

Knowledge Management

Semi-Annual Highways and Logistics Compendium 2024 July - December 2024

Semi-Annual Highways and Logistics Compendium 2024



Introduction

This Compendium consolidates all key developments undertaken in the Indian roadways and logistics sector which were circulated as a part of the JSA Prisms and Newsletters during the calendar period from July 2024 till December 2024.

To access the first Semi-Annual Disputes Compendium from January 2024 to June 2024, please <u>click here</u>.

Ministry of Road Transport and Highways

The Ministry of Road Transport and Highways issues circular in relation to treatment of single bids

The Ministry of Road Transport and Highways ("**MoRTH**"), *vide* a circular dated August 28, 2024, clarified the way MoRTH and its constituents, including The National Highways Authority of India ("**NHAI**"), should treat a situation where only a single bid is received pursuant to an open, competitive bidding process. The circular made reference to a letter issued by the Ministry of Finance, Department of Expenditure on October 29, 2021, wherein procuring entities were advised to not assume that receiving single bids is

unacceptable. The letter advised ministries and departments to not automatically go for retendering if a single bid is received. Giving reference to the above letter, MoRTH, through its circular, has specified that single bids received pursuant to open tendering are not rejected automatically provided that certain conditions are satisfied. These conditions states that procurement were satisfactorily advertised, and sufficient time was given to submit the bids; qualification criteria was not unduly restrictive; and price received from the single bid is reasonable in comparison to market values.

The circular also clarified that while determining market value, the evaluation committee constituted for a tender will examine the rates mentioned in the single bid with rates being received from similar contracts elsewhere. The purchase price in such similar contracts may be analysed after considering factors such as inflation during the interim period and geographical conditions.

MoRTH constitutes panel of experts for tunnel projects

On September 6, 2024, noting the mishaps which have occurred in India during tunnel construction, MoRTH issued a circular stating that henceforth proposals for long tunnel projects (length greater than 1.5 (one point five) km) on national highways must be submitted to Director General (Road Development) and Special Secretary for technical review and obtaining expert advice from advisory panel. This has to be done before submitting the proposal for appraisal of standing finance committee/expenditure finance committee chaired by Secretary of Administrative Ministry/Public Investment Board/Public Private Partnership Appraisal Committee.

The proposal to be submitted before the Director General (Road Development) and Special Secretary must include details of geological/geotechnical studies, alignment report, design of tunnel including electromechanical works instrumentation and safety measures during construction and operations along with cost estimates.



MoRTH amends toll notification to enable satellite-based toll collection for national highways

MoRTH, vide circular dated September 9, 2024, amended the National Highways Fee (Determination of Rates and Collection) Rules, 2008 whereby the definitions of 'closed user fee collection system' and 'electronic toll collection infrastructure' are amended to enable levy of fees on vehicles using highways using the 'Global Navigation Satellite System On-Board Unit'. definition of 'electronic toll The collection infrastructure' reads as, "set of equipment comprising of hardware and software which will facilitate electronic collection of user fees through Global Navigation Satellite System On-Board Unit or Automatic Number Plate Recognition Device or Fastag Authentication System ("FASTag") or any combination thereof", while the definition of 'closed user fee collection system' reads as, "a system under which the fee is levied based on the actual distance travelled by a mechanical vehicle, on a national highway or

expressway and collected through Global Navigation Satellite System On-Board Unit or any such device or Automatic Number Plate Recognition Device or FASTag or any combination thereof".

A new defined term 'Global Navigation Satellite System On-Board Unit' is introduced and the phrase is defined as 'a non-transferable and firmly fitted device in a vehicle linked to Global Navigation Satellite System based user fee collection'.

With these amendments to the existing definitions and the introduction of the definition of 'Global Navigation Satellite System On-Board Unit', MoRTH has formalised the usage of satellite-based systems for computation of distance travelled by a vehicle for computation of fees/toll payable.

MoRTH issues amendments to model Engineering Procurement Construction agreement

MoRTH, *vide* circular dated September 12, 2024, issued certain amendments to the model Engineering Procurement Construction ("**EPC**") agreement wherein the provisions related to testing for quality control by the Engineer appointed by the Governmental Authority ("**Authority's Engineer**") was made stringent. Some of the key amendments are as follows:

- 1. as per the model EPC agreement, the Authority's Engineer was required to perform certain tests for determining whether the works carried out by the EPC contractor conform to the specifications and standards. As part of its obligation the Authority's Engineer was required to conduct at least 50% of the number of tests prescribed for each category under the model EPC agreement. Post the amendment, the Authority's Engineer is mandated to witness all quality control tests carried out by the EPC contractor at its site laboratory/main laboratory/field/plants and these tests will include tests for all materials, mixes and products. The Authority's Engineer has also been obligated to witness all tests of finished products like bearings in the manufacturer's laboratory as may be prescribed in the respective standards; and
- 2. prior to the proposed amendment, the model EPC agreement specified that the timing of the tests to be conducted and the acceptance/rejection criteria

would be determined as per IRC Special Publication 11 (Handbook of Quality Control for Construction of Roads and Runways) and the Specifications for Road and Bridge Works issued by MoRTH. However, as per the proposed amendment, the Authority's Engineer must follow the MoRTH specifications for road and bridge works and respective Indian Roads Congress ("**IRC**"), standards/guidelines/manuals along with any other Indian and International standards mentioned thereto. The Authority's Engineer must also ensure that the tests are undertaken on a random sample basis and that these random samples will be in addition to the tests carried out by the EPC contractor.

MoRTH issues guidelines for approval of route alignment of expressways and highways

MoRTH, vide circular dated September 20, 2024, provided certain guidelines which are to be followed proceeding with before any bypasses/realignment/creation of greenfield corridors. The circular notes that bypass/realignment/greenfield corridors are adopted primarily due to the fact that it results in saving of expenditure on account of shifting of utilities and optimises land acquisition cost in built-up areas. Therefore, it is critical to have a streamlined approach when it comes to deciding with adopting such bypasses/realignment/greenfield corridors.

The circular has provided for the formation of a committee chaired by the Secretary, Road Transport and Highways. The circular also specifies that procedure for finalising a highway/expressway alignment will be as follows:

- 1. **Greenfield corridor/project**: The recommendation of the committee will be obtained before finalising the alignment.
- 2. **Combination of greenfield and brownfield expansion**: Where the corridor re-alignment is up to 10 (ten) km or 20% of the project length (whichever is lower), the alignment will be approved as per the guidelines, by the relevant project implementing agency. For all other corridors recommendation of the committee will be obtained before finalising the alignment at the level of the Ministry.



