

No. NH-24028/03/2026-H
GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT & HIGHWAYS
(Highways Section)
Transport Bhawan, 1, Parliament Street, New Delhi- 110001.

Dated: 08.10.2026

To,

1. The Chairman, National Highways Authority of India (NHAI), Dwarka, New Delhi
2. The Director General (Border Roads), Seema Sadak Bhawan, Ring Road, New Delhi-110010
3. The Managing Director, National Highways & Infrastructure Development Corporation Limited (NHIDCL), Nauroji Nagar, New Delhi - 110029
4. The Principal Secretaries/ Secretaries of all States/ UTs Public Works Department dealing with National Highways
5. The Engineers-in-Chief and Chief Engineers of all States/ UTs Public Works Department dealing with National Highways
6. All Regional Officers of Ministry of Road Transport & Highways

Subject: Cost Escalation Compensation Mechanism for National Highway projects due to significant increase in rates of Bulk POL items - reg.

Ref:- (i) Ministry's letter no. NH-24028/03/2026-H dated 01.04.2026 on monthly payment and
(ii) Ministry's letter no. NH-24028/03/2026-H dated 17.04.2026 on Bitumen escalation mechanism in contracts with no price escalation clause
(iii) Ministry's letter no. NH-24028/03/2026-H dated 25.04.2026 on Bitumen escalation mechanism in / HAM Projects
(iv) Ministry's letter no. NH-24028/03/2026-H dated 18.05.2026 clarification regarding applicability on all category of bitumen
(v) Ministry's letter no. NH-24028/03/2026-H dated 29.07.2026 regarding extension of the above circular till 30.09.2026
(vi) Ministry's letter no. NH-24028/03/2026-H dated 17.06.2026 regarding price adjustment mechanism for Petroleum, Oil, and Lubricants (POL) till 30.06.2026

Sir,

Ministry has issued the price adjustment mechanism for Petroleum, Oil, and Lubricants (POL) so as to mitigate the impact of the increase in prices of diesel for industrial use (i.e. Bulk Diesel), oil and lubricants affecting highways construction projects under the present global scenario and as a measure of relief to ensure uninterrupted construction and maintenance of National Highway projects.

2. The increased rate of bulk rate of diesel has been reviewed and observed that difference between the retail and bulk rates are still in a higher range. Accordingly, validity of the above circular at Ref (vi) is being extended for period from 01.10. 2026 till 31.12.2026

3. This circular shall have effect for works done in the period from 1st Oct 2026 to 31st December 2026 only for projects where the bid due date was prior to 1st April, 2026.

4. This issue with the concurrence of IFD and approval of Competent Authority.

Yours faithfully,



(Shoba Basil)

Deputy Secretary (P&M)

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Email: morth.planning@gmail.com

Copy to:

1. All Technical Officers at MoRTH Headquarters
2. Secretary General, Indian Roads Congress
3. Director, IAHE
4. SE (S&R)
5. NIC - with the request to upload on MoRTH website

Copy for information to:

1. Sr. PPS to Secretary (RT&H)
2. Sr.PPS to DG(RD)&SS
3. Sr. PS to AS&FA
4. PPS to All ADGs