



January - March 2025

This JSA Highways and Logistics Newsletter focuses on key developments undertaken in the Indian roadways and logistics sector between January - March 2025.

Union Budget 2025-26: Fiscal allocation and measures taken for the highways and logistics sector

The Union Budget for the Financial Year ("FY") 2025-26 ("**Budget**"), announced on February 1, 2025, has positive news for the roads, highways and logistics sector. The allocation for the roads and highways sector which was INR 2,78,000 crore (Indian Rupees two lakh seventy-eight thousand crore) in the previous year's budget has been increased to INR 2,87,333 crore (Indian Rupees two lakh eighty-seven thousand three hundred and thirty-three crore). The increased budget would assist in the completion of implementation or large roadways project such as the Bharatmala project.

In terms of the overall infrastructure sector and asset monetisation, the Budget announced that the government would be building on the success of the first asset monetisation plan announced in 2021 and would therefore be launching the second asset monetisation plan for 2025-30. This second plan will plough back capital of INR 10 lakh crore (Indian Rupees ten lakh crore) in new projects. In terms of Public Private Partnership ("**PPP**") projects, the Budget declared that each infrastructure-related ministry will have to come up with a 3 (three) year pipeline of projects that can be implemented in PPP mode and that each state will also be encouraged to do so and can seek support from the India Infrastructure Project Development Fund scheme to prepare PPP proposals. Therefore, it is expected that the Ministry of Road Transport and Highways ("**MoRTH**") will be providing its 3 (three) year roadmap during the course of this FY.

This was supplemented by the announcement in relation to the logistics sector wherein it was declared that India Post will also be transformed as a large public logistics organisation which will meet the rising needs of new entrepreneurs, women, self-help groups, micro, small and medium enterprises, and large business organisations.

Source: [Union Budget Speech 2025-26](#); [Expenditure Budget for MoRTH](#)

National Highways Authority of India achieves robust growth in national highway construction during FY 2024-25

The National Highways Authority of India ("**NHAI**") announced on April 1, 2025, that it has achieved a major milestone by constructing 5,614 (five thousand six hundred and fourteen) km of national highways in FY 2024-25, surpassing the annual target of 5,150 (five thousand one hundred and fifty) km.

Additionally, the year also marked an all-time high in capital expenditure, reaching over INR 2,50,000 crore (Indian Rupees two lakh fifty thousand crore) (provisional), exceeding the INR 2,40,000 crore (Indian Rupees two lakh forty thousand crore) target expenditure. This is a 21% increase over FY 2023-24 expenditure of INR 2,07,000 crore (Indian

Rupees two lakh seven thousand crore). The expenditure included both budgetary support from the government and NHAI's own resources.

The NHAI successfully leveraged 3 (three) key monetisation modes: (a) Toll Operate Transfer; (b) Infrastructure Investment Trust ("**InvIT**"); and (c) toll securitisation—raising INR 28,724 crore (Indian Rupees twenty-eight thousand seven hundred and twenty-four crore) in FY 2024-25, including the highest-ever single-round InvIT receipt of INR 17,738 crore (Indian Rupees seventeen thousand seven hundred and thirty-eight crore).

Source: [*NHAI press release dated April 02, 2025*](#)

NHAI completes record InvIT monetisation

On March 26, 2025, NHAI announced that it has achieved a significant milestone by completing its largest InvIT monetisation to date, raising approximately INR 18,000 crore (Indian Rupees eighteen thousand crore).