MoRTH issues circular for adopting value engineering practices in construction and maintenance of national highways

MoRTH, *vide* circular dated September 20, 2024, recommended inclusion of value engineering as one of the tasks during the preparation of the Detailed Project Report ("**DPR**") and during the construction and maintenance of highways.

1. Value engineering during preparation of DPR:

- a) value engineering will be assigned as one of the tasks in the terms of reference of the consultant for feasibility study and detailed engineering projects. In the inception report itself, there will be a chapter on value engineering, in which the DPR consultant will include the potential and project-specific value engineering aspects identified by the respective domain experts;
- b) in the feasibility report, the DPR consultant will examine the applicability, durability, constructability and appropriateness of the value engineering aspects. DPR consultant will prepare cost estimates of different items of work involving conventional material/technology and various value engineering options identified and will recommend the optimum option; and
- c) during the project appraisal, in the project appraisal and technical scrutiny committee/ standing finance committee memorandum, there will be a paragraph on the value engineering practices examined/evaluated and finally adopted. The paragraph will also contain a statement affirming that the technical schedules of the bid document are prepared in accordance with this MoRTH circular.

2. Value engineering during construction:

- a) the material/technology used in the project will normally satisfy the requirements of codes, standards, specifications, guidelines of IRC, MoRTH, American Association of State Highway and Transportation Officials ("AASHTO"), Euro Code and British Codes with to regards design, pre-construction, construction, quality assurance, quality control and acceptance;
- b) independent engineer will review/approve the proposed value-engineered design within the stipulated time period specified in the concession agreement in respect of material/technology which satisfies the requirements codes, of standards, specifications, guidelines etc. of IRC, MoRTH, AASHTO, Euro Code and British Codes and material/technology accredited by IRC. While approving the design prepared by the concessionaire following the aforesaid codes, standards, etc., the independent engineer will ensure that the design parameters conform to the conditions of project site;
- c) after acceptance of design, a detailed construction methodology along with requisite details such as proposed machinery/plants/equipment (e.g. purposebuilt soil stabiliser for soil stabilisation), quality assurance and quality control, traffic diversion, environmental compliance, construction sequence and material design, will be submitted to the independent engineer for approval;
- d) Schedule 'H' of EPC contract/Annex-I of Schedule 'G' of Hybrid Annuity Mode ("HAM"), concession agreement will be modified to indicate appropriate stage(s) of value engineered option(s). Such changes in Schedule 'H' or Annexure - I of Schedule 'G' will be incorporated with the approval of competent authority through a supplementary agreement;
- e) the concessionaire will be entitled to retain all the savings accrued to them on account of value engineering practices adopted by the concessionaire; and

ſ for any proprietary product such as reinforced soil wall, retaining wall, expansion joints and bridge bearing, concessionaire will ensure of agreement between signing the concessionaire and technology provider before use of such material/technology/design in the relevant project. Under the agreement the technology provider will be obligated to deploy the requisite design experts/material technologist/skilled and trained construction supervision personnel to certify material testing and material characterisation for design, proof check of the design, approve construction methodology including field trial sections before actual construction, quality control and supervision and certification of the day-to-day construction/execution.

The circular will be applicable to projects for which bids are received on or after November 1, 2024.



MoRTH issues policy guidelines on usage of inert materials for highway construction

MoRTH, issued a circular on September 23, 2024, on the usage of inert materials for highway construction. In its circular, MoRTH has stated that while it is in the process of formulating a definitive policy for usage of processed urban solid waste, plastic waste, etc. for highway construction, it is issuing, as a first step, certain guidelines for the manner in which such materials can be used. Some of the key guidelines are as follows:

 for the project which are under DPR stage, the DPR consultant would examine availability of land-fill site on Gati Shakti portal where a layer of such sites is available. In case, any site is located in the vicinity of top 25 (twenty-five) dumpsites of the country or in the vicinity of 100 (one hundred) km of any dumpsite, concerned Regional Office ("RO")/ Project Implementation Units ("PIUs"), will inform the municipal corporation/other department regarding the upcoming expressway/highway project and the amount of inert material potentially usable in the project. In case, the municipal corporation is ready to supply inert material, a tripartite Memorandum of Understanding ("MoU") must be signed between the Urban Local Body ("ULB")/municipal corporation; NHAI/MoRTH contractor; and the dumpsite remediation project contractor;

- 2. enabling provision may be made in the technical schedule of the agreement mandating use of inert soil in the construction of embankment of highway/roads whoever it is provided on site by local bodies. However, in case a specified quantity of inert material is not supplied, contractor should be allowed to use soil/suitable material without any additional cost to the governmental authority implementing the project;
- 3. for the projects which are under bidding stage and construction stage, the contractor/concessionaire appointed will explore the availability of land-fill site in the vicinity of project stretch. In case any site is located in the nearby vicinity, the concerned RO/PIU will inform the municipal corporation regarding the upcoming road/highway project and the amount of inert material required. In case the municipal corporation/ULB is ready to supply the inert material as per the required quantum, a tripartite MoU must be signed between the ULB/municipal corporation, NHAI/MoRTH contractor, and dumpsite remediation project contractor;
- 4. in cases where the local bodies have not set up facilities for bio-remediation and biomining, the highway contractors can set up such facilities in consultation with the relevant ULB and the machines purchased in this regard would also be considered within overall ceiling of mobilisation advance under respective contract documents; and
- 5. the circular also states that municipal corporations/ULBs need to expedite setting up facilities for bio-mining of municipal solid waste considering these local bodies are being given funds by Ministry of Housing and Urban Affairs,

Government of India. The circular states that Ministry of Housing and Urban Affairs, Director (SBM2.0), would be the nodal officer for resolving issues relating to availability of material.

'Humsafar Policy' for onboarding service providers for wayside amenities along the national highways

On October 8, 2024, the Union Minister for Road Transport and Highways, Shri Nitin Gadkari, introduced the 'Humsafar Policy' in New Delhi, aiming to enhance the travel experience on national highways. The policy aims to benefit all 3 (three) stakeholders namely, service providers, NHAI/MoRTH and commuters.

Some of the key features of the 'Humsafar Policy' are as follows:

- the policy seeks to provide commuters with standardised and hygienic facilities, including food courts, cafeterias, fuel stations, electric vehicle charging stations, parking areas, restrooms, baby care rooms, ATMs, vehicle repair shops, pharmacies, and trauma centres along highways offering consistent, high-quality amenities and enhancing commuter experience by bringing it under purview of MoRTH;
- existing and upcoming service providers, including eateries, fuel stations, and trauma centers, are eligible to register under the 'Humsafar Policy'. Registered providers will gain increased visibility through the NHAI 'Rajmarg Yatra' mobile app, which will feature their services and location support for service providers;
- 3. the policy incorporates environmental considerations such as water and soil conservation, waste recycling, and the use of solar energy, aligning with sustainable development goals;
- the incentives for service providers maintaining an average rating of 3 (three) stars or higher is that the renewal fees for access permissions will be waived; and
- 5. the policy includes provisions for regular monitoring and inspections by third-party agencies to ensure service quality.

