



# NEWSLETTER

## CONSTRUCTION INFRASTRUCTURE UPDATES

TUESDAY, MAY 26, 2026

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Infra projects see cost overrun of Rs 5.65 lakh crore in April  
 The Economic Times,  
 May 26, 2026

### **Synopsis**

*Major infrastructure projects in India have seen significant cost overruns. Projects valued at ₹150 crore or more have collectively exceeded their original budgets by ₹5.6 lakh crore. The total revised cost for 1,981 projects now stands at ₹42.8 lakh crore. Despite these overruns, expenditure on these projects indicates steady implementation progress.*

New Delhi, Infrastructure projects worth above Rs 150 crore each registered a cumulative cost overrun of Rs 5.65 lakh crore, according to a monthly government report for April.

The latest 'Flash Report on Central Sector Infrastructure Projects' showed that the revised cost of all 1,981 projects, each valued at Rs 150 crore or higher, monitored by the statistics ministry, stood at Rs 42,78,402 crore compared to their original cost of Rs 37,12,662 crore.

The Ministry of Statistics and Programme Implementation (MoSPI), in a press release on Monday, stated that as of April 2026, 1,981 ongoing infrastructure projects, with a total revised cost of Rs 42.78 lakh crore, are being monitored across 17 central ministries/departments.

The cumulative expenditure incurred on these projects stands at Rs 20.36 lakh crore, accounting for approximately 47.59 per cent of the revised project cost, indicating steady progress in project implementation.

The Transport & Logistics sector (as per the DEA's Harmonized Master List) accounts for the highest number of ongoing projects (1,459 projects), with revised estimates of Rs 23.34 lakh crore underscoring priority to connectivity-driven infrastructure growth.

The total 1,981 ongoing infrastructure projects include 814 Mega projects (project cost of Rs 1,000 crore and above) with an original cost of Rs 31.63 lakh crore, and 1,167 major projects (project cost below Rs 1,000 crore and up to Rs 150 crore) amounting to Rs 5.49 lakh crore.

Physical and financial progress broadly move in tandem, with a large number of projects clustered at the initial (0-20 per cent) and advanced (81-100 per cent) stages, indicating a pipeline of newly-started projects alongside many nearing completions.

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While physical progress exceeds financial progress in the 81-100 per cent range, financial progress is relatively higher in the early stages, reflecting upfront expenditure patterns in project implementation.

The Ministry of Road Transport & Highways accounts for the highest number of projects, with 1,137 projects (57 per cent), and also commands the largest share of total revised project cost of Rs 10.81 lakh crore (25 per cent), highlighting its central role in national infrastructure development.

The railways ministry is implementing 260 projects (13 per cent), and constitutes the second largest share of total revised project cost at Rs 8.69 lakh crore (20 per cent).

The Ministry of Coal accounts for implementing 128 projects (7 per cent), with a total revised project cost of Rs 2.49 lakh crore (6 per cent).

The Ministry of Petroleum & Natural Gas, Ministry of Power, Ministry of Housing & Urban Affairs, and Department of Water Resources, River Development and GR are implementing 112, 102, 51, and 48 projects, with associated revised costs of Rs 5.19 lakh crore, Rs 5.53 lakh crore, Rs 3.75 lakh crore, and Rs 2.25 lakh crore, respectively.

The remaining 143 projects (7 per cent), with a total revised cost of Rs 4.08 lakh crore (10 per cent), are distributed across various ministries/departments, including higher education, civil aviation, steel, telecommunications, labour & employment, ports, shipping & waterways, health & family welfare, mines, DPIIT, and sports.

Transport and logistics remain the dominant sector, accounting for 55 per cent of total revised cost (Rs 23.34 lakh crore) across 1,459 projects (74 per cent of the total Projects), underscoring the central role of roads and highways, railways, aviation, urban public transport, shipping, and inland waterways in economic integration and logistics efficiency.

The energy sector follows with 27 per cent of aggregated revised cost (Rs 11.30 lakh crore) across 221 projects, reflecting sustained emphasis on oil and gas infrastructure, electricity generation, transmission and distribution networks, and energy storage systems.

Communication infrastructure, with a revised cost of Rs 2.73 lakh crore (6 per cent) across 12 projects, represents targeted interventions aimed at strengthening digital connectivity.

Water and sanitation projects account for Rs 2.30 lakh crore (5 per cent) across 67 projects, highlighting continued focus on essential urban services.

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Social and commercial infrastructure, comprising 77 projects with a revised cost of Rs 0.91 lakh crore (2 per cent), reflects selective investments in education, healthcare, real estate, and tourism, hospitality and wellness.

Projects classified under 'Others', amounting to Rs 2.21 lakh crore (5 per cent) across 145 projects, indicate diversification across sectors, such as coal, steel, metals, and mining.

