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Highway builders seek price escalation costs from NHAI

CONSTRUCTION firms including Larsen & Toubro, Gammon India and Unitech have demanded that National Highways Authority of India (NHAI) should pay them for price escalation on 14 highway projects implemented in the Golden Quadrilateral. They are demanding Rs 400 crore from NHAI. "Non-receipt of escalation payments has affected the cash flow, thereby hampering the ability to proceed with work on the stretches," National Highways Builders Federation (NHBF) president B Seenaiyah said.

NHBF, an industry body representing the above mentioned construction firms, has said that for all 14 contracts NHAI has chosen to interpret the price escalation clause in their favour, despite the dispute resolution board ruling in favour of the contractors. Price adjustment in general is intended to protect interests of employer and contractor from decrease or increase in cost of major inputs during construction.