



भारतीय राष्ट्रीय राजमार्ग प्राधिकरण

(सड़क परिवहन और राजमार्ग मंत्रालय, भारत सरकार)

National Highways Authority of India

(Ministry of Road Transport and Highways, Government of India)

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NHA/ Policy Guidelines/ Commercial Operations/ 2025

Policy Circular No. 17.7.12/2025 dated 17th October, 2025

{Decision taken on E-Office File No. IHMCL-14011(15)/22/2024-IHMCL-Part(10) (Comp. No.294978)}

Sub: Compensation Mechanism for Annual Pass in BOT (Toll), InvIT and TOT Projects: SOP -reg.

The Ministry of Road Transport & Highways (MoRTH), vide Gazette Notification No. 388(E) dated 17.06.2025, has inserted sub-rule (3B) in Rule 9 of the National Highways Fee (Determination of Rates and Collection) Rules, 2008, thereby introducing the concept of an Annual Pass with effect from 15.08.2025. The Annual Pass, priced at ₹3,000/- for FY 2025-26, entitles the holder to either 200 Toll-free crossings or One year of validity whichever occurs earlier.

2. Further, MoRTH vide Circular No. H-25011/11/2024-Toll (E-245444) dated 11.08.2025, has mandated the implementation of the Annual Pass across all National Highways and National Expressways. The circular also clarifies that this amendment in the Fee Rules shall be treated as a Change in Law for the purposes of contractual implications in BOT (Toll), TOT and InvIT projects whose bid due date preceded 17.06.2025.

3. After detailed consultations with stakeholders, MoRTH vide Circular No. H-25011/05/2025-Toll (E-245443) dated 01.09.2025 has notified a fair compensation framework for addressing revenue losses arising out of the Annual Pass in BOT (Toll), TOT and InvIT Projects.

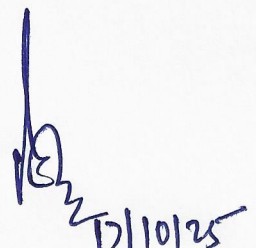
4. In pursuance thereof, a Draft Supplementary Agreement (**Annexure-A**) aligned with the notified compensation mechanism was deliberated in the 683rd Executive Committee meeting held on 19.09.2025. It has been decided that the following Standard Operating Procedure (SOP) shall be followed for releasing compensation to the eligible Concessionaires:

- The concerned GM (T) shall execute the Supplementary Agreement with Concessionaires of BOT (Toll) Projects while the GM (F&A) shall execute the same with Concessionaires of TOT/InvIT Projects. All Supplementary Agreements must be signed at the earliest.
- Closed Toll Plazas shall be considered in pairs of entry and exit for the purpose of compensation. Compensation shall accordingly be computed for each such pair.
- The concerned GM (T)/GM (F&A) shall obtain Electronic Toll Collection (ETC) data from IHMCL to compute the Plaza Constant in accordance with the Supplementary Agreement.
- Compensation shall be computed through a dedicated Compensation Portal developed for this purpose which has been integrated with NPCI for Annual Pass transaction data.

Contd...2/-

- e. Compensation payments shall be released weekly by the F&A Division, NHAI HQ with a one-week buffer (e.g., compensation for 1st Week shall be disbursed by the Tuesday of the 3rd Week). Intimation of payments made by HQ shall be communicated to the respective PIUs for record-keeping.
 - f. A quarterly reconciliation shall be carried out by F&A, both for payments made and for exemption data in terms of para 3(ii) of MoRTH Circular dated 01.09.2025.
5. This issue with the approval of Competent Authority.

Encl.: As stated above.


(CS. Sanjay Kumar Patel)
I/c Chief General Manager (Coord.)

To:

All Officers of NHAI HQ/ ROs/ PIUs/ CMUs/ Site Offices

Copy to:

1. Hindi Division for translation in Hindi.
2. Library for hosting the circular on library site.
3. Web Admin for circulation.

