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Cir. No.: 116/DIV/Surge Arrester/05

May 26, 2021

To All members of Surge Arrester Division

To all State Electricity Boards, Utilities and Other purchasing organizations

Sub: Revision Price variation clauses for Surge Arrester effective from 1st April 2021

IEEMA Surge Arrester division has decided to revise earlier applicable Price Variation clauses for Surge Arrester which are effective from September 2001 and January 2008; with change in cost composition and changes in raw materials which are currently in vogue considering changes in technology as well as manufacturing practices.

IEEMA had circulated a Draft PV clause for Surge Arrester vide Cir. No. 98/DIV/Surge Arrester/05 dated April 27, 2021. Since there are no adverse comments received; we are making it operational from 1st April 2021.

We have enclosed revised PV clauses applicable for Polymer Surge Arresters and Porcelain Surge Arrester which are effective from 1st April 2021.

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

For pending contracts, for the date of delivery on or after from 1st June 2021, 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 April 2021 i.e. considering all prices/indices published in PV circular of April 2021 at numerator place; using IEEMA PV clauses of Surge Arrester effective from September 2001 and/or January 2008.

2. Treat the above calculated 'P' as 'P₀' and calculate final price variation considering all prices / indices published in PV circular of April 2021 applicable for revised PV clause of Surge Arresters effective from 1st April 2021 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 April 2021.

Director

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IEEMA(PVC)/ Polymer Surge Arrester

Effective from: 1st April 2021

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:

$$P = \frac{P_0}{100} \left(13 + 26 \frac{Zn}{Zn_0} + 4 \frac{CO}{CO_0} + 3 \frac{BI}{BI_0} + 22 \frac{PC}{PC_0} + 10 \frac{FP}{FP_0} + 12 \frac{AL}{AL_0} + 10 \frac{W}{W_0} \right)$$

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 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.
- PC₀ = Polymer Composites, 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 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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IEEMA(PVC)/ Polymer Surge Arrester

Effective from: 1st April 2021

For example, if date of tendering falls in June 2021, applicable prices of Zinc (Zn₀), Cobalt (CO₀), Bismuth (BI₀), Polymer Compound (PC₀) and Aluminium (AL₀) should be as on May 2021 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 March 2021.

The above prices and indices are as published by IEEMA vide circular reference number **IEEMA(PVC)ARSTR (R-1)/__/_ 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 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.
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 month 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 2021, applicable prices of Zinc (Zn), Cobalt (CO), Bismuth (BI), Polymer Compound (PC) and Aluminium (AL) should be as on November 2021 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 2021.

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

IEEMA(PVC)/ Polymer Surge Arrester

Effective from: 1st April 2021

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 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
 - 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) Price of Polymeric Compound in Rs./Kg is the average price as quoted by suppliers for their standard grade
 - 6) 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

Effective from: 1st April 2021

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:

$$P = \frac{P_0}{100} \left(13 + 26 \frac{Zn}{Zn_0} + 4 \frac{CO}{CO_0} + 3 \frac{BI}{BI_0} + 25 \frac{BC}{BC_0} + 10 \frac{FP}{FP_0} + 9 \frac{AL}{AL_0} + 10 \frac{W}{W_0} \right)$$

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 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.
- 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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IEEMA(PVC)/ Porcelain Surge Arrester

Effective from: 1st April 2021

For example, if date of tendering falls in June 2021, applicable prices of Zinc (Zn₀), Cobalt (CO₀), Bismuth (BI₀), Ball Clay (BC₀) and Aluminium (AL₀) should be as on May 2021 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 March 2021.

The above prices and indices are as published by IEEMA vide circular reference number **IEEMA(PVC)ARSTR (R-1)/ __/ __ 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, <u>ONE</u> month prior to the date of delivery.
CO	=	Price of Cobalt (refer notes) This price is as applicable for the month, <u>ONE</u> month prior to the date of delivery.
BI	=	Price of Bismuth (refer notes) This price is as applicable for the month, <u>ONE</u> 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, <u>ONE</u> 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, <u>THREE</u> month 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, <u>ONE</u> 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, <u>THREE</u> months prior to the date of delivery.

For example, if date of delivery in terms of clause given below falls in December 2021, applicable prices of Zinc (Zn), Cobalt (CO), Bismuth (BI), Ball Clay (BC) and Aluminium (AL) should be as on November 2021 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 2021.

The above prices and indices are as published by IEEMA vide circular reference number **IEEMA(PVC)ARSTR (R-1)/ __/ __ ONE** month prior to the date of delivery.

IEEMA(PVC)/ Porcelain Surge Arrester

Effective from: 1st April 2021

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 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
 - 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) Price of Ball Clay in Rs./MT is the average ex-works price as quoted by suppliers for their standard grade
 - 6) 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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