1. **Transaction overview:** This fourth round of fund-raising by the National Highways Infra Trust ("**NHIT**"), brings the total realised value over INR 46,000 crore (Indian Rupees forty-six thousand crore) at an enterprise value. NHIT raised about INR 8,340 crore (Indian Rupees eight thousand three hundred and forty crore) in unit capital from domestic and international investors, along with INR 10,040 crore (Indian Rupees ten thousand and forty crore) in debt from domestic lenders.
2. **Investor participation:** The issue witnessed robust demand from both domestic and international investors, including: employees' provident fund organisation with an inaugural investment of INR 2,035 crore (Indian Rupees two thousand and thirty-five crore), L&T PF, Rajasthan Rajya Vidyut Karamchari PF, Indian Oil Corporation PF, Axis Max Life Insurance, NaBFID, Axis Bank, IndusInd Bank, Nippon India, Baroda BNP Paribas, Wite Oak Capital, continued participation from Canada Pension Plan Investment Board and Ontario Teachers' Pension Plan Board.
3. **Utilisation of funds:** The proceeds will be used to acquire 7 (seven) national highway stretches across Andhra Pradesh, Uttar Pradesh, Uttarakhand, Gujarat, and Chhattisgarh at a concession value of INR 17,738 crore (Indian Rupees seventeen thousand seven hundred and thirty-eight crore), which includes a premium of INR 97,00,00,000 (Indian Rupees ninety seven crore).
4. **Portfolio Expansion:** Post-acquisition, NHIT's diversified portfolio will encompass 26 (twenty-six) operational toll roads with 41 (forty-one) toll plazas spanning 2,345 (two thousand three hundred and forty-five) km across 12 (twelve) States, with concession periods ranging from 20 (twenty) to 30 (thirty) years.

Source: [*PIB*](#)

NHAI issues clarification on payment of royalty payments to contractors post the Supreme Court judgment

On March 13, 2025, the NHAI issued a policy circular in response to the Supreme Court of India's landmark judgment dated July 25, 2024, in the case **Mineral Area Development Authority and Anr. vs. Steel Authority of India and Anr.**¹, which held that 'royalty is not a tax' in relation to minerals. As per a previous circular, the NHAI, with the knowledge that the issue of nature of royalty being *sub judice*, before the Supreme Court of India, had mandated that royalty would be payable the contractor/concessionaire in relation to minerals would be paid after obtaining unconditional indemnity bond in favour of the NHAI with a view to protect the financial interest of the NHAI. However, considering the judgment of the Supreme Court of India, under the policy circular of March 13, 2025, the NHAI has now decided to do away with requirement of obtaining indemnity bond to release payment of royalty to the contractor/concessionaires.

Source: [*Policy circular dated March 13, 2025*](#)

¹ Civil Appeal Nos. 4056-4064 of 1999, 2024 INSC 554, Supreme Court of India

MoRTH issues guidelines in relation to periodic maintenance of national highways

The MoRTH, *vide* circular dated February 3, 2025, noted that concessionaires have not been rectifying the defects and deficiencies and not meeting the maintenance requirement as per the provisions of the contract/concession agreement towards the end of the Defect Liability Period (“DLP”). Immediately after the completion of the DLP, when government authorities like NHAI enter into Short Term Maintenance Contract (“STMC”) or Performance Based Maintenance Contract (“PBMC”) with maintenance contractors, it has been noted by the government that the defects and deficiencies not rectified during DLP are so extensive that STMC and PBMC requires inclusion of far more additional terms and conditions than what was contemplated.

Therefore, in order to monitor the performance of the concessionaires, MoRTH has issued certain guidelines which are as follows:

1. **Engineering Procurement Construction (“EPC”) Contracts:** Thorough inspection of the stretches during DLP must be carried out by a team of Regional Officer (“RO”), Chief Engineer (National Highways), (chief general manager/executive director head quarter in case of NHAI/NHIDCL) along-with officials from the Authority Engineer 6 months prior to expiry of the DLP. Detailed report of defect in accordance with Schedule Q of the model EPC agreement issued by the NHAI will be mandatorily prepared and notice may be issued to the contractor for deficiency if any, and its compliance as per Schedule E of the model EPC agreement.
2. **Hybrid Annuity Mode (“HAM”) contracts:** Thorough inspection of the stretches during the concession period must be carried out by a team of RO, Chief Engineer (National Highways), (Chief General Manager/ Executive Director HQ in case of NHAI/NHIDCL) along-with officials from the Independent Engineer 6 (six) months prior to expiry of the concession period in accordance with maintenance manual as defined in Article 17.3 and maintenance program as defined in Article 17.4 of the model concession agreement for HAM projects. Detailed report of defects and deficiencies will be prepared and notice may be issued to the concessionaire regarding the defects and deficiencies and its compliance as per Schedule K of the model concession agreement has to be ensured.