The aforementioned policy also details the eligibility criteria for various categories of service providers along with the registration and renewal process. There are provisions for platform linked feedback ecosystem, allowing commuters to rate services. It also outlines robust regular inspection by third-party monitoring agency, and penalties for facilities failing to maintain an average rating of 3 (three) stars or higher, including removal from the '*Rajmarg Yatra*' app and revocation of benefits.

MoRTH issues circular amending Schedule H of the model EPC contract

MoRTH, *vide* its circular dated October 11, 2024, amended Schedule-H of model EPC contract. The amended Schedule H will form part of the future tender documents for national highway projects to be taken up on EPC mode.



MoRTH approves 50 national highway projects in Manipur and 902 (km of road development in hill areas

On October 22, 2024, MoRTH announced that it has approved 50 (fifty) National Highway projects of 1026 (one thousand and twenty-six) km length in Manipur. As per the announcement, out of these highways stretches, 44 (forty-four) projects of 902 (nine hundred and two) km length highway stretch will be situated in the hilly areas of Manipur. From these 44 (forty-four) projects, 8 (eight) projects for 125 (one hundred and twenty-five) km have already been completed and balance 36 (thirty-six) projects of INR 12,000 crore (Indian Rupees twelve thousand crore) comprising of 777 (seven hundred and seventy-seven) km are in progress.

MoRTH issues circular in relation to use of waste plastic in bituminous concrete wearing course mix in national highways construction and maintenance works

MoRTH, *vide* its circular dated November 26, 2024, issued guidelines on usage of waste plastic in bituminous concrete wearing mix for highway construction. In this circular, MoRTH expanded the scope of waste plastic usage by extending its application in highway construction and maintenance projects. This initiative aims to improve road durability while addressing environmental concerns. Some of the key guidelines are as follows:

- identification of waste plastic sources along with its quality and property due diligence and assessment by DPR consultants for the project which are under DPR stage as per IRC: SP:98 -Guidelines for use of waste plastic in hot bituminous mixes (dry process) in wearing courses;
- 2. the enabling provision for using waste plastic must be included in Schedule B of EPC/HAM bid documents mandating the use of waste plastic in bituminous concrete wearing mix for highway construction; and
- 3. DPR consultants are required to implement these above-stated measures and modification of bid document for the projects where bids have not yet been invited with the provision for compensation for variations to DPR consultants depending on the stage of DPR preparation.

The circular will be applicable to both urban and rural national highway projects.

NHAI

NHAI issues circular pertaining to electronic bank guarantees

NHAI, *vide* circular dated July 1, 2024, has taken note of the amendment to the General Financial Rules, 2017 allowing for the submission and acceptance of electronic bank guarantees. Therefore, it has decided

to accept electronic bank guarantees as valid performance security and/or bid security.

NHAI issues Standard Operating Procedures for implementing works by third-party contractors at risk and cost of concessionaire

NHAI, vide circular dated July 8, 2024, issued a policy circular issuing Standard Operating Procedures ("SOPs") which the Authority's Engineers/independent engineers appointed under the concession agreements must follow while appointing third-party/replacement contractors for carrying out works which were not duly performed by the concessionaire/delays caused by concessionaire in completing such works, at the risk and cost of the original contractor/concessionaire. The policy circular, at the outset, specifies that the SOP would be applicable for EPC, HAM, Build Operate Transfer ("BOT"), Toll Operate Transfer ("**TOT**") and item rate contracts/concession agreements. The object and purpose of issuing these SOPs are as follows:

- 1. to establish a risk and cost framework to be followed by the project implementing governmental authority;
- 2. to enable timely identification and replacement of non-performing and/or defaulting contractor/concessionaire;
- 3. to maintain transparency and rationality in execution of works by a third-party contractor at the risk and cost of the contractor/concessionaire; and
- 4. to minimise litigations arising out of ambiguities in the risk and cost procedure.

The circular specifies that the first and foremost step is timely detection by the independent engineer of the delays, lapses, defects, defaults in the construction/maintenance work being carried out by the contractor/concessionaire. The circular lists out a set of Trigger Events ("Trigger Events") which may lead to the independent engineer appointing a thirdparty contractor to complete/carry out the works for which defaults/delays are caused bv the contractor/concessionaire, at the risk and cost of the original contractor/concessionaire.

The circular lays down step wise process to be followed by the independent engineer upon identification of a Trigger Event. Some of the key steps are as follows:

- 1. upon noticing the occurrence of any Trigger Event, independent engineer will within 3 (three) days report to the governmental authority and the contractor/concessionaire, the details of the Trigger Event. The independent engineer will also issue a letter to the contractor/concessionaire with details of the Trigger Event and request the contractor/concessionaire to remedy the defects/complete the works;
- 2. no later than 7 (seven) days from such occurrence, the Authority's Engineer/independent engineer will prepare a proposal to the project director of NHAI containing details about the Trigger Event; analysis of the cause of the Trigger Event; methodology to be adopted with detailed estimation in terms of 'bill of quantities' for executing the works, details of equipment to be deployed, traffic management and measures for ensuring safety; impact of the Trigger Event on the project; recommendation regarding execution of the works through a third-party at risk and cost of the contractor/concessionaire and estimates regarding time and cost for carrying out the works by a third-party; and any other information which may be required;
- the project director will give comments and recommendations to the RO, NHAI within 3 (three) days from the receipt of the proposal from the independent engineer;
- 4. the RO will consider and decide on the proposal within 5 (five) days from the receipt of the same from the project director. Any request for additional information/clarification/further working will have to be responded to by the independent engineer and/or project director immediately so as to enable the RO to meet the aforesaid deadline of 5 (five) days;
- 5. thereafter RO will send the proposal to NHAI Headquarters ("**HQ**"). However, before sending the proposal to NHAI HQ, RO will invite quotation through notice of 15 (fifteen) days for submission of quotation only from the empanelled/onboarded contractor. Simultaneously the project director will immediately also issue a notice to the contractor/concessionaire that the

delayed/incomplete works will be completed by a third-party at risk and cost of the concessionaire. In case, it is expected that the contractor/concessionaire may approach court for obtaining stay/challenge the notice of risk and cost, caveat before the competent court may also be filed by NHAI; and

6. NHAI HQ will provide its decision within 7 (seven) days of the receipt of the proposal from the RO.

In terms of onboarding of replacement/third-party contractor, the circular has prescribed the following procedure:

- each RO will identify and empanel a pool of qualified agencies with requisite expertise based on standard request for qualification document duly approved by NHAI HQ, once in 2 (two) years;
- as and when required, quotations from the above empanelled agencies will be invited through tender notice. The activities related to quotation process will be completed within 22 (twenty-two) days (15 (fifteen) days for submission of bids, and 7 (seven) days for opening of financial bid and issuing letter of award within the next 7 (seven) days' time); and
- in case the L1 bidder does not respond within 7 (seven) days, then 15 (fifteen) days' time will be given to RO for re-inviting the bids/quotes with 15 (fifteen) days' notice again to the empanelled agencies for submitting their bids.

