

PRICE VARIATION CLAUSE

- 1) Rates of copper, silver, aluminum and steel are volatile and fluctuate on day to day basis. Thus, rates of Items containing these raw materials are affected by the fluctuation in rates of these key components. Price variation clause is used in procurement of such items which safeguards the interests of both buyer as well as seller, arising out of uncertainties/ fluctuations in rates of raw material.
- 2) Items tendered in the bid are to be procured with Price Variation Clause. Vendor to quote accordingly for the items.
- 3) PVC Formula:
 $P = P_o + F (X - X_o)$ where
 P = Final Rate to be paid at the time of supply
 P_o = Rate mentioned in Purchase Order
 F = PVC factor as mentioned in description of Item in Enquiry/ Purchase Order.
 X = As per S. No. 4 mentioned below.
 X_o = Base Rate of raw material/s as mentioned in Enquiry/ Purchase Order.
- 4) Agency for rates of raw material shall be as mentioned below:
 - a) Copper: Copper Rate [Total value (A)] declared in 1st fortnight BME circular of the month of delivery. BME circular mentioned above refers to the circular issued by Bombay Metal Exchange for copper billets.
 - b) Silver: Silver 999 (AM price) per kg rate published by IBJA (Indian Bullion and Jewellers Association)
 - c) Steel: JPC rate as per item description
 - d) Aluminum: NALCO grades as per item description
- 5) Rates prevailing on the first calendar day of the month of scheduled delivery or actual delivery in BHEL (whichever is lower) shall be used for PVC calculation.
- 6) In case of early delivery on BHEL request, rates prevailing on the first calendar day of the month of actual delivery shall be used for PVC calculation.
- 7) In case first calendar day of month happens to be Sunday, holiday or rates are not available due to any reason, rates prevailing on previous day shall be considered for PVC calculation.
- 8) If item contains more than one metal/ raw material (if mentioned in item description in bid), PVC formula shall be **$P = P_o + \{F (X - X_o)\}_{(for\ copper)} + F (X - X_o)_{(for\ silver)} + F (X - X_o)_{(for\ Aluminum)}$ and so on.**
 In such a case, final payable rate at the time of supply shall be calculated by taking the raw material rates for same month only.
- 9) All rates considered in the above PVC formula shall be exclusive of GST.

PVC Factor and Base Rate applicable for the enquiry are as mentioned below:

S. No	Item Description	Unit	Qty
1	SLEEVED & SILVER PLATED (MIN. 5 MICRONS) COPPER BUS BAR (SIZE 12 THK X 200 WIDE X 816 MM LONG) TO DRG. NO. 25216901502-V00, REV.12. PVC RATIO OF COPPER IS 1:17.41. BASE RATE OF BME COPPER BILLET PRICE, TOTAL VALUE (A) IS RS. 1207.494/KG. (REFER BME CIRCULAR DATED 01-04-2026) AND PVC RATIO OF SILVER IS 1:0.0027. BASE RATE OF SILVER AS PUBLISHED BY IBJA (DAILY OPENING & CLOSING MARKET RATE) ON 01-04- 2026 MORNING (AM) RATE AS RS. 239483/KG	NOS	6000
2	SLEEVED & SILVER PLATED (MIN. 5 MICRONS) COPPER BUS BAR (SIZE 12 THK X 200 WIDE X 1016 MM LONG) TO DRG. NO. 35215002039-V00, REV.03. PVC RATIO OF COPPER IS 1:21.77. BASE RATE OF BME COPPER BILLET PRICE, TOTAL VALUE (A) IS RS. 1207.494/KG. (REFER BME CIRCULAR DATED 01-04-2026) AND PVC RATIO OF SILVER IS 1:0.0027. BASE RATE OF SILVER AS PUBLISHED BY IBJA (DAILY OPENING & CLOSING MARKET RATE) ON 01-04- 2026 MORNING (AM) RATE AS RS. 239483/KG	NOS	600

Seal & Signature of Vendor