



Indian Electrical & Electronics Manufacturer's Association
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Cir. No. 35/PVC/T & D Project/05

23rd Nov 2022

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

Sub: Revision in Transmission Line Tower PV formulae

Recently IEEMA T & D project division on deep discussion, considering the current manufacturing practices and volatility in raw material prices members felt the need for revision in current applicable PV formulae for Transmission Line Towers.

IEEMA has collected costing data, lead time for manufacturing etc. from major manufacturers of transmission line tower and in consultation with division arrived at the draft Price Variation Clauses which were circulated to all stake holders for their review and comments. Since there are no adverse comments received; we are making it operational from 1st November 2022.

Although, these PV clauses are made effective from 1st November 2022, practically they can be incorporated in all the current new tenders/contracts starting from 1st December 2022.

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

For pending contracts, for the date of delivery on or after from 1st February 2023, 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 November 2022 i.e. considering all prices/indices published in PV circular of November 2022 at numerator place; using applicable IEEMA PV clause of Transmission Line Towers which is effective from April 2014.
2. Treat the above calculated 'P' as 'P₀' and calculate final price variation considering all prices / indices published in PV circular of November 2022 applicable for revised PV clause of Transmission Line Towers effective from 1st November 2022 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 Transmission Line Tower effective from 1st November 2022.

Director

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PRICE VARIATION CLAUSE FOR TRANSMISSION LINE TOWERS

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 Tower with both Heavy and Light angles

$$P = \frac{P_0}{100} \left(09 + 35 \frac{SBLR}{SBLR_0} + 27 \frac{SBIR}{SBIR_0} + 13 \frac{Zn}{Zn_0} + 16 \frac{W}{W_0} \right)$$

(B) Transmission Line Tower with only Heavy angles

$$P = \frac{P_0}{100} \left(09 + 63 \frac{SBLR}{SBLR_0} + 12 \frac{Zn}{Zn_0} + 16 \frac{W}{W_0} \right)$$

(C) Transmission Line Tower with only Light angles

$$P = \frac{P_0}{100} \left(09 + 60 \frac{SBIR}{SBIR_0} + 14 \frac{Zn}{Zn_0} + 17 \frac{W}{W_0} \right)$$

Wherein,

P = Price payable as adjusted in accordance with the above formula.

P₀ = Price quoted/confirmed.

SBLR₀ = Price of Steel Blooms- Retail (refer notes)
 This price is as applicable for the month, **ONE** month prior to the date of tendering.

SBIR₀ = Price of Steel Billets- Retail (refer notes)
 This price is as applicable for the month, **ONE** month prior to the date of tendering.

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- Zn₀ = Price of Electrolytic high grade zinc (refer notes)
 This price is as applicable for 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.

For example, if date of tendering falls in November 2023, the applicable prices of Steel Bloom-Retail (SBLR₀), Steel Billets-Retail (SBIR₀) and Zinc (Zn₀) should be for the month October 2023 and all India average consumer price index number (W₀) should be for the month of August 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.

- SBLR = Price of Steel Bloom-Retail (refer notes)
 This price is as applicable for the month, **TWO** months prior to the date of delivery.
- SBIR = Price of Steel Billets-Retail (refer notes)
 This price is as applicable for the month, **TWO** months prior to the date of delivery.
- Zn = Price of Electrolytic high grade zinc (refer notes)
 This price is as applicable for 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: 2016 = 100) (refer notes)
 This index number is as applicable for the month, **FOUR** months prior to the date of delivery.

For example, if date of delivery falls in December 2023, the applicable prices of Steel Bloom-Retail (SBLR), Steel Billets-Retail (SBIR) and Zinc (Zn) should be for the month October 2023 and all India average consumer price index number (W) should be for the month of August 2023.

The date of delivery is the date on which Transmission line towers 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.

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- Notes: (a) All prices of raw materials are exclusive of GST and any other central, state or local axes etc.
- (b) The details of prices are as under:
1. The prices of Steel Bloom-Retail are the average Retail price of Blooms of size 150 x 150 mm of all cities in Rs/MT; as published by Joint Plant Committee (JPC), Kolkata. **Heavy angles of size above 110mm x 110mm are deemed to be related to this price.**
 2. 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. **Light angles of size below & including 110mm x 110mm are deemed to be related to this price.**
 3. 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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