Finally, the circular also specifies the manner in which the cost of the works done by such replacement/thirdparty contractor is to be recovered from the original contractor/concessionaire. The same is as follows:

1. EPC contract: Issuance of 15 (fifteen) days' demand notice to the EPC contractor directing the EPC contractor to deposit the amounts pertaining to the costs incurred in carrying out the works from a third-party agency. The demand notice will be issued within 3 (three) days of the cost computation. If the EPC contractor fails to deposit the risk and cost amount, then the NHAI will take the following steps firstly, recover the amounts against the bills payable to the EPC contractor; if bills are insufficient to recover the risk and cost amounts, then encash and appropriate the performance security, additional performance security (if any) and retention money; in case there is still some outstanding risk and cost amount,

legal action will be initiated for recovery against the EPC contractor.

- 2. BOT concession and HAM concession: Issuance of 15 (fifteen) days' demand notice to the concessionaire directing the concessionaire to deposit the amounts pertaining to the costs incurred in carrying out the works from a thirdparty agency. The demand notice will be issued within 3 (three) days of the cost computation. For the risk and cost works done prior to the appointed date, the said cost as determined by independent engineer will be recovered from the bid security or the performance security. In the event of nonpayment, for the risk and cost works executed during construction period, Operations and Maintenance ("O&M") period and post termination up to 120 (one hundred and twenty) days, the escrow bank will be directed to make payment from the escrow account and debit the same under the head of O&M expenses as per the water fall mechanism.
- 3. **TOT contract**: Issuance of 7 (seven) days' demand notice to the concessionaire directing the concessionaire to deposit the amounts pertaining to the costs incurred in carrying out the works from a third-party agency. The demand notice will be issued within 3 (three) days of the cost computation. In the event of non-payment, for the risk and cost works executed during the concession period and post termination up to 60 (sixty) days, the escrow bank will be directed to make payment from the escrow account and debit the same under the head of 0&M expenses as per the water fall mechanism.

NHAI to charge double toll from vehicles where FASTag is not affixed on front windshield

In order to remove delays arising at toll plazas due to vehicles not affixing FASTag on the front windshield, NHAI, on July 18, 2024, issued guidelines specifying that double the amount of user fees will be collected from vehicles entering a toll plaza lane with FASTag not affixed to the windshield.

When FASTag is not affixed on the assigned vehicle, the said vehicle cannot carry out electronic toll collection transaction at a user fee/toll plaza and upon such default the vehicle will have to pay double toll fee.

Additionally, such vehicles can be duly blacklisted. NHAI has stated that issuer banks have also been directed to ensure fixation of the FASTag to the vehicle at the time of issuance from various point-of-sale.

NHAI has also issued SOP to user fee/toll collection agencies and concessionaires to charge double user fee in case of non-affixation of FASTag on the front windshield.

NHAI forms an Asset Monetisation Cell at HQ

NHAI, *vide* policy circular dated July 29, 2024, formed a dedicated Asset Monetisation Cell ("**AMC**") which will be based out of its HQ. The AMC will oversee the monetisation of completed and operational highway assets of NHAI and fulfil the goal of NHAI's 'Asset Monetisation Program' i.e., to 'unlock the value of investments in public sector assets by tapping into private sector capital and efficiencies which can thereafter be leveraged for capacity augmentation/greenfield infrastructure creation'.

Some of the key functions of the AMC will be as follows:

- 1. conduct market analysis and feasibility studies to identify potential assets of NHAI for monetisation;
- 2. identify suitable projects for monetisation, focusing on those with established toll collection records and potential for revenue generation;
- formation of public Infrastructure Investment Trust ("InvIT");
- 4. engage with stakeholders, including investors, financial institutions and government bodies to facilitate the monetisation process;
- 5. review and ensure the accuracy and completeness of all documentation related to asset monetisation projects;
- 6. maintain a central repository of all data related to asset monetisation in digital format;
- 7. incorporate international best practices and innovative approaches to enhance the efficiency and effectiveness of asset monetisation;
- 8. monitor the performance of monetised assets and ensure timely reporting to senior management of NHAI; and

9. ensure compliance with regulatory standards and guidelines issued by Securities and Exchanges Board of India and other relevant authorities.

The aforementioned policy circular also details the composition of the AMC, qualification criteria for becoming a part of the AMC, the remuneration to be offered to members of the AMC and the tenure of the members of the AMC.



NHAI saves around INR 1,000 crore of interest through its debt payment plan

NHAI, on August 6, 2024, announced that it had successfully completed the pre-payment of bank loan amounting to INR 15,700 crore (Indian Rupees fifteen thousand seven hundred crore). NHAI stated that by retiring this debt ahead of schedule, there will be an estimated savings of around INR 1,000 crore (Indian Rupees one thousand crore) in the form of interests which will no longer have to be paid by NHAI. NHAI estimates that its debt is reduced to approximately INR 3,20,000 crore (Indian Rupees three lakh twenty thousand crore).

This prepayment of the loan amount was entirely made using proceeds received from asset monetisation under the InvIT route. This demonstrates the fact that the asset monetisation program is becoming increasingly successful in reducing NHAI's debt and freeing up funds for other greenfield projects.

NHAI issues SOPs for various types of change of scope proposals

NHAI, *vide* policy circular dated September 9, 2024, clarified whether Clause 16.2 or Clause 16.6 of the model concession agreement for HAM projects will be applicable in relation to change of scope of proposals.

NHAI observed in its circular that this clarification was necessary as it had observed that different technical divisions/ROs/PIUs of NHAI are applying these provisions in an inconsistent manner.

