

**PRICE ADJUSTMENT FOR SUPPLY AND MANDATORY SPARES**

- (i) The Contract price shall be subject to price adjustment during performance of the Contract to reflect changes in the cost of labour and material components in accordance with the provisions described below:
- (ii) The price adjustment provisions shall be applicable separately for price components relating to Supply of Equipment as per price break-up furnished by the Contractor.
- (iii) Only following components of the Contract Price will be subject to Price adjustment:
  - (a) Ex-Works supply price of Plant and Equipment including commissioning spares, Mandatory spares.
- (iv) Price adjustment amounts towards aforesaid components of Contract Price shall be paid in the respective currencies of Contract (INR).
- (v) The indices for price adjustment shall be as elaborated hereunder.
- (vi) The price adjustment formula for the components of the Contract Price, as mentioned at Sl.No. (iii) above, shall be as stipulated hereinafter.
- (vii) **Ex-Works Price Component of Plant and Equipments including commissioning spares, Mandatory Spares and**

It is understood that the price component of the equipments for any shipment/despatch comprises of a fixed portion (designated as 'F' and the value of which is specified hereunder) and a variable portion linked with the indices for various materials and labour (description and co-efficient as enumerated below).

The amount of price adjustment towards variable portion payable/recoverable on each shipment/despatch shall be computed as under:

$$EC = EC1 - EC0$$

EC1 will be computed as follows:

$$EC1 = EC0 \{ F + a \times A1 / A0 + Lb \times L1 / L0 \}$$

Where

EC = Adjustment to Ex-Works supply Price Component expressed in the currency of The Contract (INR) payable to the contractor for each shipment/despatch.

EC1 = Adjusted Amount of Ex-Works supply Price Component expressed in the currency of the Contract (INR) payable to the Contractor for each shipment/despatch.

EC0 = Ex-Works supply Price for the plant and equipments in the currency of the Contract (INR), shipment/despatch wise.

- F shall be fixed portion of the Ex-Works Component of the Contract and shall be considered as 0.15.

- a shall be co-efficient of major materials/items involved in the Ex-Works Component of the Contract Price and shall be considered as 0.55.

- 'A' shall be published price indices of corresponding major materials/items.

Case 1: 'A', in case of all applicable supply part / component/ items etc. index for "Manufacture of Fabricated Metal Products, Except Machinery and equipment" shall be used as published by Ministry of Commerce & Industry, GOI base year 2011-12=100

- 'Lb" shall be co-efficient for labour component in the Ex-Works Component of the Contract Price which shall be considered as 0.3.

'L' shall be consumer price index number for industrial workers (All India average) as published by Labour Bureau, Shimla/RBI Base year 2016=100.

For the indices, subscript '0' refers to indices as on date of completion of delivery as per LOA.

Subscript '1' refers to indices as on date of shipment/despatch.

Note:

- 1) PVC shall be applicable only beyond original overall completion schedule as per LOA. PVC shall be applicable only if the delay is not attributable to contractor/ vendor. However even if the delay is attributable to vendor then also the negative price variation shall be passed on to BHEL.
- 2) The price variation shall be limited to (+) 20% of Ex-Works Supply Price including commissioning spares, Mandatory spares .

**PRICE ADJUSTMENT FOR SERVICE PART (E&C)**

- (i) The Contract price shall be subject to price adjustment during performance of the Contract to reflect changes in the cost of labour in accordance with the provisions described below:
  - (ii) The price adjustment provisions shall be applicable for price components relating to service part (E&C) as per price break-up furnished by the Contractor.
  - (iii) Only following components of the Contract Price will be subject to Price adjustment:
    - (a) Service part (E&C) component of Contract Price.
  - (vi) The indices for price adjustment shall be as elaborated hereunder.
  - (v) The price adjustment formula for the components of the Contract Price, as mentioned at Sl.No. (iii) above shall be as stipulated hereinafter.
- #

**a) Indian Rupee Portion of the Installation Services**

ER = ER1 – ER0

ER1 will be computed as follows:

$$\mathbf{ER1 = ER0 (0.15 + L_b \times (L_1 / L_0))}$$

Where:

ER = Adjustment to Erection & Commissioning price component of contract price expressed in Indian Rupees payable to the contractor for each billing.

