



सत्यमेव जयते

भारतीय राष्ट्रीय राजमार्ग प्राधिकरण

(सड़क परिवहन और राजमार्ग मंत्रालय, भारत सरकार)

National Highways Authority of India

(Ministry of Road Transport and Highways, Government of India)

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दूरभाष/Phone : 91-11-25074100 / 25074200



भाराराप्रा/ नीति दिशानिर्देश / विविध दिशानिर्देश/ 2026

नीति परिपत्र सं.18.117 / 2026 दिनांक 16th मई, 2026

{(ई-ऑफिस फाइल सं. NHAI/COVID-19/RoadMap /CMD 2020 (कम्प्युटर सं. 5788 पर लिया गया निर्णय)}

NHAI/ Policy Guidelines/ Miscellaneous Guidelines/2026

Policy Circular No.18.117/2026 dated 16th May,2026

{(Decision taken on E-Office File No. NHAI /COVID-19/ RoadMap / CMD/2020(CompNo.5788)}

विषय: बिटुमेन की कीमतों में भारी वृद्धि के कारण ईपीसी/एचएएम/पीबीएमसी के अंतर्गत राष्ट्रीय राजमार्ग परियोजनाओं के लिए लागत वृद्धि प्रतिपूर्ति तंत्र के संबंध में।

Sub.: Cost Escalation Compensation Mechanism for National Highway Projects on EPC/HAM/PBMC due to significant increase in Bitumen Prices - reg:

सड़क परिवहन और राजमार्ग मंत्रालय ने परिपत्र संख्या एनएच-24028/03/2026-एच दिनांक 25.04.2026 द्वारा ईपीसी/एचएएम/पीबीएमसी राजमार्ग परियोजनाओं के निर्बाध निर्माण और अनुरक्षण को सुनिश्चित करने के लिए बिटुमेन की कीमतों में भारी वृद्धि के कारण प्रतिपूर्ति तंत्र के संबंध में दिशानिर्देश जारी किए हैं।

The Ministry of Road Transport & Highways has issued Circular No. NH-24028/03/2026-H dated 25.04.2026 regarding the Cost Escalation Compensation Mechanism for National Highway projects on EPC / HAM / PBMC due to significant increase in Bitumen Prices.

2. उपर्युक्त सड़क परिवहन और राजमार्ग मंत्रालय का परिपत्र ईपीसी/एचएएम/पीबीएमसी के अंतर्गत उन निर्माण और अनुरक्षण परियोजनाओं के कार्यों के लिए लागू होगा जो 1 अप्रैल से 30 जून 2026 के बीच किए गए हैं।

Aforementioned MoRTH's Circular shall be applicable for work done under EPC/ HAM/ PBMC for Construction and Maintenance Projects during the Period from 1st April to 30th June, 2026.

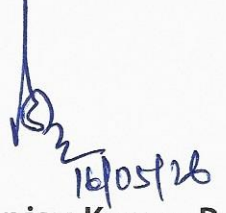
3. सड़क परिवहन और राजमार्ग मंत्रालय द्वारा जारी किए गए उपर्युक्त परिपत्र की एक प्रति परिशिष्ट-1 के रूप में सख्त अनुपालन हेतु संलग्न की जाती है।

A copy of the aforesaid Circular issued by MoRTH is enclosed as Annexure-1 for strict compliance.

Contd....2/-

4. यह सक्षम प्राधिकारी के अनुमोदन से जारी किया जाता है।
This issues with the approval of Competent Authority.

संलग्नक: यथोपरी।
Encl.: As stated above.



(सीएस. संजय कुमार पटेल/ CS. Sanjay Kumar Patel)
प्रभारी मुख्य महाप्रबंधक(समन्वय) (i/c) Chief General Manager (Coord.)

प्रति/ To:

भाराराप्रा मुख्यालय/आरओ/पीआईयू/सीएमयू/साइट कार्यालयों के सभी अधिकारी।
All Officers of NHAI HQ/ ROs/ PIUs/ CMUs/ Site Offices.

प्रतिलिपि/ Copy to:

1. पुस्तकालय की साइट पर प्रकाशन के लिए पुस्तकालय को।
Library for hosting the Circular on Library site.
2. परिचालन के लिए वेब एडमिन को।
Web Admin for Circulation.
3. सचिव, सड़क परिवहन और राजमार्ग मंत्रालय के प्रधान निजी सचिव को सूचनार्थ।
PPS to Secretary, MoRT&H for Kind Information.