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## Telangana Govt Limits Excess Bidding To 5 Per Cent For Rs 13,000 Crore HAM Road Projects After Cost Inflation Concerns: Report

Swarajya,  
May 26, 2026

The Telangana government has moved to tighten bidding norms for its delayed Rs 13,000-crore Hybrid Annuity Model (HAM) road development programme after concerns emerged over unusually high quotations submitted by contractors, according to a Times of India report.

Officials have reportedly decided that contracts under the project will only be awarded if bids remain within a maximum 5 per cent excess limit.

The large-scale road infrastructure programme, planned under the HAM framework, had already faced delays of nearly a year after the initial round of tenders failed to attract adequate participation.

Following discussions with construction firms, fresh tenders were floated, drawing bids from several major infrastructure companies.

However, authorities found that quotations in many cases were as high as 23 per cent above the estimated project cost.

The issue soon triggered political controversy, with the opposition BRS alleging irregularities and accusing contractors of operating as a syndicate to inflate prices.

Contractors, however, denied any wrongdoing and maintained that no final contract had yet been awarded.

Several leading firms, including Megha Engineering, KNR Constructions, Raghava Constructions and Bhruna Infra, participated in the bidding process.

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A representative of a contractors' association explained that the higher quotations reflected financing and tax burdens associated with the HAM structure.

Following an internal review comparing HAM projects executed in other states, the findings were reportedly submitted to Chief Minister A Revanth Reddy.

The government subsequently agreed to revise certain project conditions, including GST payment mechanisms and relaxation of mandatory ambulance and road patrolling requirements.

The revised framework was placed before the state cabinet, which granted in-principle approval while insisting that bid values should not exceed the permissible 5 per cent threshold.

If negotiations proceed smoothly, the HAM roads programme may formally commence on 2 June.

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## Centre Clears Rs 414 Crore Elevated Flyover And Service Road Project On NH-66 To Improve New Mangalore Port Connectivity

The Hindu Business Line,  
May 26, 2026

The Centre has approved a major highway infrastructure upgrade on National Highway-66 in coastal Karnataka, paving the way for construction of an elevated flyover and service roads between Baikampady and the KIOCL Junction at an estimated cost of Rs 414.2 crore.

The National Highways Authority of India (NHAI) has already initiated the tendering process for the project.

Dakshina Kannada MP Capt Brijesh Chowta said the proposed corridor is aimed at improving access to the New Mangalore Port and easing congestion in one of the region's busiest industrial stretches.

The project includes development of a 3.1 km road corridor featuring a modern six-lane elevated flyover spanning around 1.5 km.

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The work will be executed under the engineering, procurement and construction (EPC) model.

In addition to the flyover, authorities plan to build nearly 5.8 km of parallel service roads to separate local traffic from heavy highway movement.

The New Mangalore Port Authority will extend support by providing additional land and financial assistance required for implementation of the project.

The announcement comes shortly after approval of another highway improvement initiative involving the construction of underpasses near Baikampady and Kuloor Junction on NH-66 at a cost of Rs 11.6 crore.

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## Rajasthan Government Approves Rs 5,398 Crore Funding Push For Expressways, Highway Expansion And Road Upgrades

Swarajya,  
May 26, 2026

The Rajasthan government has cleared major funding proposals for highway expansion, expressway development, and road modernisation projects across the state, with approvals worth more than Rs 5,398 crore granted during the 131st board meeting of the Rajasthan State Road Development and Construction Corporation (RSRDC) in Jaipur on Sunday (24 May).

The meeting, chaired by Deputy Chief Minister Diya Kumari, focused on accelerating strategic transport infrastructure projects.

Among the biggest approvals was a Rs 4,938 crore loan proposal for land acquisition linked to two key expressway projects — the Kotputli–Kishangarh corridor and the Beawar–Bharatpur expressway.

Both projects are expected to strengthen freight movement, improve regional connectivity and support industrial and commercial development along the proposed routes.

The board also cleared a separate Rs 460 crore loan proposal for upgrading the Nasirabad–Sarwar–Kekri–Deoli stretch of State Highway-26.

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The project includes widening the existing road from two lanes to four lanes and constructing the long-pending Kekri bypass.

In another decision, the board approved a revision in funding for repair works on the Gotan–Bilara–Pundal road. The sanctioned amount for the project has now been increased from Rs 17 crore to Rs 27.87 crore to accommodate expanded maintenance and strengthening works.

Altogether, the board approved 33 regular proposals along with two additional agenda items, including the finalisation of the corporation’s balance sheet for the 2024-25 financial year.

Senior officials from the Public Works, Finance and Transport departments, along with RSRDC executives and engineers, attended the meeting.

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