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**Office of PCE  
Western Railway HQ,  
Churchgate,  
Mumbai-400 020**

WR-HQ0ENGG(WWTC)/1/2019/E-907

Date: 13.05.2026

**Sr.DEN(Co.) MMCT**

**Sub:** Clarification regarding classification of “Reinforcement Bars and Other Rounds” under Clause 46A.9(1) of GCC 2022 for calculation of Price Variation (PVC)

**Ref:** (i) Your office letter No. General correspondence/2025-26(WA) dated 02.04.2026  
(ii) AFA/FIN/HQ/WR Note#94 on E-office file No.207

Vide your office letter referred at (i), the issue regarding ambiguity in the classification of ‘Reinforcement bars and other rounds’ for the purpose of the Price Variation Clause (PVC) under Clause 46A.9(1) of GCC April 2022 was forwarded to HQ Finance for concurrence. The proposal has since been returned by Finance with the following observations:

1. The TMT bar is used in Reinforcement . Steel reinforcement is the process of embedding steel bars, wires, or meshes into concrete or masonry to form *reinforced concrete*. As such it is not a fabrication item and there is no ambiguity..
2. Reinforcement should be considered under Sub-classification ‘B’ (Supply of Steel) and there is GCC item as under :

**I. For Civil Engineering Works**

SN	Classification		1A, 2 & 3A	4A	5A	6A	7	8A	9A	1B, 3B, 4B, 5B, 6B 8B & 9B	1C, 3C, 4C, 5C, 6C, 8C & 9C	3D, 4D, 5D, 6D, 8D & 9D	3E, 4E, 5E, 6E, 8E & 9E
	Components												
1	Fixed	*	15	15	15	15	15	15	15	15	15	15	15
2	Labour	L <sub>c</sub>	<del>15</del> 20	<del>20</del> 25	<del>25</del> 30	<del>15</del> 20	<del>15</del> 50	<del>15</del> 20	20	<del>5</del> 0	<del>5</del> 0	10	25
3	Steel	S <sub>c</sub>	0	0	<del>20</del> 0	0	0	0	0	<del>75</del> 85	0	50	0
4	Cement	C <sub>c</sub>	0	0	15	0	0	0	0	0	<del>75</del> 85	0	0
5	Plant Machinery & Spares	PM <sub>c</sub>	<del>35</del> 30	15	<del>0</del> 5	20	<del>20</del> 15	20	30	0	0	10	30
6	Fuel & Lubricants	F <sub>c</sub>	25	15	<del>10</del> 5	<del>35</del> 15	<del>35</del> 15	<del>35</del> 20	15	<del>5</del> 0	<del>5</del> 0	10	20
7	Other materials	M <sub>c</sub>	<del>10</del> 10	15	<del>15</del> 30	<del>15</del> 30	<del>15</del> 5	<del>15</del> 25	20	0	0	5	10
8	Detonators & Explosive	E <sub>c</sub>	0	<del>20</del> 15	0	0	0	0	0	0	0	0	0

**Sc** = Percentage of Steel Supply Item Component in the item(s)

As per above, vide Sr.no 3 ,the % of supply of steel is 85% and formula will be as per GCC April 2022 Clause 46A.9(1 )as under:

File No.WR-HQ0ENGG(WWTC)/1/2019-O/o DY CE/W/CCG/HQ/WR		
SN	Classification	Rates to be used for calculating SQ or SB
1	Reinforcement bars and other rounds	Average of per tonne rates of 10 mm dia TMT and 25 mm dia TMT conforming to IS 1786: Fe 500
2	All types and sizes of angles, channels and joists	Average of per tonne rates of Angle 75×75×6 mm, Mild Steel Plate 10 mm thickness, and Channel 150×75 mm conforming to IS 2062, E250 Gr “A”
3	All types and sizes of plates	Average of per tonne rates of MS Plates 10 mm and 25 mm thickness conforming to IS 2062, E250 Gr “A”
4	Any other section of steel not covered in the above categories	Average of prices for the three categories covered under Sl. No. 1, 2 & 3 above

Reinforcement with TMT bars is to be treated as a **steel supply item under Sub-classification ‘B’**, with escalation calculated as per GCC April 2022 Clause 46A.9(1), using the average per tonne rates of 10mm and 25mm TMT bars conforming to IS 1786: Fe 500. Labour component is nil and covered under General PVC.

**PVC claims for reinforcement steel cannot be processed using a component-wise approach** when a GCC formula is already prescribed. The GCC April 2022 Clause 46A.9(1) provides a **uniform escalation formula** for steel supply items.

- Reinforcement steel is unambiguously a steel supply item under Sub-classification ‘B’.
- Escalation is to be processed only under the GCC formula not by adopting component-wise weightages from USSOR/DSR.
- If any changes to be made to PVC calculations, matter should be referred to Railway Board.

It is advised to examine the observations made by Finance and submit remarks to this office for further compliance.

**Dy. Chief Engineer (Works& SD)**

**Copy:**

CE(Works&SD)- For kind information please.