

GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

RAJYA SABHA
UNSTARRED QUESTION NO - 2182
ANSWERED ON - 11/03/2026

CONTRACTORS QUOTING LOW BIDS FOR NHAI PROJECTS

2182. SHRI P. P. SUNEER:

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

- (a) whether it is a fact that there is a recent trend of road contractors quoting low bids of up to 48 per cent less than the estimated project cost largely due to aggressive bidding which usually has a direct bearing on the quality of work;
- (b) whether it is a fact that a number of complaints about the collapse of National Highways and flyovers under construction, particularly in Kerala have been reported recently; and
- (c) if so, the details thereof and action taken against the contractors in these cases?

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

(a) Government engages contractors for project works implementation through a transparent and competitive bidding process in accordance with the prescribed procurement guidelines. In certain cases, bids have been received at rates far lower than the estimated project cost put to tender, primarily due to competitive market conditions and aggressive bidding strategies adopted by the bidders.

To safeguard the interests of the Government and to ensure that quality standards are not compromised, suitable provisions have been incorporated in the bidding documents including requirement of Additional Performance Security. Further, all works are executed strictly in accordance with the relevant codes/manuals prescribed. Independent Engineers/Authority Engineers and regular field inspections ensure supervision and adherence to quality standards at every stage of construction. Independent Quality Audit is also taken up in certain projects where required.

Accordingly, necessary safeguards are in place to ensure that competitive bidding does not adversely impact the quality of National Highway works.

(b) & (c) The details of complaints /failure since 1.01.2025 are annexed.

ANNEXURE REFERRED TO IN REPLY TO PARTS (b) AND (c) OF RAJYA SABHA UNSTARRED QUESTION NO. 2182 ANSWERED ON 11/03/2026 ASKED BY SHRI P. P. SUNEER REGARDING 'CONTRACTORS QUOTING LOW BIDS FOR NHAI PROJECTS'.

Sl. No.	NH No.	State	Name of project	Nature of Complaint	Reason(s) of failure	Action taken against contractor/ concessionaire
1	754A	Gujarat	Sanchor - Santalpur PKG-4 of NH- 754A in Gujarat	Ruts, cracks and surface deformation observed at several locations on the project highway during construction	Ruts, cracks and surface deformation/ Distress was observed recently after rains in June month 2025, severe rutting at some locations during the under Construction period	A monetary penalty of Rs. 2.8 Cr. on the Contractor along with a recommendation for debarment up to one year or until successful rectification, whichever is later. Contractor has taken up repair/ restoration works. Additionally, in view of public safety being compromised, the Contractor has been suspended from participating in any ongoing/future tenders for a period of one month or until full compliance with IRC/MoRTH standards and contractual provisions.
2	NH-6 (old NH-44)	Meghalaya	“Strengthening / improvement including regular maintenance work from Km 120.200 to 171.455 of the project Two Lane with paved shoulders configuration in Jowai-Meghalaya Assam Border Section of NH - 44 from Km 69.200 to Km 173.200 (Design Ch. 171.455) in the state of Meghalaya”	VIP Reference regarding the poor quality of work on NH-6— particularly the stretch at Kulang village. The Hon’ble MP has highlighted that the tar/pavement can be removed by hand, indicating gross negligence, poor execution, and the use of substandard materials by the contractor.	Poor Quality of overlaying leading to slippage of bituminous concrete for a length of approx. 10-15 mt. found	The rectification work have been carried out by the contractor. However, a penalty of Rs. 20,00,000/- was imposed on the contractor for tarnishing the image of NHAI.
3	36	Tamil Nadu (Madurai)	4-laning of Sethiyathope - Cholapuram section from km 65.960 to Km 116.440 of NH-36	Earth Retaining Structures	Inadequate Geotechnical Investigation	1. Penalty of Rs.18.05 Lakh was imposed on 14.01.2026 over the Concessionaire M/s. Patel Infrastructure Ltd. 2. Further, a Penalty of Rs.5.00 Lakh was imposed on the IE, M/s. Theme Engineering Services Private