ER1 = Adjusted amount of Erection & Commissioning price component of contract price expressed in Indian Rupees payable to the Contractor.

ER0 = Value of the Erection & Commissioning work done in the billing period, which shall be calculated as under:

For the purpose of computing ER0, each Erection & commissioning bill (service part) during the E & C period up to the 'Completion of the Facilities' shall be calculated as described in this document.

$L_b$  – Coefficient of labour (for all categories) content in the Indian Rupee portion of the erection & commissioning =0.85

L=Indian field labour index namely, all India consumer price index for industrial workers (All India Monthly Average) as published labour bureau, Shimla, Government of India.

For the indices, subscript '0' refers to indices as on date of completion of delivery as per LOA.

Subscript '1' refers to indices as applicable for the month of execution of the E&C work

Note:

1) PVC shall be applicable only beyond original overall completion schedule as per LOA. PVC shall be applicable only if the delay is not attributable to contractor/ vendor. However even if the delay is attributable to vendor then also the negative price variation shall be passed on to BHEL.

2) The price variation shall be limited to +20% of total E&C price (excluding taxes).

## CURRENT STATISTICS

**No. 21: Wholesale Price Index (Contd.)**

(Base: 2011-12 = 100)

Commodities	Weight	2021-22	2021	2022		
			Apr	Feb.	Mar. (P)	Apr. (P)
1.3.13.6 Articles of Concrete, Cement and Plaster	0.292	129.2	128.2	130.6	131.4	132.8
1.3.13.7 Cutting, Shaping and Finishing of Stone	0.234	122.2	122.9	120.5	120.9	123.7
1.3.13.8 Other Non-Metallic Mineral Products	0.169	90.5	78.9	98.3	100.2	104.9
<b>1.3.14 MANUFACTURE OF BASIC METALS</b>	<b>9.646</b>	<b>140.0</b>	<b>128.6</b>	<b>147.1</b>	<b>156.2</b>	<b>160.5</b>
1.3.14.1 Inputs into steel making	1.411	150.8	133.6	162.4	177.1	181.4
1.3.14.2 Metallic Iron	0.653	147.7	135.5	154.9	172.0	178.4
1.3.14.3 Mild Steel - Semi Finished Steel	1.274	118.8	113.0	122.9	127.9	133.8
1.3.14.4 Mild Steel -Long Products	1.081	137.2	127.6	144.8	153.1	158.6
1.3.14.5 Mild Steel - Flat products	1.144	157.5	142.8	160.3	169.8	178.3
1.3.14.6 Alloy steel other than Stainless Steel- Shapes	0.067	133.6	127.7	143.6	150.2	155.2
1.3.14.7 Stainless Steel - Semi Finished	0.924	141.7	131.0	147.7	169.8	173.0
1.3.14.8 Pipes & tubes	0.205	155.9	140.4	167.1	171.0	172.7
1.3.14.9 Non-ferrous metals incl. precious metals	1.693	139.7	125.9	149.4	154.9	155.2
1.3.14.10 Castings	0.925	118.8	113.3	122.7	122.6	125.6
1.3.14.11 Forgings of steel	0.271	159.0	155.3	165.8	165.0	166.9
<b>1.3.15 MANUFACTURE OF FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND EQUIPMENT</b>	<b>3.155</b>	<b>130.4</b>	<b>122.6</b>	<b>133.5</b>	<b>134.4</b>	<b>137.8</b>
1.3.15.1 Structural Metal Products	1.031	123.9	120.6	125.3	127.5	130.3
1.3.15.2 Tanks, Reservoirs and Containers of Metal	0.660	155.9	139.4	159.8	159.5	166.8