Source: [MoRTH circular dated February 3, 2025](#)

Revised Policy for compensation to be paid to User Fee Collection Agencies for overstay

The NHAI issued a policy circular dated March 26, 2025, introducing a revised methodology for determining compensation arising from the overstay of User Fee Collection Agencies (“UFCA”) beyond the contractual period or post premature termination of the user fee agency contract.

The revised methodology for compensation is as follows:

Remittance to be deposited by the UFCA during overstay = Total collection during the overstay period LESS the UFCA's profit @ 5% of total collection LESS administrative expenses based on Lane Configuration (i.e. up to 4 (four) lanes (2+2): INR 41,000 (Indian Rupees forty-one thousand) per day, more than 4 (four) lanes and up to 8 (eight) lanes (4+4): INR 68,000 (Indian Rupees sixty-eight thousand) per day and more than 8 (eight) lanes: INR 82,000 (Indian Rupees eighty two thousand) per day).

The amount calculated above is irrespective of the remittance to be paid/deposited by the UFCA as per the terms of the user fee agency contract and may be higher or lower than the agreed remittance under the contract.

Source: [Policy circular dated March 26, 2025](#)

NHAI issues standard Request For Qualification for empanelment of agencies for maintenance works on risks and cost of contractor

On July 8, 2024, the NHAI had issued Standard Operating Procedures (“SOPs”) to be followed by regional offices of the NHAI when it comes to implementation of works not performed or not adequately performed by the concessionaire/contractor by a third party at the risk and cost of the original concessionaire/contractor. As per the aforementioned circular, every regional office of the NHAI was required to identify and empanel a pool of qualified third parties/agencies with expertise to perform the works at the risk and cost of the original concessionaire/contractor.

In this regard, on March 3, 2025, the NHAI issued a circular containing the draft of the standard Request For Qualification (“RFQ”) document which will be used by the NHAI regional offices for empanelling the third parties/agencies. The key highlights of this standard RFQ are as follows:

1. **Single entity allowed:** Single entity only can submit the application. No joint venture/consortium is allowed under this RFQ.
2. **Eligibility categorisation:** prequalified applicants/agencies can bid for the project and execute work basis the division into categories of prequalified applicants for participation in specific estimated project cost.
3. **Scope of Work:** Empanelled agencies will execute maintenance tasks of all assets and facilities existing within right of way including maintenance of carriageway, shoulders, median, bridges, culverts, drains, footpaths, road signage etc, and carrying out rehabilitation/initial rectification works, periodical works and improvement works.
4. **Tenure:** The empanelment will remain valid for a period of 2 (two) years, extendable based on performance and NHAI’s discretion.

Source: [Policy circular dated March 3, 2025](#)

NHAI issues clarifications on mandatory onboarding of authority engineer/independent engineer/contractor on Datalake software platform

The NHAI, *vide* circular dated February 11, 2025, has specified that the executive committee of the NHAI has decided to mandatorily onboard the authority engineer/independent engineer on the Datalake software platform before the commencement of services under the relevant concession agreement/contractor. Further, the contractor/concessionaire must be onboarded, before the appointed date of the concession agreement, on Datalake platform to ensure timely mobilisation and adherence to project timelines. The circular also sets out a flow chart and SOPs to be followed for onboarding the authority engineer/independent engineer and the concessionaire/contractor on the Datalake software platform.

Source: [Policy circular dated February 11, 2025](#)

NHAI announces acceptance of Insurance Surety Bonds for mobilisation advance in EPC contracts

On January 2, 2025, the NHAI issued policy circular, which includes provisions for accepting Insurance Surety Bonds (“ISB”) for mobilisation advances in EPC contracts superseding the previous policy circular dated June 13, 2023 in order to reach alignment with the directives from MoRTH regarding amendments made by the Department of Expenditure to the General Financial Rules, 2017.