						Limited.
4	66	Kerala	Chengala-Neeleshwaram	Others	Shotcrete thickness inadequate; nail spacing large; anchorage length insufficient; drainage behind wall inadequate.	NHAI suspended the Concessionaire and its promoter M/s. Megha Engineering & Infrastructure ltd. to participate in future bidding for 01-month period or till Concessionaire proposes remedial measures including rectification of designs of slope protection works with proper geophysical/ geotechnical, studies and demonstrate that such incidence will not repeat at other slope protection locations in the project reach whichever is later. Further, Settlement Agreement was executed on 19.02.2026 between NHAI and Concessionaire. As per para 3.1.2 (b) of SA-2, the Concessionaire shall be solely responsible for slope protection works and to construct and rectify the defective works at its own risk & cost. The Concessionaire/ Promoter self-restrained themselves from participating in the bids of Authority/ Implementing Agencies of MORTH till date. Concessionaire agreed to pay 5% of current value of failed work as per Policy Circular dt.06.10.2021 of MoRTH & 16.11.2021 of NHAI. Concessionaire also agreed to comply with the recommendations of Expert Group and complete rectification works at their own cost.
5	66	Kerala	Neeleshwaram - Thaliparambha	Others	Slope failure	Show Cause Notice issued to Concessionaire on 25.07.2025. Settlement Agreement executed on 19.02.2026 between NHAI and Concessionaire, as per para 3.1.2 (b) of SA-2, Concessionaire shall be solely responsible for slope protection works to construct

						and remedy the defective works at its own risk & cost. The Concessionaire/Promoter self-restrained themselves from participating in the bids of Authority/Implementing Agencies of MoRTH till date. Concessionaire agreed to pay 5% of current value of failed work as per Policy Circular dt.06.10.2021 of MoRTH & 16.11.2021 of NHAI. Concessionaire also agreed to comply with the recommendations of Expert Group and complete rectification works at their own cost.
6	66	Kerala	Azhiyur-Vengalam	Others	Substandard work execution & poor workmanship	A Show Cause Notice dated 31.07.2024 was issued to Concessionaire. Further, another Show Cause Notice dated 07.01.2026 was issued to Concessionaire for other defaults. In response to the Show Cause Notice, the Concessionaire submitted the reply dated 21.01.2026. Personal hearing was given to Concessionaire on 10.02.2026. Final order is to be passed.
7	66	Kerala	Ramanattukara-Valancherry	Earth Retaining Structures	RE wall design inadequate for saturated soils; poor compaction; missing filter media.	Debarment notice issued to M/s. KNR construction Ltd. for debarment upto 1 year + penalty of 5% of Current value of failed work or 0.5% of Contract value of whole work whichever is more. Concessionaire & IE have approached Delhi High Court against such action. Viaduct is being constructed with contractor's own expense of Rs 80 Cr.
8	66	Kerala	Aroor to Thuravoor Thekku	Flyover	Malfunctioning of jack	Key personnel of Contractor and AE have been removed from the project work and debarred for 3 years. Expert Committee's final decision not yet received.
9	66	Kerala	Thuravoor to Paravoor	Bridges	Delay in cross	NHAI, imposed a penalty of

					girder casting and lapse in execution.	Rs. 15.35 Lakhs for ensuring of safe construction of works and a deterrent action in the interest of the Authority and public for ensuring the safe construction of the work. Two officials of Contractor and two officials of Authority Engineer have been terminated from the site.
10	966 A	Kerala	NH connectivity to ICTT at Vallarpadam from Kalamassery to Vallarpadam	Others	Substandard work execution & poor workmanship	Penalty of Rs. 30.74 Cr was imposed on the Contractor.
11	66	Kerala	Kodugallur to Edappally	Others	Substandard work execution & poor workmanship	The Concessionaire has been penalized with a one-year debarment.
12	66	Kerala	Kollam to Kdambattukonam	Bridges	Staging issue & improper supervision	Penalty of Rs. 9.55 Lakh has been imposed on Concessionaire and the Concessionaire has terminated the services of their Engineer responsible.
13	66			Earth Retaining Structures	Deep-Seated Shear Failure (Rotational Slide); Bearing Capacity Failure.	The Concessionaire has been debarred for 01 month or till submission of investigation report.
14	45	Madhya Pradesh	Construction of 4-lane from Manegaon to NH-45, from design Ch. 19.050 to design Ch. 39.180 (Jabalpur Ring Road, Pkg-2) under Bharatmala Pariyojana in the State of Madhya Pradesh EPC Mode.	Bridges	Staging issue and improper supervision	Rs. 1 Cr. penalty imposed to EPC Contractor M/s NKC Projects Pvt. Ltd.