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: .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 on EPC / HAM / PBMC due to significant increase in bitumen prices - reg.

Sir,

In order to mitigate the impact of the increase in prices of bitumen 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, Ministry vide circular no. NH-24028/03/2026-H dt 01.04.2026 has notified relief measures for EPC and HAM projects having provisions of price escalation.

2. In continuation of the said circular, it has been further decided to pay price adjustment for significant increase in prices of Bitumen as a special provision.

2.1 Prices of bitumen (Bulk VG-40 grade) were as under:

| Date | Rate of Bulk VG-40 excluding GST @ Mathura refinery (Rs. /MT) |
|------------|---|
| 01.02.2026 | 48,892 |
| 16.02.2026 | 48,962 |
| 05.03.2026 | 51,102 |
| 23.03.2026 | 53,892 |
| 01.04.2026 | 69,862 |
| 16.04.2026 | 82,122 |

2.2. Price adjustment for the significant increase in bitumen prices, only considered monthly, may be adjusted in respect of works undertaken for the period of 3 months w.e.f. 1st April 2026 to 30th June 2026 for EPC / HAM / PBMC projects having Bid Due Date on or before 31st March 2026 and where price escalation provision exists in the Contract / Concession Agreement, as per following formula: -

Price adjustment on Bitumen

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

$$V = Bw * (W_f - W_0)$$

Where,

V = Price adjustment for payment on Bitumen consumed for Bituminous work

Bw = Quantity of Bitumen consumed as per actual consumption (limited to the approved Job Mix formula) in the work actually done during the month

W₀ = Rate of Bitumen at the nearest refinery as on Project base date

W_f = Average rate of Bitumen at the nearest Public Sector Undertaking's (PSU) refinery for the month of work done. (e.g., if rate of bitumen has been changed twice in the month then the average rate as of 1st of month and 16th of the month shall be considered for average rate)

2.3. Price adjustment in EPC / PBMC for items other than bitumen shall be calculated as per the formula given in the contract agreement with modification as indicated in the circular of even no. dated 01.04.2026. However, to avoid duplication in respect of escalation on bitumen, total IPC (Monthly Bill) value shall be reduced by the actual cost of the bitumen consumed in that month for the purpose of calculation of price adjustment.

2.4 Price adjustment in HAM works for items other than bitumen shall be calculated as per the formula given in the concession agreement with modification as indicated in the circular of even no. dated 01.04.2026. However, to avoid duplication in respect of escalation on bitumen, total value of Milestone Payment / monthly payment shall be reduced by the actual cost of the bitumen consumed in that month for the purpose of calculation of price adjustment.

2.5 The price adjustment of bitumen as at para 2.2 above shall be added to the price adjustment for other items at para 2.3 or 2.4 above to arrive at the total price adjustment to be provided

2.6. An illustrative example for calculation of price adjustment is enclosed at **Annexure**.

3. For STMC and other contracts having no provision of escalation, Ministry's Circular No. NH-24028/03/2026-H dated 17.04.2026 shall be followed.

4. This circular shall have effect for works done in the period from 1st April to 30th June, 2026.
5. This issue with the approval of Competent Authority.

Yours faithfully,

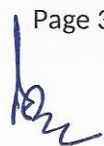
Digitally signed by
Shoba Basil (Shoba Basil)
Under Secretary to the Government of India
Date: 25-04-2026 09:26:04
phone 011-23714001

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



Calculation of Price Variation in EPC Project

| Calculation of Price Variation as per Bitumen Quantity | | | |
|--|---|--------------------|-------------------------------------|
| S. No. | Particulars | Value | Remarks |
| A | Total value of work in the Month of March (In Rs. Cr.) | 50,00,00,000 | |
| B | Total cost of Bituminous work done in the Month of March (in Rs.) | 12,93,14,179 | |
| C | Total Bitumen Quantity consumed as per actual consumption in MT (Bw) | 1347 | Calculated as per Job Mix Formula |
| D | Wo (Price of Bitumen of nearest IOCL refinery on base date per MT) | 42,589 | Rate on Base Date excluding GST |
| F | Wf (Average rate of Bitumen at the nearest IOCL refinery for the month of work done. per MT) ie. March-2026 | 52,499 | Average rate in March excluding GST |
| G | Price adjustment for payment on Bitumen consumed for Bituminous work (V) (in Rs.) | 1,33,48,770 | C*(D-F) |
| Calculation of Normal Variation | | | |
| H | Total Actual Cost of Bitumen on base date (in Rs.) | 5,73,67,383 | (CxD) |
| I | Total value of work done reduced by actual cost of Bitumen (in Rs.) | 44,26,32,617 | (A-H) |
| J | Calculate variation as per clause 19.10 of CA with modification as indicated in the circular of even no. added 01.04.2026 (V1) (in Rs.) | 1,10,00,000 | say |
| | Total Price Variation (V+V1) (in Rs.) | 2,43,48,770 | (G+J) |

