

GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS
RAJYA SABHA
UNSTARRED QUESTION NO-2009
ANSWERED ON-17/12/2025

SUBCONTRACTING IN HIGHWAY PROJECTS

2009. SHRI RITABRATA BANERJEE:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:-

- (a) whether it is a fact true that much of the road infrastructure is executed by subcontractors;
- (b) details of the difference between the amount approved by Government (sanctioned cost) and the actual cost at which the project was awarded for highway projects on NH66;
- (c) whether subcontracting at lower costs is affecting the quality and scale of work on NH66; and
- (d) whether Government aims to make policies to discourage subleasing of work beyond one level?

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

(a) & (d) Government of India has issued Model Contract/Concession Agreement for project being executed on Engineering Procurement Contract (EPC)/ Public Private Partnership (PPP) mode, specifying the limit of sub-contracting as well as Request for Proposal (RFP) for finalizing the bidder. In EPC mode, bids are invited on Estimated Civil Cost whereas in Hybrid Annuity Mode (HAM), bids are invited on Bid Project Cost (BPC) which includes interest during construction, financing cost, return on equity in addition to Estimated Civil Construction Cost. Going forward, during the current Financial Year, a policy circular was also issued policy to modified the qualification criteria w.r.t. net worth, single work criteria, technical capacity etc. to prevent the engagement of sub-contractor beyond the specified level.

(b) & (c) The Government is concerned on incidence of low quotes by certain bidders which may affect quality of works being executed. To discourage the same, eligibility conditions have been reviewed and additional bid security linked with bid price has been introduced. There has been quality issue on various works executed on National Highway(NH)-66, which is being examined through engagement of Expert Committee as well as through independent consultants. The action as per the recommendation of Expert Committee is under progress. Further, the details with respect to sanction cost and awarded cost of various project on NH-66 is annexed.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (b) AND (c) OF RAJYA SABHA UNSTARRED QUESTION NO. 2009 ANSWERED ON 17.12.2025 ASKED BY SHRI RITABRATA BANERJEE REGARDING 'SUBCONTRACTING IN HIGHWAY PROJECTS.

S.No	Project Name	NH	Length (in Km)	Mode	Sanctioned Civil Cost /BPC (in Cr)	Awarded Civil Cost/BPC (in Cr.)	Difference between Sanctioned & Awarded Cost (in Cr)
Maharashtra							
1	Panvel - Kasu	66	42.3		251.96	151.26	-100.7
2	Kasu - Indapur	66	42.3		416.69	332	-84.69
Karnataka							
3	Goa/Karnataka border to Kundapura section	66	187.24	DBFOT	1383.47	1118.79	-264.68
4	Constructing VUP with RE Wall Approaches at Chainage Km. 319+960 and Service Road (Chainage Km.319+560 - Km.320+840) on NH-66 at Ambalpady	66	1.28	EPC	33.506	23.53	-9.976
5	Permanent Rectification of Blackspot KA-(02)-304 by Constructing VOP with Retaining wall approaches at Chainage 314+092 and Service Road (Chainage Km.313+650 – Km314+720)	66	1.07	EPC	24.47	21.29	-3.18
6	Construction of VOP at Nanthoor Junction (KA-02-135) at Km. 375+300	66	1.2	EPC	60.29	51.52	-8.77
7	Improvement of Kundapur to Surathkal section and Nantoor to Talapady section of NH66	66	0.53	EPC	137.83	89.45	-48.38
8	Kundapur (Km.283.300) to Surathkal (Km358.686) and Nantoor (Km.1.900) to Talapady (Km.17.200)	66	90.08	BoT	671	Grant Rs. 221.4 Cr. (33% of TPC)	
Kerala							
9	6 laning of Thalappady(Ch 17.2) to Chengala (Ch. 56.2)	66	39.0	HAM	1502	1704.1	202.1
10	6 laning of Chengala (Ch. 56.2) to Neeleshwaram (ch. 93.468)	66	37.3	HAM	1568	1799	231
11	6 laning of Neeleshwaram (Ch. 94.54) to Thalipparamba (Ch. 134.65)	66	40.1	HAM	1940	2251	311
12	6 laning of Thalipparamba (Ch. 137.9) to Muzhapilangadu (Ch. 170.6)	66	30.0	HAM	1758	2038	280
13	Construction of 4-lane ROB near Neeleshwaram Town	66	0.8	EPC	53.04	58.3	5.26
14	Thalassery-Mahe Bypass	66	18.6	EPC	813.66	884	70.34
15	Construction of six lane minor bridge at km 203.160 (Paloli palam) and major bridge(Morad)	66	2.1	EPC	69.85	68.6	-1.25