Clause 16.2 of the model concession agreement for HAM projects specifies the procedure to be followed in case the project implementing governmental authority requests for a change of scope and issues a change of scope notice to the concessionaire. The provision states that if the project implementing governmental authority determines that a change of scope is necessary it will issue a change of scope notice to the concessionaire and the concessionaire will inform the governmental authority the impact of such change of scope and the options for implementing such change of scope and the cost and time for implementing the options. Upon receipt of the information from the concessionaire, the project implementing governmental authority agrees upon the cost and time estimates provided by the concessionaire and issues the binding change of scope order to the concessionaire.

On the other hand, Clause 16.6 of the model concession agreement deals with a situation and prescribes the procedure to be followed if the concessionaire fails to complete any construction works on account of force majeure or for reasons attributable to the project implementing governmental authority and due to which there is reduction in scope of work. Clause 16.6 goes on to specify the manner in which the cost of the reduced scope of work is to be computed.

The circular has provided SOP as to which provision is to be applicable in which scenario and some of the key scenarios discussed are as follows:

- 1. **De-scoping of certain length of the project at the beginning/end of the project highway**: In this scenario Clause 16.6 of the model concession agreement must be made applicable.
- 2. De-scoping of bypass from a project highway and inclusion of strengthening of the existing highway (which is being bypassed): The circular specifies that de-scoping of the bypass must be dealt with under Clause 16.6 of the model concession agreement whereas inclusion of strengthening of the existing highways (which is being bypassed) will be covered under Clause 16.2 of the model concession agreement.

- 3. **De-scoping of ramp/loop from a trumpet of a project highway**: This scenario must be dealt with as per Clause 16.6 of the model concession agreement.
- 4. **Replacement of 1 (one) Pedestrian Underpass** ("PUP") with a Vehicular Underpass ("VUP"): Where the cost of the PUP and VUP is INR 10,00,00,000 (Indian Rupees ten crore) and INR 30,00,00,000 (Indian Rupees thirty crore) respectively, leading to a net increase in cost of INR 20,00,00,000 (Indian Rupees twenty crore), the circular specifies that such a scenario must be dealt with as per Clause 16.2 of the model concession agreement.
- 5. **Replacement of 1 (one) VUP with a PUP**: Where the cost of the VUP and PUP is INR 30,00,00,000 (Indian Rupees thirty crore) and INR 10,00,00,000 (Indian Rupees ten crore) respectively, leading to a net decrease in cost. due to replacement of VUP with PUP, the same must be dealt with as per Clause 16.6 of the model concession agreement. However, for the avoidance of doubt, the net reduction of scope will not be INR 20,00,0000 (Indian Rupees twenty crore) but will be worked out as per the method provided in Clause 16.6 of the model concession agreement.



NHAI awards TOT Bundle 16

NHAI announced on September 20, 2024, that TOT Bundle 16 had been awarded to the Highway Infrastructure Trust for INR 6,661 crore (Indian Rupees six thousand six hundred and sixty-one crore). TOT Bundle 16 comprises of a 251 (two hundred and fifty-one) km long stretch on the Hyderabad-Nagpur corridor of NH-44 in the state of Telangana. Under the TOT model, the concession period will be for 20 (twenty) years with concessionaire being obligated to maintain and operate the relevant highway stretch. The concessionaire will have the right to collect and retain user fee for the stretch in accordance with the prescribed fee rates.

The TOT model forms a part of the Government of India's National Monetisation Pipeline program which seeks to monetise government assets. With the award of Bundle 16 of TOT, NHAI has completed asset monetisation worth INR 1 lakh crore (Indian Rupees one lakh crore).



NHAI issues circular making the recording of high-resolution imagery during development, construction and O&M period mandatory

NHAI, through its policy circular dated October 1, 2024, has issued SOPs and guidelines for recording of highresolution imagery of project highways from drones. The following are the key aspects discussed in the circular:

- it will be mandatory for all projects to carry out drone surveys starting from the appointed date till completion of construction. In addition, projects under O&M will also be covered;
- 2. NHAI has also empanelled zone-wise drone service providers for conducting drone survey of the project highway;
- 3. the capturing of high-resolution imagery by the drones will be as per the technical SOPs issued under the circular;
- 4. the data set collected through drone survey will have to pass through system generated quality check to verify/ confirm that the output is in conformity to the SOPs. This assessment will include key parameters such as drone speed, camera angle, coverage, overlap percentages and image quality;
- 5. the videos captured by the drones will be stored by NHAI on its portal, 'Data Lake'. The project-wise

outcomes of the analysed data are available on the data lake portal for the respective stakeholders;

- 6. drone survey of project highway will be carried out in the presence of team leader of independent engineer /Authority's Engineer. The independent engineer /Authority's Engineer will ensure that the quality of drone data is not distorted/tampered with; and
- 7. these surveys are to be finalised during the last week of each month to facilitate the preparation of the monthly progress report.

NHAI issues circular approving the SOP for greening of national highways through Corporate Social Responsibility scheme of plantation

NHAI, *vide* its circular dated October 21, 2024, issued the SOP for greening of national highways through Corporate Social Responsibility ("**CSR**") scheme of plantation. The main objective of NHAI through this SOP is to develop eco-friendly national highways by encouraging CSR participation in plantation activities, thereby contributing to environmental conservation and inclusive growth. The SOP will be applicable to all stakeholders, including corporate entities, government agencies, NGOs, and community groups involved in plantation activities along national highways. Some of the key features of the SOP are as follows:

1. Implementation Framework:

- a) Identification of sites: Suitable sites for plantation are to be identified based on factors like soil type, climate, and available space within the right of way of national highways.
- b) Selection of plant species: Native and locally adapted species to be preferred to ensure ecological balance and higher survival rates.
- c) Plantation techniques: Guidelines to be provided on planting methods, spacing, and post-plantation care to ensure healthy growth.

2. Roles and Responsibilities:

Corporate entities: Provide funding and technical support for plantation activities as part of their CSR obligations.

- a) NHAI: Facilitate coordination amongst stakeholders, provide necessary approvals, and monitor project implementation.
- b) Implementing agencies non-(e.g., governmental organisations, community groups): Execute plantation activities, maintain planted areas, and ensure community involvement.
- 3. **Monitoring and evaluation:** Regular monitoring of plantation sites to assess survival rates and overall health of plants. Use of technology, such as the 'Harit Path' mobile application, to track progress and maintenance activities.
- 4. **Funding and maintenance:** The CSR funds will be utilised for initial plantation and maintenance for a specified period, typically up to 3 (three) years. Post-maintenance, the responsibility may be transferred to local communities or designated agencies for continued upkeep.

This SOP serves as a comprehensive guide to streamline the process of greening national highways through CSR initiatives, fostering collaboration among various stakeholders to achieve environmental and social benefits.