| Escalation based on Monthly Bill submitted - HAM Projects | | | |
|--|---|---------------|--|
| S. No. | Particulars | Value | Remarks |
| A | Bid Project Cost (in Rs. Cr.) | 1,575.00 | |
| B | Physical Progress (%) | 74.62 | |
| C | Physical Progress for previous Payment (%) | 70.00 | |
| D | Physical Progress for this payment (%) | 4.62 | B-C |
| E | Physical Progress Equivalent to BPC (in Rs. Cr.) | 72.77 | (D% of A) |
| E1 | Eligible Payment amount for March | 29.11 | 4%X(D/10)*A |
| E2 | Progress of DBM equivalent to BPC (in Rs. Cr.) | 7.25 | % as per Schedule G |
| E3 | Progress of BC equivalent to BPC (in Rs. Cr.) | 12.62 | % as per Schedule G |
| DBM | | | |
| F | Length of DBM in Main carriageway (km) | 7.37 | |
| G | Quantity of Bitumen (VG-40) required for 1km length of Main carriageway(MT) | 73.74 | Calculated from Mix Design |
| H | Length of DBM in Interchange (km) | 1.86 | |
| I | Quantity of Bitumen (VG-40) required for 1km length of Interchange(MT) | 53.10 | Calculated from Mix Design |
| J | Total Bitumen (VG-40) Used for this Payment (MT) | 642.38 | (FxG+HxI) |
| K | Rate of Bitumen (VG-40) in Mar-26 (in Rs. per MT) | 52,497.00 | Average rate in March excluding GST |
| L | Rate of Bitumen (VG-40) in Jan-22 (in Rs. per MT) | 42,590.00 | Rate on Reference Index Date excluding GST |
| M | Cost Escalation in VG-40 due to hike in rate (Rs CR) | 0.6364 | (K-L) x J |
| M1 | Bitumen cost as per Bid due date | 2.7359 | |
| BC | | | |
| N | Length of BC in Main carriageway (km) | 16.46 | |
| O | Quantity of CRMB-60 required for 1km length of Main carriageway(MT) | 85.28 | Calculated from Mix Design |
| P | Length of BC in Interchange (km) | 0.17 | |
| Q | Quantity of CRMB-60 required for 1km length of Interchange(MT) | 61.40 | Calculated from Mix Design |
| R | Total CRMB-60 Used for this Payment (MT) | 1,414.15 | (NxO+PxQ) |
| S | Rate of CRMB-60 in Mar-26 (in Rs. per MT) | 52,497.00 | Average rate in March excluding GST |
| T | Rate of CRMB-60 in Jan-22 (in Rs. per MT) | 44,000.00 | Rate on Reference Index Date excluding GST |
| U | Cost Escalation in CRMB-60 due to hike in rate (in Rs Cr.) | 1.2016 | (S-T) x R |
| U1 | Cost of CRMB as per bid due date | 6.22 | |
| V | Total Escalation due to Bitumen (in Rs. Cr.) | 1.84 | (M+U) |
| V1 | Total cost of Bitumen & CRMB (in Rs. Cr.) | 8.96 | ((M1+V1) |
| Escalation amount on the other component as per WPI and CPI | | | |
| Physical Progress amount = | | 72.77 | E |
| W | Physical progress amount except Bitumen | 63.81 | E-V1 |
| X | Corresponding amount for escalation calculation | 25.52 | 0.4*W |
| Y | Escalation as per WPI and CPI | 0.13 | as per Article 23 of CA |
| Z | Escalation amount on other component | 3.32 | Y*X |
| Z0 | Total escalation amount | 5.16 | Z+V |

| | | | |
|----|---------------------------|-------|-------|
| Z1 | Total bill payment amount | 34.26 | Z0+E1 |
|----|---------------------------|-------|-------|

