/05**Date: 30 May 2025****To All members of Surge Arrester Division****To all State Electricity Boards, Utilities and Other purchasing organizations****Sub: Revision in Price variation clauses for Surge Arrester effective from 1st September 2024**

IEEMA had circulated and made operational Surge Arrester price variation clauses with effect from 1st April 2021 vide Cir. No. 116/DIV/Surge Arrester/05 dated 26 May 2021. As per contemporary manufacturing practices and considering the volatility in prices and for change in source for one of the raw material prices, after due consultation with the Surge Arrester Division members, it has been decided to revise IEEMA surge Arresters PV clauses.

IEEMA collected the revised costing and the draft revised PV clauses were circulated to all stakeholders for their comments via Cir. No.: 97/DIV/Surge Arrester/05 dated 05 May 2025.

We received few inputs to include Nickel and Antimony, the essential component for ZN oxide block, as raw material in revised Surge Arrester PV clauses based on higher price volatility in recent past. Then on the consensus with SA division members IEEMA arrived at the final Surge Arrester PV clauses.

We have enclosed revised PV clauses applicable for Polymer Surge Arresters and Porcelain Surge Arrester which are effective from 1st September 2024.

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

For pending contracts, for the date of delivery on or after from 1st November 2024, to arrive at the final price variation, we recommend using the following two stage method, which is a standard institutionalized methodology adopted by IEEMA for change over in all IEEMA PV clauses.

1. Calculate price variation 'P' from applicable prices/indices as per your base date / date of tendering up to September 2024 i.e. considering all prices/indices published in PV circular of September 2024 at numerator place, using IEEMA PV clauses of Surge Arrester effective from April 2021.
2. Treat the above calculated 'P' as 'P₀' and calculate final price variation considering all prices / indices published in PV circular of September 2024 applicable for revised PV clause of Surge Arresters effective from 1st September 2024 as base prices/indices (at the denominator place) up to the applicable prices/indices as per the date of delivery; applicable as per revised relevant PV clause of Surge Arrester effective from 1st September 2024.

**Director**

IEEMA(PVC)/ Polymer Surge Arrester (R-1)

Effective from: 01 September 2024

PRICE VARIATION CLAUSE FOR POLYMER SURGE ARRESTER

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:

$$P = \frac{P_0}{100} \left(12 + 28 \frac{Zn}{Zn_0} + 3 \frac{CO}{CO_0} + 3 \frac{BI}{BI_0} + 3 \frac{NI}{NI_0} + 3 \frac{SB}{SB_0} + 21 \frac{PC}{PC_0} + 6 \frac{FP}{FP_0} + 12 \frac{AL}{AL_0} + 9 \frac{W}{W_0} \right)$$

Wherein,

P	=	Price payable as adjusted in accordance with the above formula.
P ₀	=	Price quoted/confirmed.
Zn ₀	=	Price of electrolytic high grade zinc (refer notes) This price is as applicable on the 1 st working day of the month, ONE month prior to the date of tendering.
CO ₀	=	Price of LME CSP Average of Cobalt (refer notes) This price is as applicable for the month, ONE month prior to the date of tendering.
BI ₀	=	Price of Bismuth (refer notes) This price is as applicable for the month, ONE month prior to the date of tendering.
Ni ₀	=	Price of Nickel in INR (refer notes) This price is as applicable for the month, ONE month prior to the date of tendering.
SB ₀	=	Price of Antimony (refer notes) This price is as applicable for the month, ONE month prior to the date of tendering.
PC ₀	=	Polymer Composites, Price of Polymer Compound (refer notes) This price is as applicable on the 1 st working day of the month, ONE month prior to the date of tendering.
FP ₀	=	Wholesale price index number for 'Fuel and Power' (Base: 2011-12=100) (refer notes) This index number is as applicable for the month, THREE months prior to the date of tendering.
AL ₀	=	Price of LME CSP Average of Aluminium (refer notes) This price is as applicable on the 1 st working day of the month, ONE month prior to the date of tendering.