NHAI issues SOP for DPR Cell

Earlier in its policy circular dated May 24, 2024, NHAI had announced the formation of the DPR Cell ("**DPR Cell**"). In continuation of the above, NHAI, *vide* its circular dated October 25, 2024, issued SOP for the DPR Cell. In terms of the process flow to be followed by DPR Cell, the following is proposed:

- technical division to prepare the project specific draft Request for Proposal ("RFP") document based on the standard RFP for DPR, including the cost estimate required therein. The draft RFP will be submitted to DPR Cell by the concerned technical division;
- 2. DPR Cell to review and finalise the draft RFP jointly with technical division, external professional and DPR consultant to see its suitability to the requirement of the project and norms of NHAI;
- 3. technical division will issue the finalised RFP document for selection of DPR consultant. The processing of bids and award of work to the DPR consultant will be done by the technical division.

Technical division will also intimate DPR Cell about the award of project to the relevant DPR consultant along with details;

- 4. DPR Cell will allocate a principal DPR expert for the awarded project and the allocated principal DPR expert will assess the requirement of domain experts for the awarded DPR projects and propose a team for approval of the competent authority;
- 5. the approval of the team for review of the DPR will be intimated to the technical division by the DPR Cell and the concerned technical division will inform the concerned RO;
- 6. on receipt of options for proposed alignment from the DPR consultant, the technical division will forward the same to DPR Cell;
- the DPR consultant and technical division will take cognisance of the comments of the expert team and prepare draft DPR and submit the same to the DPR Cell;
- 8. the DPR Cell will get the draft DPR reviewed from the expert team. The principal DPR expert will ensure that the draft DPR is thoroughly reviewed by the respective experts and specific comments/observations are provided for consideration and incorporation in the final DPR;
- 9. once the above review is concluded, meeting with the competent authority will be conducted for approval of the draft DPR and observations/comments from the competent authority will be incorporated in the final DPR by the technical division and DPR consultant;
- 10. the final DPR to be prepared by the DPR consultant after consideration of all above and will be forwarded to the DPR Cell; and
- 11. the final DPR will be examined by the expert team to ensure that it is prepared in accordance with the deliberations and incorporates all the desired modification/changes. The principal DPR expert will provide certification with regard to suitability and acceptability of the final DPR for adopting the same for further process for implementation of the project.

Apart from the above, the SOPs highlight the key responsibilities of the DPR Cell and this includes advising ROs in overall planning and methodology for desired outcome of DPR preparation; render necessary advice in finalisation of design of various parameters of al highway components as per IRC specifications and standards; assist in incorporating value engineering/innovative practices for enhancing quality output in DPR, relevant to the projects; thorough review draft DPR, final DPR, documents and drawings; develop institutional mechanism and monitoring system to ensure uniform implementation of reviewing process across DPR project lifecycle; and taking stringent action against DPR consultant in consultation with technical division.

The SOPs also set out the terms of reference for the review of the DPRs by the team of experts and the roles and responsibilities of the principal DPR expert and the same can be perused in the circular.



SOP for Goods and Services Tax special audit of change in law in time bound manner with respect to HAM projects

NHAI, *vide* its policy circular dated November 12, 2024, has introduced a renewed SOP consisting of stage wise timelines to expedite the process of finalising contractor/ concessionaire's claim under the change in law clause of a concession agreement for HAM projects in relation to incremental/ differential cost of Goods and Services Tax ("**GST**"). The defined timeline for every stage of audit are as follows:

- 1. appointment of GST auditor by GST cell of NHAI head office within 3 (three) days from submission of proposal by concessionaire to the GST cell;
- 2. GST auditor to submit report within 30 (thirty) days after getting GST related documents from concerned project implementation unit;
- 3. in case Commercial Operation Date ("**COD**") is pending then an interim report is shared by GST auditor and approved by CGM (Finance) within 3

(three) days from the acceptance of report by concessionaire;

- 4. in case the COD is achieved, the GST cell will appoint peer review auditor within 2 (two) days in order to vet the GST auditor's report and this Peer Review Auditor will submit its report within 15 (fifteen) days from the date of letter of award being issued to such Peer Review Auditor; and
- 5. in-principle approval from Member (Finance) within 3 (three) days after the acceptance of report by concessionaire.

NHAI delegates power to release claims releasing 75% compensation for force majeure cost claims under BOT (Toll) due to farmer agitation

NHAI, *vide* its circular dated November 22, 2024, has clarified that the concerned RO of NHAI will have the authority to release 75% of force majeure costs claimed by the concessionaire within 30 (thirty) days of receipt of such claims on account of farmer agitations. In an earlier circular dated July 2, 2021, it was specified that "75% of total claim amount so arrived may be paid immediately so as to keep reconciliation margin" while in a policy circular dated April 19, 2022, it was specified that "On Force Majeure Cost, RO will submit their recommendation to Technical Division and that Technical Division will obtain the Finance Concurrence and will seek approval of Chairman".

There appeared to be an inconsistency between the 2 (two) instructions above and this purportedly led to delays in compensation leading to concessionaires facing cash flow challenges.

Considering the same, NHAI, *vide* its circular dated November 22, 2024, clarified that 75% of eligible force majeure cost claim amounts on account of farmer agitation would be payable to the concessionaire within 30 (thirty) days from receipt of the claim after the RO's approval and after the RO completes verifying the details of the claim. The aforesaid circular further clarifies that the determination of final force majeure cost payable will continue to be governed by the process set out in the circular dated April 19, 2022.



NHAI takes proactive measures to counter reduced road visibility due to fog

At the onset of winter, on November 28, 2024, it was announced by NHAI that mitigation measures will be implemented to ensure and enhance road safety in foggy conditions. The mitigation measures are classified under 2 (two) heads of 'engineering' and 'safety awareness' measures and these are as follows:

- 'engineering measures' will include measures such as reinstalling missing/damaged road signs, rectifying faded or inadequate pavement markings, enhancing visibility of safety devices by providing reflective markers, median markers, providing transverse bar markings in habitations and accident-prone locations, providing solar blinkers on the median openings and replacement of damaged hazard markers signs at diverging and merging locations; and
- 2. 'safety awareness' measures will include measures such as alerting highway users of the reduced visibility conditions with the use of variable message signs or electronic signages to display 'Foggy Weather Alerts' and speed limit messages, usage of 'Public Address System' to warn commuters about maintaining a speed limit of 30 (thirty) km/hour in foggy areas, usage of electronic billboards, radio, and social media for public service announcements as well as distribution of safety awareness pamphlets on toll plazas and wayside amenities and installation of reflective tapes on full width of vehicles on the highways.