DRAFT SUPPLEMENTARY AGREEMENT

(to the Concession Agreement dated // ____)

This **Supplementary Agreement** ("Supplementary Agreement") is made on this ____ day of _____, 2025 at _____

BY AND BETWEEN

National Highways Authority of India, constituted under the National Highways Authority of India Act, 1988, having its office at G-5 & 6, Sector-10, Dwarka, New Delhi - 110075 (hereinafter referred to as the "**Authority**" or "**NHAI**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns),

AND

M/s _____, a company incorporated under the provisions of the Companies Act, 1956/2013 having its registered office at _____ (hereinafter referred to as the "**Concessionaire**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns).

(The Authority and the Concessionaire are hereinafter individually referred to as a "**Party**" and collectively as the "**Parties**").

RECITALS

Whereas:

The Parties have entered into **Concession Agreement** dated ____ ("**Concession Agreement**") for the development of [•] on [for e.g. *Design, Build, Finance, Operation and Transfer basis*] ("**Project**").

A. Ministry of Road Transport and Highways (MoRTH) Government of India vide Gazette Notification G.S.R. 388(E) dated :17-06-2025 insert sub-rule(3B) after rule 9 (3A) of NH Fee (Determination of Rates and Collection) Rules, 2008. The notification is part and parcel of this agreement (Annexure - "A").

B. As per sub-rule(3B), a person who owns a mechanical vehicle registered for non-commercial purpose, having a valid and functional Fastag, shall be eligible to obtain a pass on payment of fee of Rupees Three Thousand which shall be valid for one year or for Two Hundred crossings through any fee plaza on a National Highway, whichever is earlier, irrespective of the fee leviable at each fee plaza.

C. Consequent upon introduction of new Fastag as per notification dated :17-06-2025, it is likely to cause revenue shortfall to the Concessionaire in the collection of user fee as envisaged under the Concession Agreement. In order to compensate the revenue shortfall to the Concessionaire, MoRTH, has introduced an Annual Pass Scheme vide Circular No. H-25011/05/2025-Toll (E-255443) 01.09.2025 ("**MoRTH Circular**"). MoRTH Circular is guiding principle to calculate the amount and forms part and parcel of this agreement (Annexure - "B").

D. In order to ensure continuity of operations and to maintain the financial equilibrium of the Concession Agreement, the Authority has agreed to compensate the Concessionaire for such shortfall in accordance with the methodology and principles set out in the MoRTH Circular.

E. The Concessionaire with own volition and NHAI have agreed to adopt the ibid circular and notification aforesaid to compensate the short fall in toll collection in the subject project.

F. Accordingly, the Parties are entering into this Supplementary Agreement to record their mutual understanding and agreement without coercion or undue influence.

G. In the above backdrop, the Parties have considered the terms and conditions that have been agreed to by and between the Parties after intense discussions and consultations and set out hereinafter in this Supplementary Agreement and found the same to be in their respective interest. Further, the Parties while executing the Supplementary Agreement, have fully understood of the financial losses and the benefits arising out of it and the Parties have analysed such financial implications vis-a-vis their interest and after having fully satisfied, the Parties have decided without demur to enter into this Supplementary Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Applicability of Annual Pass Scheme

The Parties acknowledge and agree that the Annual Pass Scheme, as notified by MoRTH vide Gazette G.S.R. 388(E) dated :17-06-2025 issued notification to insert sub clause (3B) after rule 9 (3A) of NH Fee (Determination of Rates and Collection) Rules, 2008 and Circular No. H-25011/05/2025-Toll (E-255443) dated 01.09.2025, shall be applicable to the Project Highway, and the Concessionaire shall extend its benefits to eligible road users.

2. Revenue Shortfall and Compensation

(a) The Parties agreed that the Concessionaire shall be compensated by the Authority for the revenue shortfall, if any, arising solely on account of the implementation of the Annual Pass Scheme as per ibid notification and MoRTH Circular.

(b) The methodology, calculation, and settlement of such compensation shall be strictly in accordance with the provisions of MoRTH Circular.

