

Cir. No.: 09/DIV/LVSWGR/05

February 20, 2019

To All members of LV Switchgear and MV+HV Switchgear Division
To all State Electricity Boards, Utilities and Other purchasing organizations

Sub: Final Price variation clauses for

1. LV Switchgear and Controlgear
2. MV AIS (Up to & Including 36 KV) Switchgear and Controlgear

IEEMA LV Switchgear and MV+HV Switchgear division has decided to revise old Price Variation clause applicable for LV and MV Switchgear (effective from January 2002) with change in cost composition and changes the sources for few raw materials which are currently in vogue.

IEEMA had circulated a Draft PV clause for LV and MV Switchgear vide cir. No. **02/DIV/LVSWGR/05** dated **January 17, 2019**. After incorporating suggestions on the above; we are making it final and operational from 1st January 2019.

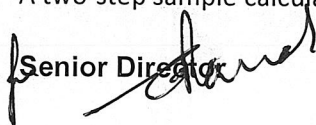
We enclose separate revised PV clauses (effective from January 2019) for LV Switchgear (up to 1100 kV) and MV Switchgear (above 1100V up to 36 kV) along with sample two-step calculation. Monthly PV circulars of January 2019 as per old and new PV clauses are being published separately.

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

For pending contracts, for the date of delivery on or after 1st April 2019, 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 January 2019 i.e. considering all prices/indices published in PV circular of January 2019 at numerator place; using IEEMA PV clause effective from January 2002.
2. Treat the above calculated 'P' as 'P₀' and calculate final price variation considering all prices / indices published in January 2019 as base prices/indices (at the denominator place) up to the applicable prices/indices as per your date of delivery; using revised LV / MV Switchgear clause effective from 1st January 2019.

A two-step sample calculation is given as annexure.


Senior Director