16	6 laning of Azhiyur (Ch. 189.2) to Vengalam (Ch. 232.1)	66	40.8	HAM	1754.28	1838.1	83.82
17	Construction of an underpass at km 184.850, supply & installation of Street lighting, Construction of Service roads and other miscellaneous works in Thalassery Mahe bypass	66	1.1	EPC	39.41	34.24	-5.17
18	Kozhikode Bypass (i.e. Vengalam Jn. (Ch. 230.4) to Ramanattukara Jn. (Ch.258.8))	66	28.4	HAM	1545.54	1710	164.46
20	Balance work of widening of 4 nos existing 2 Lane major Bridge of Six-laning of Kozhikode Bypass (Calicut Bypass) (i.e. Vengalam Jn. to Ramanattukara Jn.)	66	1.9	EPC	102.02	106.2	4.18
21	6 laning of Ramanattukara (Ch. 258.818) to Valanchery (Ch. 298.5)	66	39.7	HAM	2383.84	2367.5	-16.34
22	6 laning of Valanchery (Ch. 298.5) to Kappirikkad (Ch. 335.85)	66	37.4	HAM	2064.6	2140	75.4
23	6 laning of Kappirikkad (Ch. 335.85) -Thalikulam (Ch 369.015)	66	33.2	HAM	1324.52	1258	-66.52
24	6 laning of Thalikulam (Ch. 369.015)-Kodungallur (Ch. 397.75)	66	28.8	HAM	1693.33	1420	-273.33
25	6 laning of Kodungallur (Ch. 397.75)- Edapally (Ch. 423.78)	66	26.0	HAM	1968.7	1617.2	-351.5
26	6 lane Elevated Corridor from Aroor (Ch. 366.33) to Thuravoor Thekku (Ch. 379.082)	66	12.8	EPC	1993.9	1668.5	-325.4
27	6 laning of Thuravoor Thekku (Ch. 378.612) – Paravoor (CH. 417.0)	66	38.4	EPC	1266.1	1118	-148.1
28	6 laning of Paravoor (Km. 417.000) to Kottukulangara (Km. 454.500)	66	37.5	EPC	1244.2	1152	-92.2
29	6 laning of Kottukulangara (Ch. 454.5) to start of Kollam bypass (Ch. 486.0)	66	31.5	HAM	1454.83	1580	125.17
30	6 laning of Kollam Bypass (Ch. 486.0) to Kadambattukonam (Ch. 517.25)	66	31.3	HAM	1578.7	1385	-193.7
31	6 laning of Kadambattukonam (Km. 517.250) to Kazhakuttom (Km. 547.080)	66	29.8	EPC	819.3	795	-24.3
32	4 laning of Thiruvananthapuram bypass from Kazhakkottam (Km 00.000) to Mukkola Km 26.500)	66	25.0	EPC	623.4	669.06	45.66
33	Construction of New 4-Lane Elevated Highway (2x10.5m wide twin two lane structures) including approaches & service roads connecting Kazhakuttam Junction and Technopark Junction	66	2.7	EPC	219.52	195.5	-24.02
34	4 laning of Thiruvananthapuram Bypass from Mukkola (KM 26/500 to Kerala / Tamil Nadu Border (KM 43/000)	66	16.2	EPC	804.97	497.08	-307.89
35	Rectification of 4 Nos of Blackspot	66	2.4	EPC	98.01	93.1	-4.91
Tamil Nadu							
36	4L of left over works including additional structures in KL/TN Border to Kanyakumari	66	23.7	EPC	1141.78	1041.30	-100.48