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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: 2016 = 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 December 2024, applicable prices of Zinc (Zn_0), Cobalt (CO_0), Bismuth (BI_0), Nickel (Ni_0), Antimony (SB_0), Polymer Compound (PC_0) and Aluminium (AL_0) should be as on November 2024 and Wholesale price index number for 'Fuel and Power' (FP_0) and all India average consumer price index no. (W_0) should be for the month of September 2024.

The above prices and indices are as published by IEEMA vide circular reference number **IEEMA(PVC)ARSTR (R-2)/ __/ __ ONE** month prior to the date of tendering.

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.

CO = Price of LME CSP Average of Cobalt (refer notes)
 This price is as applicable for the month, **ONE** month prior to the date of delivery.

BI = Price of Bismuth (refer notes)
 This price is as applicable for the month, **ONE** month prior to the date of delivery.

Ni = Price of Nickel in INR (refer notes)
 This price is as applicable for the month, **ONE** month prior to the date of delivery.

SB = Price of Antimony (refer notes)
 This price is as applicable for the month, **ONE** month prior to the date of delivery.

PC = Price of Polymer Compound (refer notes)
 This price is as applicable on the 1st working day of the month, **ONE** month prior to the date of delivery.

FP = Wholesale price index number for 'Fuel and Power' (Base: 2011-12=100) (refer notes)
 This index number is as applicable for the month, **THREE** months prior to the date of delivery.

AL = Price of LME CSP Average of Aluminium (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)
 This index number is as applicable on the first working day of the month, **THREE** months prior to the date of delivery.

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For example, if date of delivery in terms of clause given below falls in December 2024, applicable prices of Zinc (Zn), Cobalt (CO), Bismuth (BI), Nickel (Ni), Antimony (SB), Polymer Compound (PC) and Aluminium (AL) should be as on November 2024 and Wholesale price index number for 'Fuel and Power' (FP) and all India average consumer price index no. (W) should be for the month of September 2024.

The above prices and indices are as published by IEEMA vide circular reference number **IEEMA(PVC)ARSTR (R-2)/ __/ __ ONE** month prior to the date of delivery.

The date of delivery is the date on which the Surge Arrester is notified as being ready for inspection/despatch (in the absence of such notification, the date of manufacturer's despatch 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/CV duty amount and exclusive of any other central, state or local taxes etc.
- b) The details of prices are as under:
 - 1) The prices of electrolytic high grade zinc (Rs/MT) is the ex-factory/smelter price of a primary producer of zinc.
 - 2) The price of LME average Cash SELLER Settlement price of Primary Aluminium in US\$ per MT as published by London Metal Bulletin (LME) including Premium for Aluminium Ingot in US\$ per MT is converted in Indian Rs./MT using exchange rate and adding appropriate customs duty.
 - 3) The price of Cobalt (in Rs/Kg) is the price of LME average Cash SELLER Settlement price of Cobalt in US\$ per MT as published by London Metal Bulletin (LME) converted into Rs/Kg by IEEMA's Banker's Exchange rate prevailing as on the first working day of the month and inclusive of applicable customs duty
 - 4) The price of Bismuth (in Rs/Kg) is the landed cost which is average price of month in USD/LB (as published in MMR Weekly Bulletin) converted into Rs/Kg by IEEMA's Banker's Exchange rate prevailing as on the first working day of the month and inclusive of applicable customs duty
 - 5) The price of Antimony (in Rs/Kg) is the landed cost which is average price of month in US\$ per MT (as published in MMR Weekly Bulletin) converted into Rs/Kg by IEEMA's Banker's Exchange rate prevailing as on the first working day of the month and inclusive of applicable customs duty
 - 6) Nickel Price in Indian Rs./MT, Nickel price on LME index, average of previous THREE months monthly average price and is converted to INR by applying an appropriate exchange rate and adding appropriate import duty.
 - 7) Price of Polymeric Compound in Rs./Kg is the average price as quoted by suppliers for their standard grade
 - 8) The wholesale price index numbers for 'Fuel and Power' are as published by the Office of Economic Advisor, Ministry of commerce & Industry, Govt. of India, New Delhi with base 2011-12 = 100

