

No. NH-24028/03/2026-H
Government of India
Ministry of Road Transport & Highways
(Highway Section)
Transport Bhawan, 1, Parliament Street, New Delhi-110001

Dated: 01st April, 2026

To

1. The Chairman, National Highways Authority of India;
2. DG (RD & SS), Ministry of Road Transport & Highways;
3. MD, National Highways & Infrastructure Development Corporation Limited (NHIDCL).

Subject: Cost Escalation Compensation Mechanism for National Highway Projects due to surge in fuel, Construction Material Prices and Logistics Cost – reg.

Sir,

In order to mitigate the impact of the increase in prices of crude oil and petroleum products under the present global scenario and as a measure of relief to ensure uninterrupted construction and maintenance of National Highway projects, the following measures have been approved for implementation:

- i. Relaxation in Schedule-H for EPC projects and Schedule – G for HAM Projects to enable monthly payments to Contractors / Concessionaires for work executed and complying with quality specifications & standards.
 - ii. Price adjustment in EPC projects, WPI for (a) Construction Machinery, (b) Ordinary Portland Cement, (c) for all commodities, (d) Mild Steel, may be taken for one month prior to the relevant Interim Payment Certificate (IPC) month in place of three months prior to the relevant IPC month. Similarly, in case of price adjustment for bitumen, the official retail price of bitumen may be taken as the first day of the month, one month prior to the IPC month, in place of first day of the month three months prior to the relevant IPC month.
 - iii. Price Adjustment under EPC contracts may be paid along with the monthly payments and price escalation, in HAM contracts, calculated using the Price Index Multiple (PIM) may be paid along with monthly payments.
2. These measures have been put in place for a period of 3 months w.e.f. 1st April 2026 i.e upto 30.6.2026 or till the global situation improves.
 3. This issues with the approval of Competent Authority.

Digitally signed by

Shaikh Aminkhan

Date: 01-04-2026

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(Shaikh Aminkhan)

Director

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Copy to:

1. PSO to Secretary, Ministry of Road Transport & Highways.