1.3.15.3 Steam generators, Except Central Heating Hot Water Boilers	0.145	96.1	96.8	93.5	96.4	96.4
1.3.15.4 Forging, Pressing, Stamping and Roll-Forming of Metal; Powder Metallurgy	0.383	117.5	100.9	126.2	126.2	127.7
1.3.15.5 Cutlery, Hand Tools and General Hardware	0.208	108.2	106.7	109.4	108.5	111.7
1.3.15.6 Other Fabricated Metal Products	0.728	136.5	131.3	140.1	140.8	143.2
<b>1.3.16 MANUFACTURE OF COMPUTER, ELECTRONIC AND OPTICAL PRODUCTS</b>	<b>2.009</b>	<b>113.7</b>	<b>111.6</b>	<b>116.4</b>	<b>116.5</b>	<b>116.3</b>
1.3.16.1 Electronic Components	0.402	106.0	102.2	111.5	111.5	113.0
1.3.16.2 Computers and Peripheral Equipment	0.336	134.7	134.6	134.7	134.8	134.8
1.3.16.3 Communication Equipment	0.310	121.7	116.3	128.6	128.8	128.2
1.3.16.4 Consumer Electronics	0.641	102.1	101.8	102.3	102.2	101.2
1.3.16.5 Measuring, Testing, Navigating and Control equipment	0.181	108.4	107.0	112.2	112.2	111.2
1.3.16.6 Watches and Clocks	0.076	145.6	142.8	148.4	150.5	150.6
1.3.16.7 Irradiation, Electromedical and Electrotherapeutic equipment	0.055	106.1	103.5	107.4	107.6	107.9
1.3.16.8 Optical instruments and Photographic equipment	0.008	98.3	95.8	99.7	99.7	99.6
<b>1.3.17 MANUFACTURE OF ELECTRICAL EQUIPMENT</b>	<b>2.930</b>	<b>122.3</b>	<b>118.6</b>	<b>124.8</b>	<b>125.2</b>	<b>125.9</b>
1.3.17.1 Electric motors, Generators, Transformers and Electricity distribution and Control apparatus	1.298	119.6	117.6	121.2	121.4	121.6
1.3.17.2 Batteries and Accumulators	0.236	121.7	116.5	125.1	126.2	129.1
1.3.17.3 Fibre optic cables for data transmission or live transmission of images	0.133	102.9	102.2	106.4	107.2	102.7
1.3.17.4 Other electronic and Electric wires and Cables	0.428	140.5	130.4	146.5	148.1	151.5
1.3.17.5 Wiring devices, Electric lighting & display equipment	0.263	114.5	112.4	115.4	115.3	115.8
1.3.17.6 Domestic appliances	0.366	128.4	124.6	131.3	131.3	131.9
1.3.17.7 Other electrical equipment	0.206	113.2	110.2	113.9	113.4	113.1
<b>1.3.18 MANUFACTURE OF MACHINERY AND EQUIPMENT</b>	<b>4.789</b>	<b>120.0</b>	<b>116.7</b>	<b>122.0</b>	<b>122.3</b>	<b>123.7</b>
1.3.18.1 Engines and Turbines, Except aircraft, Vehicle and Two wheeler engines	0.638	119.2	112.7	121.4	122.7	125.5
1.3.18.2 Fluid power equipment	0.162	122.1	120.3	124.9	124.9	125.1
1.3.18.3 Other pumps, Compressors, Taps and Valves	0.552	115.1	114.2	115.2	115.5	116.4
1.3.18.4 Bearings, Gears, Gearing and Driving elements	0.340	118.1	114.4	119.9	119.6	120.3
1.3.18.5 Ovens, Furnaces and Furnace burners	0.008	74.2	72.1	76.9	76.5	77.3
1.3.18.6 Lifting and Handling equipment	0.285	120.0	115.2	124.1	124.0	125.3

## No. 19: Other Consumer Price Indices

**251**

<b>930040/2022/PS-PEM-MAX</b> Item	Base Year	Linking Factor	2021-22	2021	2022	
				Apr.	Mar.	Apr.
	1	2	3	4	5	6
1 Consumer Price Index for Industrial Workers	2016	2.88	-	120.1	126	127.7
2 Consumer Price Index for Agricultural Labourers	1986-87	5.89	1075	1041	1098	1108
3 Consumer Price Index for Rural Labourers	1986-87	-	1084	1049	1109	1119

**Source:** Labour Bureau, Ministry of Labour and Employment, Government of India.