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: 17.04.2026

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 surge in fuel, Construction Material Prices and Logistics Cost in respect of STMC & Item Rate work-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, Ministry vide circular no. NH-2408/03/2026-H, dated 01.04.2026 had notified relief measures for EPC and HAM projects having provisions of price escalation. In continuation of the said circular, it is proposed to pay, as a measure of relief, price adjustment for abnormal increase in the prices of Bitumen in respect of Short-Term Maintenance Contracts (STMC), Item Rate & EPC contracts of less than 18 months duration, where no price adjustment mechanism has been provided.

2. For the surge in bitumen prices, price adjustment is proposed for the period from 1st April 2026 to 30th June, 2026 for such contracts having bid due

date before April 2026, as per following formula: -

Price adjustment on Bituminous work

The additional payment on Bituminous work shall be made every Month for changes in prices of Bitumen input in accordance with the formula given below:

V = Q ($W_f - W_o$)

Where,

V= Price adjustment for payment on Bituminous work

Q = Quantity of Bitumen consumed as per actual consumption (Not more than the approved Job Mix formula) (MT).

W_o = Price of Bitumen of nearest IOCL refinery on 01.03.2026 (Per MT).

W_f = Price of Bitumen for the nearest IOCL refinery as per the invoices for the period of work done (Per MT).

2. No price adjustment shall be admissible for items other than Bitumen.

3. For EPC, HAM, item rate and PBMC work (with contract provision of price adjustment), the Ministry Circular No. No. NH-24028/03/2026-H dated 01.04.2026 shall be followed.

4. This issue with the approval of Competent Authority.

Digitally signed by
Harleen Kaur
Date: 17-04-2026
12:06:53

(Harleen Kaur)
Director
Telephone 011-23351967
Email: highway.section@gov.in

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