In addition to the above, NHAI field officers are directed to undertake night-time highway inspection on regular basis along with independent engineers and concessionaires to assess visibility on highway and identify locations for installing additional safeguards. It has also been decided that highway patrol vehicles will be stationed near dense foggy stretches. The highway operation and maintenance team are directed to carry red/green blinking baton for guiding traffic in case of accidents and ensure collaboration with local law enforcement, ambulance services, and municipal authorities.

NHAI issues clarification pertaining to payment adjustments for bid project cost instalments using the Price Index Multiple

NHAI *vide* its circular dated December 5, 2024, issued a clarification in relation to HAM projects with respect to payment adjustments for bid project cost instalments using the Price Index Multiple ("**PIM**") during construction, especially in cases where project milestones are delayed. The circular has sought to provide a clear distinction between payment adjustments under Clause 23.4 and delay damages levied under Clause 12.3.2 for HAM projects. The key clarifications issued were:

- 1. Clause 23.4 (Payments during Construction Period): The payments against each payment milestone during the construction period are not linked to the project milestones which are mentioned under Schedule G of the concession agreement and that the payments under this clause operate independent of the delay liquidated damages provision i.e., Clause 12.3.2. The circular clarifies that the payment for each payment milestone will be calculated basis achievement of physical progress and the instalments of bid project cost to be issued are adjusted for the PIM mentioned in this clause.
- 2. **Clause 12.3.2 (Damages for Delay)**: If project milestones mentioned in Schedule G of the concession agreement for HAM projects are not achieved within 90 (ninety) days as stipulated in Schedule-G, the concessionaire has to pay damages as specified in this clause.

The circular notes that physical progress percentage (Payment Milestones) under Clause 23.4 differs from the project milestones in Schedule G, supporting the independent nature of the two clauses.

NHAI introduces performance assessment ratings for concessionaires

On December 6, 2024, it was announced that in order to assess the quality of construction and maintenance of national highways, NHAI will be introducing a comprehensive rating system for performance assessment of the concessionaires selected for developing and maintaining national highways.

NHAI announced that a methodology for assessing concessionaires is formulated. under which concessionaires will be evaluated every 6 (six) months and ratings will be uploaded on NHAI website and social media handles. The said methodology will be based on Pavement Condition Index ("PCI") as well as defect rectification compliance on the NHAI One App where around 95 (ninety-five) defects will be notified and monitored digitally. 80% weightage would be given to PCI and 20% weightage would be given to compliance with defect rectification as displayed on NHAI One App.

The PCI is a scientific metric ranging from 0 (zero) to 100 (one hundred), reflecting pavement conditions from 'Excellent' to 'Failed'. The PCI will be calculated based on 6 (six) parameters that include roughness, potholes, cracking, ravelling, rut depth and patchwork. The data for PCI will be calculated using the latest technology such as Laser Crack Measurement Systems through Network Survey Vehicles and will be surveyed and processed through centrally deployed agencies by NHAI under supervision of a dedicated team.

The announcement also states that concessionaires scoring less than 70 (seventy) out of 100 (hundred) will be declared 'non-performers' and will be ineligible for securing new National Highway projects till the rating is improved.

NHAI's subsidiary issues green bonds

It was announced on December 9, 2024, that NHAI's fully owned Special Purpose Vehicle, DME Development Limited has successfully raised INR 775,00,00,000 Crore (Indian Rupees seven hundred and seventy-five crore) from the first of its kind issue of 'Green Bonds' in the roads and highways sector.

It is expected that the proceeds from the issue of these green bonds will be used for expenditure on avenue plantation, median plantation, construction of animal underpasses, natural stormwater drainage, streetlight on renewable energy (solar), waste recycling and reuse and rainwater harvesting on national highways.

The issuance was held under a close bidding system, with the total size of the issue being INR 775,00,00,000 (Indian Rupees seven hundred and seventy-five crore) with a base issue size of INR 500,00,00,000 (Indian Rupees five hundred crore) and a green-shoe option to retain oversubscription up to INR 275,00,00,000 crore (Indian Rupee Two Hundred and seventy-five crore), with a yield of 7.23% per annum.

NHAI issues circular enforcing stricter standards for metal beam crash barrier installation on national highways

NHAI, *vide* its circular dated December 17, 2024, stated that it had come to its knowledge that at several project sites the specifications/drawings which were submitted by concessionaire/contractor (and approved/reviewed by independent engineers) for installation of Metal Beam Crash Barriers ("**MBCB**") are not being followed by the concessionaires.

Therefore, through the aforesaid circular, NHAI has issued guidelines reiterating the standards for installing MBCB on national highways. These include:

- 1. while approving the MBCB, the independent engineers have to ensure that all technical specifications like thickness, material grade, spacing of post, bolts and embossing of the MBCB meets the design standard defined in crash test report;
- 2. the concessionaire/contractors ensure that the material supplied and installed at site should be of same specification as given in crash test report and the documented proof should be obtained by independent engineer from concessionaire/contractor prior to acceptance of the MBCB's installation;
- 3. concessionaire/contractor will have to obtain a certificate from manufacturer that MBCB installed at site is as per prescribed design standards and specifications and submit it to the independent engineer and the project implementing authority; and
- 4. manufacturers have to emboss essential details, including brand name, batch number, steel grade, and other specifications, on each barrier

component. A QR code must be added to the MBCB by the manufacturers, through which the SOP and installation guidelines can be accessed at project sites.



Government of India

The Union Budget 2024 provides a boost for the roads and highways sector

The Union Budget for the financial year 2024-25 was announced on July 23, 2024, and there was positive news for the infrastructure sector which includes the roads and highways sector. The infrastructure sector was provided with a financial allocation of INR 11,11,111 crore (Indian Rupees eleven lakh eleven thousand one hundred and eleven crore) and which is equivalent to 3.4% of India's gross domestic product. Out of this allocation for the infrastructure sector, the allocation for the roads and highways sector was INR 2,78,000 crore (Indian Rupees two lakh seventy-eight thousand crore) which was among the highest of all sub-sectors comprising the infrastructure sector. This was supplemented by the announcement of an INR 26,000 crore (Indian Rupees twenty-six thousand crore) financial allocation for 4 (four) road connectivity projects, namely Patna-Purnea Expressway; Buxar-Bhagalpur Expressway; Bodhgaya, Rajgir, Vaishali and Darbhanga spurs; and additional 2 (two) lane bridge over river Ganga at Buxar.

