

PRICE VARIATION CLAUSE

The PV formula as per 2011-12 WPI is as under:

$$P_T = P_P + P_R$$

P_T = Total escalated / de-escalated basic unit rate of the component.

P_P = Escalated/de-escalated basic unit rate of the component without Rail.

P_R = Escalated/de-escalated basic unit rate of the Rail.

P_P = Will be worked out as per earlier formula on the component, without cost of Rail. (On the basis of cost of Rail published in the tender document R_0)

(A) The PVC formula for the component (without Rails):

$$P_P = [(P_0/100) \times \{10 + (16.32 \times A_1/A_0) + (7.70 \times B_1/B_0) + (15.02 \times C_1/C_0) + (0.96 \times D_1/D_0) + (50 \times L_1/L_0)\}]$$

P_P = Escalated/de-escalated basic unit rate of the component without Rail.

P_0 = Accepted Basic rate of the component after deducting cost of Rail on the basis of Theoretical Quantity (TQ) and rate of Rails (R_0) published in the Tender document based on Railway Board rates.

= Accepted Basic rate of the component - TQ x R_0

A_1 = Wholesale price index for **Inputs into Steel Making** as prevalent during one month prior to the month of issue of call letter for inspection as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

A_0 = Wholesale Price Index for **Inputs into Steel Making** as prevalent during the month just preceding the month in which tender was opened, as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011- 12.

B_1 = Wholesale price index for **Metallic Iron** as prevalent during one month prior to the month of issue of call letter for inspection as per Economics Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011- 12.

B_0 = Wholesale price index for **Metallic Iron** as prevalent during the month just preceding the month in which tender was opened, as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

C_1 = Wholesale price index for **Mild steel-Semi finished Steel** as prevalent during one month prior to the month of issue of call letter for inspection as per Economics Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

C_0 = Wholesale price index for **Mild steel-Semi finished Steel** as prevalent during the month just preceding the month in which tender was opened, as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011- 12.

D_1 = Wholesale Price Index for **Other ferro alloys** as prevalent during one month prior to the month of issue of call letter for inspection as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011- 12.

D_0 = Wholesale Price Index for **Other ferro alloys** as prevalent during the month just preceding the month in which tender was opened, as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

L1 = All India consumer Price Index for Industrial workers as prevalent during one month prior to the month of issue of call letter for Inspection as per Labour Bureau, Ministry of Labour website <http://labourbureau.nic.in>.

L0 = All India Consumer Price Index for Industrial workers as prevalent during the month just preceding the month in which tender was opened, as per Labour Bureau, Ministry of Labour website <http://labourbureau.nic.in>.

(B) P_R Will be worked out on the cost of rail, involved for the component, which will be as:

$$P_R = R_0 \times TQ \times M_1/M_0$$

P_R = Escalated/ de-escalated basic unit rate of rails.

R_0 = Basic rate of Rails Rs.74,000/- (Rupees Seventy Four Thousand only) Per MT (Ex-works), excluding taxes and freight etc. As per Railway Board's letter No. 2023/Track-I(P)/Rail Pricing dated 12/08/2025.

M_0 = Whole sale Price Index for Rails as, prevalent during the month just preceding the month in which tender was opened, as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

M_1 = Wholesale Price Index for Rails as prevalent during one month prior to the month of issue of Call letter for inspection as per Economic Advisor, Ministry of Industry website <http://eaindustry.nic.in> as per series 2011-12.

TQ = Theoretical quantity of rails **3.1753** MT.