

**PRICE VARIATION CLAUSE FORMULA FOR UNDERFRAME, FRONT/END PART AND THEIR PARTS**

1. The increase/ decrease in the prices quoted would be governed by the following formula:

$$P_1 = \frac{P_0}{100} \left\{ 40 + 60 \times \frac{MS_1}{MS_0} \right\}$$

Where

**P<sub>1</sub>** = Escalated/de-escalated basic price.

**P<sub>0</sub>** = Contract Basic Price' at base level.

**MS<sub>1</sub>** = Wholesale Price Index for **Mild Steel-Flat products** Base year 2011-12 as published by Office of Economic Adviser to the Govt. of India on their Website [www.eaindustry.nic.in](http://www.eaindustry.nic.in) for the calendar month, 4 weeks preceding the date of inspection certificate in case of pre-inspected items & in case of consignee inspection, date of delivery of stores to the consignee will be considered as date of inspection.

**MS<sub>0</sub>** = Wholesale Price Index for **Mild Steel-Flat Products** Base year 2011-12 as published by Office of Economic Adviser to the Govt. of India on their Website [www.eaindustry.nic.in](http://www.eaindustry.nic.in) for the Month of **February, 2026 i.e. = 136.8**

2. In case **P<sub>1</sub>** is greater than **P<sub>0</sub>**, the difference **P<sub>1</sub>** minus **P<sub>0</sub>** shall constitute the amount due to the contractor toward escalation of cost of raw material. Otherwise, the difference **P<sub>1</sub>** minus **P<sub>0</sub>** shall constitute the amount to be recovered from the contractor as de-escalation.

3. The decision of the President of India in regard of material escalation under the clause shall be final and not be subject to legal dispute or arbitration.

\*\*\*\*\*