



Indian Electrical & Electronics Manufacturer's Association
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Cir. No. 55/ PVC/BTR CHR/05

Date: 03 Apr 24

To Members of Battery Storage and Charging Infrastructure Division, member manufactures of Battery chargers and SEBs and other listed purchasing bodies

Sub: New PV clause for Ni-Cd Batteries

In view of volatility in prices, current practices and technology used for manufacturing, Ni-Cd battery manufacturers' felt the need for price variation formula. Manufacturers then discussed the subject at length and decided to evolve PV formula for Ni-cd batteries.

Major raw material viz. Nickel hydroxide, Cd hydroxide, cobalt, Lithium, special steel are imported as these metals are not locally available. The lead time of importing these raw materials and converting them into the active mass, it takes @3 -6 months. To address this gap, manufacturers build stocks to meet this market demand. These stocks are built based on specific project requirements forecasted; each battery type requires different raw material. In real life, manufacturer consume stocks which are built based on orders placed 3 - 6 months prior to battery deliveries to customers.

Based on the collected inputs from manufacturer, IEEMA had circulated the draft formula vide **Cir. No. 50/ PVC/BTR CHR/05 dated 11 March 24** to all stakeholders for their review and comments.

Since there are no adverse comments received; we are making it operational from 1st March 2024; enclosed Final PV clause applicable for 'NiCd Batteries'. This PV formula will be applicable for **ONLY** NiCd Pocket Plate Batteries used in stationary applications and not for the Fibre and sintereted technology NiCd Batteries.

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

Director

IEEMA/PVC/BTR-NiCd/2023

Effective from: 01 Mar 2024

PRICE VARIATION CLAUSE FOR NICKEL CADMIUM BATTERY

applicable **ONLY** for NiCd Pocket Plate Batteries used in stationary applications and not for the Fibre and sintered technology NiCd Batteries

The price quoted/confirmed is based on the 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 formulae:

$$P = \frac{P_o}{100} \left(38 + 20 \frac{Ni}{Ni_o} + 42 \frac{W}{W_o} \right)$$

Wherein,

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

P_o = Price quoted/confirmed.Ni_o = Price of Nickel in INR (refer notes)This price is as applicable from IEEMA PV circular, **ONE** month prior to the date of tendering.W_o = 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 for the month, **THREE** months prior to the date of tendering.

For example, if the date of tendering falls in June 2024, the applicable price of Nickel (Ni_o) should be for the month of May 2024 from IEEMA PV circular and all India average consumer price index number (W_o) should be for the month of March 2024.

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

Ni = Price of Nickel in INR (refer notes)

This price is as applicable from IEEMA PV circular, **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 for the month, **THREE** months prior to the date of delivery.

For example, if the date of delivery falls in August 2024, the applicable price of Nickel (Ni) should be for the month of July 2024 from IEEMA PV circular and all India average consumer price index number (W) should be for the month of May 2024.

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The "date of delivery" is the date on which the Battery 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 are exclusive of GST amount and exclusive of any other central, state or local taxes etc.
- (b) The details of prices are as under:
 1. 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 appropriate exchange rate and adding appropriate import duty.

Authorised Signatory

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