

Composite Material and Wages Escalation Formula for Procurement of
“High Tensile Transition C.B. Coupler for WAG-9HC Locomotive “

Base Month as APRIL 2026.

The increase / decrease in the price of item quoted for material and wage escalation would be governed by the following formula:

$$P_1 = \frac{P_0}{100} (25 + 23 \times \frac{I_1}{I_0} + 22 \times \frac{S_1}{S_0} + 30 \times \frac{L_1}{L_0})$$

P₁ = Escalated / De-escalated price.

P₀ = Base Price.

I₁ = The index number of Whole sale prices in respect of items “Alloy Steel Casting” Base 2011-12 complied by Economic Advisor to the Govt. Of India for the calendar month, one month prior to the call for inspection of the materials.

I₀ = The above whole sale price index for “Alloy Steel Casting” applicable for base month.

S₁ = The index number of Whole sale prices in respect of items “Mild Steel Flats Products” Base 2011-12 complied by Economic Advisor to the Govt. Of India for the calendar month, one month prior to the call for inspection of the materials.

S₀ = The above whole sale price index for “Mild Steel Flats products” applicable for base month.

L₁ = All India consumer price index for Industrial workers complied by Labour Bureau, Ministry of Labour for the calendar month, one month prior to the call for inspection of the materials.

L₀ = All India consumer price index for Industrial workers applicable for Base month.

In case P₁ is greater than P₀ the difference P₁ minus P₀ shall continue the amount due to the contractor towards escalation on cost of wages and materials. Otherwise, the difference P₀ minus P₁ shall constitute the amount to be recovered from the contractor as de-escalation.