

LOK SABHA
UNSTARRED QUESTION NO - 2095
TO BE ANSWERED ON 12th FEBRUARY, 2026

Cost Escalation and Delays in Major GAIL (India) Limited Projects

† 2095. SHRI LAXMIKANT PAPPU NISHAD:

पेट्रोलियम और प्राकृतिक गैस मंत्री

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state: -

- a) the names of major projects currently being implemented by GAIL (India) Limited along with their originally approved completion dates and revised target dates, especially with reference to the Mumbai–Nagpur–Jharsuguda (MNJPL) Pipeline, Srikakulam–Angul Pipeline and the petrochemical project at Usar, Maharashtra;
- b) the details of the originally sanctioned cost, the current revised cost and the percentage of cost escalation in respect of each of the said projects;
- c) the details of the major reasons for delays in projects such as forest and environmental clearances, right of way regulatory approvals, poor performance of contractors or other reasons, project-wise;
- d) whether time extensions have been granted to contractors due to delays and if so, the details of liquidated damages, imposed forfeiture of performance bank guarantees or any other penal action taken;
- e) whether accountability has been fixed for the delays and cost escalations; and
- f) whether a monitoring and penalty or incentive mechanism has been implemented to ensure timely execution of the said projects in future, if so, the details thereof?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्यमंत्री
(श्री सुरेश गोपी)

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI SURESH GOPI)

(a) to (f) As per project monitoring portal (Pariyojana) of Ministry of Petroleum & Natural Gas, GAIL (India) Limited is executing 10 projects each costing Rs 500 crore & above with original project cost of Rs 29,054 crore. Out of these major projects, 7 projects are having both time and cost overruns and 3 projects are on schedule. Detail of projects with originally approved completion date, revised target date, originally sanctioned cost, current revised cost, percentage of cost escalation and reasons in respect of all 10 projects including Mumbai–Nagpur–Jharsuguda (MNJPL) Pipeline, Srikakulam–Angul Pipeline and the petrochemical project at Usar, Maharashtra are at Annexure.

GAIL accords Provisional Time Extensions (PTEs) only to ensure continuity of work and avoid disruption to project progress. Such extensions are granted without prejudice to the final determination of delays and do not absolve the contractor of his responsibility. GAIL has a robust Contract and Procurement framework in place for undertaking a comprehensive analysis at the time of contract closure. This mechanism ensures an objective assessment of delay attribution, covering both controllable and uncontrollable factors such as delays in statutory permissions and clearances, site-specific constraints, and the contractor's performance. The evaluation is carried out in line with established

procedures and compliance required to maintain transparency, accountability, and contractual integrity. The contract framework also includes provisions for enforcing appropriate contractual remedies, which include imposition of liquidated damages, performance-related penalties, and forfeiture of the Contract cum Performance Bank Guarantee. Based on these contractual provisions, GAIL has levied a penalty of around Rs 124 crore on different contractors across various projects through project lifecycle.

Annexure

Annexure referred to in reply to parts (a) to (f) in respect of the Lok Sabha Unstarred Question no. 2095 to be answered on 12.02.2026 regarding ‘Cost Escalation and Delays in Major GAIL (India) Limited Projects’

SN	Project Details	Original date of Completion	Revised date of Completion	Original Cost (Cr.)	Revised Cost (Cr.)	Cost Escalation (%)	Reason of Delay
1	500 KTA PDH-PP Project, Maharashtra Usar,	Apr'25	Jun'26	8797	11256	28	Contractual issues, RoU issues
2	Mumbai Nagpur Jharsuguda Pipeline Project, Madhya Pradesh, Maharashtra, Odisha and Chhattisgarh	May'23	Feb'26	7844	8255	5	Land Acquisition, Forest and Wildlife clearance, RoW and RoU issues
3	Kochi - Kootanad - Bengaluru-Mangaluru Pipeline Project Ph-II, Karnataka, Kerala and Tamil Nadu	Dec'12	Mar'26	2915	5909	103	RoW and RoU issues, Land Acquisition, Forest clearance, water body crossing
4	Srikakulam Angul Gas Pipeline Project, Andhra Pradesh and Odisha	Jul'22	Jun'26	2658	2810	6	RoU issues, Forest clearance
5	C2/C3 Vijaipur Pata pipeline, Madhya Pradesh and Uttar Pradesh	Jan'27	Jan'27	1792	1792	0	NA
6	Durgapur Haldia pipeline (Section 3B of JHBDPL project), West Bengal	Dec'20	Mar'26	1740	2493	43	RoU issues, Fisheries issues
7	Dhamra Haldia Pipeline Project, Odisha and West Bengal	Nov'22	Mar'26	1031	1125	9	RoU issues, Fisheries issues
8	PP project Pata, Uttar Pradesh	Jan'24	Dec'26	910	1299	43	Contractual issues
9	Augmentation of DUPL-DPPL Pipeline, Maharashtra	Mar'28	Mar'28	844	844	0	NA
10	Gurdaspur Jammu Pipeline, Jammu & Kashmir (UT) and Punjab	Jul'26	Jul'26	522	522	0	NA