The Budget also announced that Phase IV of the Pradhan Mantri Gram Sadak Yojana will be launched to provide all-weather road connectivity to 25,000 (twenty-five thousand) rural habitations who have become eligible in view of population increase.

Cabinet approves 8 (eight) important national high speed road corridor projects to improve logistics efficiency, reduce congestion

The Cabinet Committee on Economic Affairs (chaired by the Prime Minister) on August 2, 2024, approved the development of 8 (eight) important high speed road corridor projects at a total cost of INR 50,655 crore (Indian Rupees fifty thousand six hundred and fiftyfive crore). These projects are:

- 1. **6 (six) lane Agra Gwalior national high speed corridor**: This 88 (eighty-eight) km high speed corridor will be developed on a BOT mode as a fully access controlled 6 (six) lane corridor at a total capital cost of INR 4,613 crore (Indian Rupees four thousand six hundred and thirteen crore). The corridor seeks to reduce the distance between Agra and Gwalior by 7% and the travel time by 50%, thereby bringing in a substantial reduction in logistics cost.
- 2. **4 (four) lane Kharagpur Moregram national high speed corridor**: This will be a 231 (two hundred and thirty-one) km, 4 (four) lane access controlled high speed corridor which will be developed under HAM at a total capital cost of INR 10,247 crore (Indian Rupees ten thousand two hundred and forty-seven crore). The establishment of this corridor will reduce travel time from the existing 10 (ten) hours to 3-5 (threefive) hours for freight vehicles between Kharagpur and Moregram, thereby reducing logistics cost.
- 3. 6 Tharad-Deesa-Mehsana-(six) lane Ahmedabad national high speed corridor: This 6 (six) high speed corridor with a length of 214 (two hundred and fourteen) km will be developed in BOT mode at a total capital cost of INR 10,534 crore (Indian Rupees ten thousand five hundred and thirty-four crore). The Tharad-Ahmedabad corridor will provide connectivity between 2 (two) key national corridors in the state of Gujarat, vis., Amritsar-Jamnagar corridor and Delhi-Mumbai expressway, thereby providing connectivity for the freight vehicles originating from industrial regions of Punjab, Haryana, and Rajasthan to the major ports in Maharashtra.
- 4. **4 (four) lane Ayodhya ring road**: The 68 (sixtyeight) km 4 (four) lane access-controlled Ayodhya ring road will be developed under HAM at a total

capital cost of INR 3,935 crore (Indian Rupees three thousand nine hundred and thirty-five crore). It is expected that this ring road will reduce congestion on national highways passing through the city of Ayodhya, thereby enabling fast movement of pilgrims visiting the Ram Mandir. The ring road is expected to provide seamless connectivity to national and international tourists arriving from Lucknow International Airport, Ayodhya Airport and major railway stations in Ayodhya.

- 5. **4 (four) lane section between Pathalgaon and Gumla of Raipur-Ranchi national high-speed corridor**: This corridor will comprise of a 137 (one hundred and thirty-seven) km stretch and will have 4 (four) lanes. The corridor will be developed under HAM at a total capital cost of INR 4,473 crore (Indian Rupees four thousand four hundred and seventy-three crore). The corridor is expected to enhance connectivity between mining areas in Gumla, Lohardaga, Raigarh, Korba and Dhanbad and industrial and manufacturing zones located in Raipur, Durg, Korba, Bilaspur, Bokaro, and Dhanbad.
- 6. 6 (six) lane Kanpur ring road: This section, which will be developed at a cost of INR 3,298 crore (Indian Rupees three thousand two hundred and ninety-eight crore), will complete the 6 (six) lane national highway ring road around Kanpur. This project will be developed in EPC mode and will assist in segregating long-distance traffic on national highways from the city-bound traffic, thereby reducing time for freight vehicles travelling between Uttar Pradesh, Delhi, Bihar, Jharkhand and West Bengal.
- 7. **4 (four) lane northern Guwahati Bypass and widening/improvement of existing Guwahati bypass**: This stretch will comprise of the 121 (one hundred and twenty-one) km Guwahati ring road and will be developed at cost of INR 5,729 crore (Indian Rupees five thousand seven hundred and twenty-nine crore) on BOT mode. This stretch will include construction of a major bridge over the river Brahmaputra. It is expected that this ring road will ease congestion on major national highways around Guwahati, connecting major

cities/towns in the region of Siliguri, Silchar, Shillong, Jorhat, etc.

8. 8 (eight) lane elevated Nashik Phata - Khed corridor near Pune: This will be a stretch of a length of 30 (thirty) km which will be developed on BOT mode at a total cost of INR 7,827 crore (Indian Rupees seven thousand eight hundred and twentyseven crore). This stretch is expected to cater to traffic originating from/heading to industrial centres of Chakan, Bhosari etc. on NH-60 between Pune and Nashik and also alleviate serious congestion around Pimpri-Chinchwad.

Department for Promotion of Industry and Internal Trade

Government finalises city logistics plan for Bengaluru and Delhi

The Department for Promotion of Industry and Internal Trade ("**DPIIT**") on November 21, 2024, announced that the Government had finalised a city level model logistics plan for the cities of Bengaluru and Delhi. The formulation of a city level logistics plan is part of the strategy identified in the National Logistics Policy which was launched in 2022. The logistics plan for these cities seek to provide guidance regarding efficient freight and logistics movement within city limits.

As per DPIIT, the plan will provide a framework and methodological approach from the perspective of a specific city to tailor its vision, objectives and indicators to specific local needs and unique city characteristics, collect relevant data and analyse its freight distribution issues and choose appropriate infrastructure, policy measures and services in collaboration with other relevant actors and stakeholders.

The DPIIT also confirmed that the city level logistics plan will help advance the Government's agenda towards ease of doing business and fulfil India's aim of achieving carbon net 0 (zero) by 2070.

Highways & Logistics Practice

In the highways sector, JSA provides end to end assistance to its clients in all aspects of development and operations including but not limited to setting up of green field projects and documentation in respect thereof such as joint venture agreements, shareholders agreements, foreign direct investment approvals, project financing, EPC contracts, O&M contracts, vetting of tender documents including review of concession agreements and regulatory issues including competition, licensing and tariff matters before various regulatory fora.

JSA advises clients on across the spectrum of contractual, commercial, policy, regulatory and legal issues at all stages of the value chain in the logistics sector – infrastructure such as roads, railways, inland waterways, aviation, ports, and logistics parks, as well as services such as transportation, cold chain facilities, and warehousing. JSA has been regularly engaged in advising project developers, investors, suppliers and contractors on commercial/ transactional issues, advising financial institutions and borrowers in relation to financing transactions and dispute resolution (including arbitration, litigation and representation before various judicial fora).

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