(c) The parties agree to calculate the Compensation for <Name of Toll Plaza(s)> in terms with the MoRTH Circular dated 01.09.2025 as under:

Daily Compensation - $A \times NAP \times F$

Where

A : Plaza Constant for <Name of Toll Plaza>

= <Calculated Plaza Constant> (Calculation at Annexure-C)

NAP - Number of Annual Pass Transactions subject to limit set in para 3(i) of the MoRTH Circular No. H-25011/05/2025-Toll (E-255443) dated 01.09.2025

F = Single Side Fare applicable on the day

<Add formula for More Plazas if more than one Plaza in Project>



(d) The compensation payable to the Concessionaire for the preceding period shall be centrally disbursed by NHAI Headquarters on a weekly basis, ordinarily every Tuesday, in respect of the alternate preceding week, as computed through the Compensation Dashboard established for this purpose. For avoidance of doubt, the compensation accrued for Week-1 shall be disbursed in Week-3.

(e) The Claims shall be reconciled by NHAI HQ as per the method outlined in para 3(ii) of MoRTH Circular No. H-25011/05/2025-Toll (E-255443) dated 01.09.2025.

(f) The parties agree that the Compensation mechanism may be reviewed after 31.03.2026, based on the emerging trends and adoption levels of the Annual Pass.

3. No Other Claims

Save and except for the compensation mechanism provided under this Supplementary Agreement read with MoRTH Circular, the Concessionaire shall not raise any additional claim, damages, or compensation from the Authority in relation to the Annual Pass Scheme.

4. Continuity of Concession Agreement

Except as expressly modified by this Supplementary Agreement, all provisions of the Concession Agreement shall remain unaltered and continue to be binding on the Parties.

5. COSTS AND EXPENSES

Each Party shall bear its own costs and expenses incurred in connection with the execution of this Agreement and all acts, deeds and things contemplated to be done under this Agreement. The cost of stamp duty for the signing of this Agreement shall be borne by the Concessionaire.

6. Miscellaneous

(a) This Supplementary Agreement shall form an integral part of the Concession Agreement.

(b) The Parties acknowledge that this Agreement is in their respective interest and are executing this Agreement without any coercion or undue influence.

(c) In case of any conflict between the provisions of this Supplementary Agreement and the Concession Agreement, the provisions of this Supplementary Agreement shall prevail to the extent of such conflict.

(d) Words and expressions used herein but not defined shall have the meaning assigned to them in the Concession Agreement. Parties represent that this Supplementary Agreement does not breach or violate any law, rule and the provisions of its contractual documents and shall be read in addition/ alteration/amendment/modification/variation to the terms of the Contract/Concession Agreement dated.....



(e) Parties represent that this Supplementary Agreement sets forth and constitute the entire understanding of the parties regarding the subject matter hereof. No amendment or modification hereto shall be valid or effective unless such modification or amendment is agreed to in writing by the parties and duly executed by the persons especially empowered in this behalf by the parties.

(f) Parties undertake and agree to co-operate each other and shall take all actions which may be necessary or appropriate to give full force and effect to the terms and intent of this Supplementary Agreement.

(g) Parties executing this Supplementary Agreement hereby testify and confirm that they are duly empowered and authorized to execute this Supplementary Agreement and to perform all its obligations in accordance with terms herein.

(h) Both the Parties hereto have read, understood and signed the present Supplementary Agreement and the parties have unconditionally, without demur/duress, any pressure from any party or guided by compulsion of any internal circular/guidelines of parties and on their own volition agreed to all the covenants stated in this Supplementary Agreement. Parties had also examined all the terms and conditions and agreement from the Legal Counsels of their choice.

IN WITNESS WHEREOF, the Parties hereto have executed this Supplementary Agreement on the day, month and year first above written.

For and on behalf of

National Highways Authority of India

(Name, Designation, Seal)

For and on behalf of

M/s _____ (Concessionaire)

(Name, Designation, Seal)

Witnesses:

