

ANNEXURE-A

PRICE VARIATION CLAUSE

The following P.V.C is applicable for this work from the date of start of work For respective units

$$P_1 = 0.75 \times P_0 (F_1 - F_0) / F_0$$

Applicable when F_1 is greater than F_0 .

F_1 = New all India average consumer price index published by Labour bureau, Simla, Government of India, for industrial worker.
(Base 1982 = 100) applicable from the date of start of work.

F_0 = All India average consumer price index on the date of start of work published by labour Bureau, Simla, Government of India, for industrial workers. (Base 1982 = 100) applicable for the month under consideration.

P_1 = Increase in billing amount as per the escalation formula for the particular month of billing.

P_0 = Billing amount calculated on the accepted contract rate.

Price escalation as per above formula will be calculated and paid (excluding payments towards extra works and rate revision, if any) on month-to-month basis. BHEL however reserves the right to freeze escalation for that of duration of delays, from time to time, which are entirely attributable to the contractor.

The quantum of such price variation amounts per month shall be limited to 10% of each RA bill value (gross). However, the total price variation amount payable shall have an overall ceiling of 10% of the work done value. It may be noted that PVC of the monthly RA bill shall be limited to 10% of each bill value (gross) and the total PVC payable shall have an overall ceiling of 10% of the total work done. The reconciliation of the PVC in the perspective

With provision of price escalation as per clause above no claim / compensation on account of any increase whatsoever, (irrespective of above escalation are steep / unanticipated or not compensated by the above escalation provision in full to wards minimum wages, consumables, electrodes, gases or any other item / reason) will be payable during the entire period of execution including extended period, if any.