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IEEMA(PVC)/ Porcelain Surge Arrester (R-1)

Effective from: 01 September 2024

PRICE VARIATION CLAUSE FOR PORCELAIN SURGE ARRESTER

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:

$$P = \frac{P_0}{100} \left(12 + 28 \frac{Zn}{Zn_0} + 3 \frac{CO}{CO_0} + 3 \frac{BI}{BI_0} + 3 \frac{NI}{NI_0} + 3 \frac{SB}{SB_0} + 21 \frac{BC}{BC_0} + 6 \frac{FP}{FP_0} + 12 \frac{AL}{AL_0} + 9 \frac{W}{W_0} \right)$$

Wherein,

- P = Price payable as adjusted in accordance with the above formula.
P₀ = Price quoted/confirmed.
- 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.
- CO₀ = Price of LME CSP Average of Cobalt (refer notes)
This price is as applicable for the month, **ONE** month prior to the date of tendering.
- BI₀ = Price of Bismuth (refer notes)
This price is as applicable for the month, **ONE** month prior to the date of tendering.
- Ni₀ = Price of Nickel in INR (refer notes)
This price is as applicable for the month, **ONE** month prior to the date of tendering.
- SB₀ = Price of Antimony (refer notes)
This price is as applicable for the month, **ONE** month prior to the date of tendering.
- BC₀ = Price of Ball Clay (refer notes)
This price is as applicable on the 1st working day of the month, **ONE** month prior to the date of tendering.
- FP₀ = Wholesale price index number for 'Fuel and Power' (Base: 2011-12=100) (refer notes)
This index number is as applicable for the month, **THREE** month prior to the date of tendering.
- AL₀ = Price of LME CSP Average of Aluminium (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)
This index number is as applicable on the first working day of the month, **THREE** months prior to the date of tendering.

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Effective from: 01 September 2024

For example, if date of tendering falls in December 2024, applicable prices of Zinc (Zn₀), Cobalt (CO₀), Bismuth (BI₀), Nickel (Ni₀), Antimony (SB₀), Ball Clay (BC₀) and Aluminium (AL₀) should be as on November 2024 and Wholesale price index number for 'Fuel and Power' (FP₀) and all India average consumer price index no. (W₀) should be for the month of September 2024.

The above prices and indices are as published by IEEMA vide circular reference number **IEEMA(PVC)ARSTR (R-2)/ __/ __ ONE** month prior to the date of tendering.

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.
CO	=	Price of LME CSP Average of Cobalt (refer notes) This price is as applicable for the month, ONE month prior to the date of delivery.
BI	=	Price of Bismuth (refer notes) This price is as applicable for the month, ONE month prior to the date of delivery.
Ni	=	Price of Nickel in INR (refer notes) This price is as applicable for the month, ONE month prior to the date of delivery.
SB	=	Price of Antimony (refer notes) This price is as applicable for the month, ONE month prior to the date of delivery.
BC	=	Price of Ball Clay (refer notes) This price is as applicable on the 1st working day of the month, ONE month prior to the date of delivery.
FP	=	Wholesale price index number for 'Fuel and Power' (Base: 2011-12=100) (refer notes) This index number is as applicable for the month, THREE months prior to the date of delivery.
AL	=	Price of LME CSP Average of Aluminium (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) 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 in terms of clause given below falls in December 2024, applicable prices of Zinc (Zn), Cobalt (CO), Bismuth (BI), Nickel (Ni), Antimony (SB), Ball Clay (BC) and Aluminium (AL) should be as on November 2024 and Wholesale price index number for 'Fuel and Power' (FP) and all India average consumer price index no. (W) should be for the month of September 2024.

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Effective from: 01 September 2024

The date of delivery is the date on which the Surge Arrester is notified as being ready for inspection/despatch (in the absence of such notification, the date of manufacturer's despatch 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/CV duty amount and exclusive of any other central, state or local taxes etc.
- b) The details of prices are as under:
 - 1) The prices of electrolytic high grade zinc (Rs/MT) is the ex-factory/smelter price of a primary producer of zinc.
 - 2) Price of LME average Cash SELLER Settlement price of Primary Aluminium in US\$ per MT as published by London Metal Bulletin (LME) including Premium for Aluminium Ingot in US\$ per MT is converted in Indian Rs./MT using exchange rate and adding appropriate customs duty.
 - 3) The price of Cobalt (in Rs/Kg) is the price of LME average Cash SELLER Settlement price of Cobalt in US\$ per MT as published by London Metal Bulletin (LME) converted into Rs/Kg by IEEMA's Banker's Exchange rate prevailing as on the first working day of the month and inclusive of applicable customs duty
 - 4) The price of Bismuth (in Rs/Kg) is the landed cost which is average price of month in USD/LB (as published in MMR Weekly Bulletin) converted into Rs/Kg by IEEMA's Banker's Exchange rate prevailing as on the first working day of the month and inclusive of applicable customs duty
 - 5) Nickel Price in Indian Rs./MT, Nickel price on LME index, average of previous THREE months monthly average price and is converted to INR by applying an appropriate exchange rate and adding appropriate import duty.
 - 6) The price of Antimony (in Rs/Kg) is the landed cost which is average price of month in US\$ per MT (as published in MMR Weekly Bulletin) converted into Rs/Kg by IEEMA's Banker's Exchange rate prevailing as on the first working day of the month and inclusive of applicable customs duty
 - 7) Price of Ball Clay in Rs./MT is the average ex-works price as quoted by suppliers for their standard grade
 - 8) The wholesale price index numbers for 'Fuel and Power' are as published by the Office of Economic Advisor, Ministry of commerce & Industry, Govt. of India, New Delhi with base 2011-12 = 100



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Sample calculation showing month references for two stage method

For Polymer Surge Arrester--- Two stage method if delivery period falls on or after 1st November 2024

For e.g. date of tendering - January 2024			Date of delivery - December 2024		
STEP I			STEP II		
	Jan-24	Sep-24		Sep-24	Dec-24
Prices/ Indices	Month applicable for Date of Tendering as per old PV formula	Month applicable for Date of Delivery (FIXED)	Prices/ Indices	Month applicable for Date of Tendering (FIXED)	Month applicable for Date of Delivery as per new PV formula
Fix			Fix		
Zn	Dec-23	Sep-24	Zn	Sep-24	Nov-24
CO	Dec-23	Sep-24	CO	Sep-24	Nov-24
BI	Dec-23	Sep-24	BI	Sep-24	Nov-24
PC	Dec-23	Sep-24	PC	Sep-24	Nov-24
FP	Oct-23	Jun-24	FP	Jun-24	Sep-24
AL	Dec-23	Sep-24	AL	Sep-24	Nov-24
W	Oct-23	Jun-24	W	Jun-24	Sep-24
			Ni	Sep-24	Nov-24
			SB	Sep-24	Nov-24

For Porcelain Surge Arrester--- Two stage method if delivery period falls on or after 1st November 2024

For e.g. date of tendering - January 2024			Date of delivery - December 2024		
STEP I			STEP II		
	Jan-24	Sep-24		Sep-24	Dec-24
Prices/ Indices	Month applicable for Date of Tendering as per old PV formula	Month applicable for Date of Delivery (FIXED)	Prices/ Indices	Month applicable for Date of Tendering (FIXED)	Month applicable for Date of Delivery as per new PV formula
Fix			Fix		
Zn	Dec-23	Sep-24	Zn	Sep-24	Nov-24
CO	Dec-23	Sep-24	CO	Sep-24	Nov-24
BI	Dec-23	Sep-24	BI	Sep-24	Nov-24
BC	Dec-23	Sep-24	BC	Sep-24	Nov-24
FP	Oct-23	Jun-24	FP	Jun-24	Sep-24
AL	Dec-23	Sep-24	AL	Sep-24	Nov-24
W	Oct-23	Jun-24	W	Jun-24	Sep-24
			Ni	Sep-24	Nov-24
			SB	Sep-24	Nov-24