The new policy allows for the acceptance of ISBs as a valid means of bid security and performance security in EPC contracts, in addition to electronic bank guarantees. This change is applicable to all existing contracts, including those related to road development, toll contracts, and other agreements where a bank guarantee is mandated.

Effective immediately, the decision to incorporate ISBs for mobilisation advances in EPC contracts will lead to amendments in the relevant clauses of standard documents.

Source: [Policy circular dated January 2, 2025](#)

NHAI issues circular setting out SOPs for dispute resolution

On February 13, 2025, the NHAI revised the SOPs for steps to be followed in cases where one or both parties to a concession agreement (government authority or contractor) are dissatisfied with the decision of Dispute Resolution Board (“DRB”) and requires conciliation through the Committee of Independent Experts (“CCIEs”). The steps to be followed under the SOPs are as follows:

Steps and activities	Timelines
Step 1: Scenario A: If contractor is the claimant, it will submit the proposal to GM(Tech) of the NHAI seeking conciliation and proposal will include the name of the project, copy of letter of contractor conveying dissatisfaction on DRB decision, order of preference of 3 (three) CCIEs, copy of recommendation/decision of DRB or if DRB failed to give decision, copies of pleading of parties before DRB, copy of the relevant clauses of the concession agreement/contract. Scenario B: If the NHAI is the claimant, it will submit the proposal to GM(CMD) of the NHAI for referring the matter to CCIE and must also submit the name of the project, copy of letter of the NHAI conveying dissatisfaction on DRB decision, preference of CCIE, copy of decision/recommendation of DRB, copy of the relevant clauses of the concession agreement/contract.	D + 28 days Where ‘D’ is the date of decision of DRB or DRB failed to give decision.
Step 2: (applicable only in case of Scenario A of Step 1) Examine the details submitted by contractor/concessionaire and forward the case to GM(CMD) for referring the matter to CCIE.	D + 35 days
Step 3: Scenario A: When the CCIE preferred by the claimant is available GM(CMD) it must allocate the preferred CCIE or request additional documents and refer the claims to allocated CCIE. Scenario B: When the CCIE preferred by the claimant is not available GM(CMD) it must forward the case to Member-CMD.	D + 38 days
Step 4: (applicable in case of Scenario B of Step 3) Member CMD to allocate CCIE and forward the dispute to GM-CMD for referring the claims to such allocated CCIE.	D + 41 (forty one) days
Step 5: (applicable in case of Scenario B of Step 3) GM (CMD) to issue the referral note	D+ 44 (forty four) days
Step 6: GM (CMD) schedules/reschedules meetings and submits proceedings of CCIE meetings. CCIEs will give recommendation about the possible terms of settlement to both parties, wherever necessary, as per Section 73 of Arbitration and Conciliation Act, 1996.	As per the schedule and dates fixed by CCIE
Step 7: GM (CMD) submits final settlement details when the dispute is ‘Settled’ or ‘Failed’.	NA

In terms of Sections 78 and 79 of the Arbitration and Conciliation Act, 1996, the contractor will deposit INR 5,00,000 (Indian Rupees five lakh) if it is the claimant and the NHAI incurs all expenditure on the conciliation proceedings including payment of fees to the conciliators, provision of office space, expenditure on dedicated expert and secretarial assistance and other incidental expenses.

Source: [Policy circular dated February 13, 2025](#)

NHAI releases guidelines for approval of capacity augmentation, road safety and overlay works

On February 12, 2025, the NHAI issued detailed guidelines for the appraisal and approval of works related to capacity augmentation, road safety, and strengthening/overlay measures. These guidelines are intended to streamline approvals and improve the overall efficiency of highway infrastructure upgrades.

Previously, under the Policy circular dated April 12, 2022, the NHAI had delegated powers to its ROs to approve estimates of long-term measures for rectifying blackspots notified by the MoRTH, with a financial limit of up to INR 50,00,00,000 (Indian Rupees fifty crore) per blackspot. For works exceeding this limit, approval from the concerned member of the NHAI, along with concurrence from the Member (Finance) was required. Further, the policy guidance issued in 2023 allowed ROs to consolidate multiple blackspot rectification works into a single bid, wherever practical.

The NHAI has now identified the need for capacity augmentation across several projects. These include construction of vehicular underpasses, flyovers, service roads, and pavement strengthening/overlay works. As per the new SOP, all costs related to these works will be accounted for under Operation and Maintenance (“O&M”) expenditure of the developed highway sections.

To ensure accountability and enable future reference, the Finance Division of NHAI has been directed to maintain a detailed record of all approved cases and associated O&M expenses. It is also tasked with coordinating with MoRTH to secure the necessary budgetary allocations for executing the proposed works.

Source: [Policy circular dated February 12, 2025](#)

NHAI releases standard Request for Proposal for Detailed Project Report consultants for cattle shelter

On February 25, 2025, the NHAI issued a circular aimed at mitigating road accidents caused by stray animals on national highways. In furtherance to this objective, an amendment has been introduced in the standard Request for Proposal (“RFP”) document for selection of Detailed Project Report (“DPR”) consultants to ensure that the DPR prepared by these consultants will include systematic identification, construction, and management of cattle shelters along highway corridors. The following are the salient features of the amendment:

1. **Identification and development of cattle shelters:** To enhance road safety, the DPR consultant will be responsible for identifying appropriate locations for establishing cattle shelters along national highways and including the same in the DPR. These shelters must have a minimum capacity of 100 (one hundred) cattle, with preference given to utilising surplus land within the existing or proposed right-of-way.

The general arrangement and layout of these shelters will include the following essential facilities like cattle shed, fodder storage, medicine room, paramedical staff, feeding area etc.

2. **Strategic placement of cattle shelters**

- a) In the DPR, cattle shelters will be strategically located at intervals of approximately 50 (fifty) km after considering adjoining the NHAI project stretches.

- b) The selection of shelter locations in the DPR will take into account the density of stray cattle along the national highway. Preference will be given to sites proximate to rural or urban settlements where stray cattle movement is prevalent.

3. **Regulatory compliance for construction, operation, and maintenance**

The DPR consultant will identify and adhere to the applicable legal and regulatory frameworks governing cattle management and accident prevention, which include but are not limited to the Cattle-Trespass Act, 1871, Control of National Highways (Land & Traffic) Act, 2002 and any other relevant statutes, rules, or guidelines issued by the Department of Animal Husbandry, Government of India, local administration, or other competent authorities.

The implementation of these provisions will be the responsibility of the concessionaire/contractor and must be appropriately incorporated into the RFP for civil works.

4. **Funding and implementation under corporate social responsibility initiatives:**

- a) The construction, operation, and maintenance of cattle shelters will fall within the scope of responsibilities of the concessionaire/contractor.
- b) However, the costs associated with these activities will not be included in the overall civil works project cost.
- c) Instead, such activities will be undertaken as part of the corporate social responsibility initiatives of the concessionaire/contractor.

5. **Provisions for the Care and Transport of Injured Cattle**

To ensure humane treatment and care of injured cattle found along national highways, the following facilities will be mandated:

- a) Ramp Facilities – Enabling the safe loading and unloading of injured cattle from vehicles.
- b) Cattle Ambulance Service – Deployment of transport vehicles for the timely transfer of injured cattle to designated veterinary care centres.

Source: [Policy circular dated February 25, 2025](#)

Cabinet approves 2 (two) major ropeway projects under Parvatmala Scheme

The Cabinet Committee on Economic Affairs (“CCEA”) recently approved 2 (two) major ropeway projects under the National Ropeways Development Programme – ‘Parvatmala Pariyojana’ to enhance connectivity and promote tourism in Uttarakhand. The projects are as follows:

1. **Govindghat to Hemkund Sahib Ji ropeway:** A 12.4 (twelve point four) km ropeway at a cost of INR 2,730.13 crore (Indian Rupees two thousand seven hundred and thirty point thirteen crore) under Design, Build, Finance, Operate and Transfer (“DBFOT”) mode. The project features ‘Monocable Detachable Gondola’ technology and Tricable Detachable Gondola (“3S”) designed to carry 1,100 (one thousand one hundred) passengers per hour per direction. It is anticipated that the ropeway will drastically reduce the current 21 (twenty-one) km uphill trek, improving accessibility with an all-weather transport system and boosting tourism to Hemkund Sahib and the Valley of Flowers.
2. **Sonprayag to Kedarnath ropeway:** A 12.9 (twelve point nine) km ropeway at a capital cost of INR 4,081.28 crore (Indian Rupees four thousand and eighty one point twenty eight crore) under DBFOT mode. The project features 3S technology, it will accommodate 1,800 (one thousand eight hundred) passengers per hour per direction. The ropeway will cut down the 8 (eight) – 9 (nine) hour 16 (sixteen) km uphill trek to just 36 (thirty-six) minutes, offering pilgrims a safer, more comfortable, and eco-friendly all-weather travel option.

Source: [PIB](#); [PIB](#) and [PIB](#)

Memorandum of Understanding for Multi-Modal Logistics Park in Varanasi

On March 11, 2025, National Highways Logistics Management Limited (“**NHML**”) and Inland Waterways Authority of India (“**IWAI**”) signed a memorandum of understanding to develop a state-of-the-art Multi-Modal Logistics Park in Varanasi, Uttar Pradesh.

The 150 (one hundred and fifty) acre logistics park will be strategically located with connectivity to major transportation networks, including NH7 via a 650 (six hundred and fifty) meter access road, just 1.5 (one point five) km from the NH7-NH2 junction. The facility will integrate with the Eastern Dedicated Freight Corridor through a 5.1 (five point one) km railway line from Jeonathpur Station and National Waterway-1, while also being situated only 30 (thirty) km from Lal Bahadur Shastri Airport.

This initiative is expected to attract substantial investment and generate employment opportunities, thereby strengthening India's logistics sector, improving trade efficiency, and driving economic growth..

Source: [PIB](#)

First trials of hydrogen-powered heavy-duty trucks flagged off

On March 4, 2025, Union Minister of Road Transport and Highways Shri Nitin Gadkari and Union Minister of New and Renewable Energy (“**MNRE**”) Shri Pralhad Joshi flagged off India's first-ever trials of hydrogen-powered heavy-duty trucks in New Delhi. Developed by Tata Motors, the initiative marks a significant leap toward India's green mobility goals and supports the broader vision of achieving net-zero carbon emissions by 2070. The trial is being conducted under the aegis of the National Green Hydrogen Mission, funded by the MNRE.

The pilot will run for 24 (twenty-four) months, involving 16 (sixteen) trucks equipped with Hydrogen Internal Combustion Engines (H2-ICE) and Fuel Cell Electric Vehicle (H2-FCEV) technology. These vehicles will be tested on some of India's busiest freight corridors, including Mumbai, Pune, Delhi-NCR, Surat, Vadodara, Jamshedpur, and Kalinganagar. The objective is to evaluate the technical and commercial feasibility of hydrogen as a fuel for long-haul freight transportation, with a focus on reducing the environmental footprint of the logistics sector.

Source: [PIB](#)

Cabinet approves 4 (four) lane Patna-Arrah-Sasaram highway project in Bihar

The CCEA has approved the construction of a 120.10 (one hundred and twenty point ten) km long, 4 (four) lane, access-controlled greenfield and brownfield highway corridor connecting Patna – Arrah - Sasaram in Bihar at a capital expenditure of INR 3,712.40 crore (Indian Rupees three thousand seven hundred and twelve point forty crore), under HAM.

The key highlights of this project are as follows:

- a) **Decongestion:** The new corridor addresses significant congestion issues on existing state highways, where travel between Sasaram, Arrah, and Patna currently takes 3 (three) - 4 (four) hours and will decongest key urban areas.
- b) **Connectivity:** The alignment integrates with 5 (five) major national highways (NH-19, NH-319, NH-922, NH-131G, and NH-120) and facilitates access to key transport nodes including 2 (two) airports (Patna's Jay Prakash Narayan International Airport and the upcoming Bihita airport), 4 (four) major railway stations (Sasaram, Arrah, Danapur, Patna), and Patna's Inland Water Terminal along with direct access to Patna Ring Road.
- c) **Employment:** The project is expected to generate 48,00,000 (forty-eight lakh) man-days of employment and support Bihar's socio-economic development.

Source: [PIB](#)

Cabinet approves JNPA Port-Chowk Greenfield Highway Project

The CCEA has approved a new 29.2 (twenty-nine point two) km, 6 (six) lane access-controlled greenfield highway connecting JNPA port (biggest container handling port in India) to Chowk in Maharashtra, at a cost of INR 4,500.62 crore (Indian Rupees four thousand five hundred point sixty-two crore) under Build, Operate and Transfer (“**BOT**”) mode. The alignment starts at JNPA port (NH 348) and ends at Mumbai-Pune Highway (NH-48). The 2 (two) tunnels through the Sahayadri mountains will allow commercial vehicles instead of ghat section.

The key highlights of this project are as follows:

- a) **Decongestion:** This project addresses critical needs as current travel time from JNPA Port to major highways takes 2 (two) – 3 (three) hours due to congestion in urban areas, with traffic volumes of approximately 1,80,000 (one lakh eighty thousand) passenger car units daily.
- b) **Connectivity:** The project will enhance connectivity between JNPA port with the Navi Mumbai International Airport and link to major routes like Mumbai-Pune Expressway, and Mumbai-Goa National Highway. The project becomes especially important with the upcoming operationalisation of Navi Mumbai International Airport in 2025.

Source: [PIB](#)

NHAI delegates enhanced powers to ROs for site clearance approvals

The NHAI *vide* circular dated January 1, 2025, granted enhanced powers to ROs for the approval of resources required for site clearance and removal activities. It aims to streamline decision-making processes at the regional level, ensuring faster project execution and minimising delays caused by bureaucratic approvals. By delegating authority to ROs, the NHAI seeks to expedite the removal of encroachments, unauthorised structures, and other obstructions along National Highways, thereby facilitating smooth construction and maintenance operations.

Under the new framework, ROs are now empowered to sanction necessary resources, including manpower, equipment, and financial allocations, within specified limits. This move is expected to significantly improve the efficiency of site clearance activities by allowing decisions to be made at the regional level without waiting for approvals from higher authorities. The policy also outlines clear guidelines on the scope of delegated powers, ensuring accountability and transparency in the utilisation of resources for site clearance.

Additionally, the circular mandates that ROs maintain proper documentation of all approvals granted under this delegation of authority. Regular reporting mechanisms have been put in place to track the progress of site clearance activities and ensure compliance with prescribed guidelines.

Source: [Policy circular dated January 1, 2025](#)

Clarification on FASTag transaction rules

The NHAI issued a clarification on February 18, 2025, regarding recent news about changes to FASTag transaction rules wherein it was reported that transactions on FASTags would be declined if such FASTags are not active for more than 60 (sixty) minutes prior to read time and up to 10 (ten) minutes after read time pursuant to a circular issued by National Payments Corporation of India (“**NPCI**”). The NHAI clarified that the said circular from the NPCI will not impact the customer experience at toll plazas.

The NHAI has clarified that the circular from the NPCI was specifically designed to resolve disputes between banks and ensure timely transaction processing at toll plazas and would not affect the end user. The NPCI circular was issued with the aim to ensure that the FASTag transactions are created within reasonable time of vehicle passing a toll plaza so that customers are not harassed by late transactions.

The NHA clarified that all national highway toll plazas currently operate on the Interface Control Document (ICD) 2.5 protocol, which provides real-time tag status updates, allowing users to recharge their FASTags at any time before crossing. Some state highway toll plazas still use the older ICD 2.4 protocol, which requires regular tag status updates. These facilities are scheduled to be upgraded to the ICD 2.5 protocol soon.

Source: [PIB](#)

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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12 Ranked Lawyers



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