

INFORM: Infrastructure Projects & Finance

MAY 2026

We bring you the latest updates on the dynamic intersection of infrastructure projects with banking and finance. Join us to navigate the evolving landscape of infrastructure curated to empower you with strategic intelligence.

»» HIGHLIGHTS

CASE LAWS:

1. Supreme Court Upholds Union's Competence to Levy Toll on National Highways
2. Bombay High Court Upholds Enhanced Compensation in NH Land Acquisition Arbitration
3. Supreme Court Clarifies Limits of Incorporation of Arbitration Clauses in LOIs
4. Delhi High Court Reaffirms Limited Judicial Review in Termination of Toll Contracts
5. Madras High Court Upholds Rejection of Abnormally Low Bid and Cancellation of Tender

NOTIFICATIONS/CIRCULARS:

1. Exemption from Income Tax on Land Acquisition Compensation under NH Act Clarified
2. MoRTH Enforces Portal-Based RoW and Access Permissions
3. MoRTH Introduces Interim Measures on Cost Escalation for Highway Projects
4. MoRTH Revises Normative Construction Periods for NH Projects
5. SEBI Rationalises Investment Flexibility for REITs and InvITs
6. Ministry of Power Advises Use of Insurance Surety Bonds in Procurement Frameworks
7. RBI Introduces Targeted Exemption for Select NBFCs under SBR Framework
8. MNRE Clarifies Regulatory Treatment of ESS under FDRE Framework

QUICK READS:

1. Goa PWD Introduces Performance-Based Maintenance Contracts for Road Stretches
 2. Government Eyes Insurers, Pension Funds to Deepen Infrastructure Financing
 3. Push Towards 100% Land Acquisition for Highway Projects
 4. India Seeks Safeguards for Chabahar Port Amid Sanctions Uncertainty
-

»»» CASE LAWS



Supreme Court Upholds Union's Competence to Levy Toll on National Highways

The Hon'ble Supreme Court of India, in *T.S.R. Venkatramana v. Union of India & Ors.* (SLP (C) Diary No. 72032/2025, order dated March 25, 2026), dismissed a challenge to the Union of India's power to levy toll on National Highways (NHs), holding that such levy falls within the legislative domain of Parliament.

[Read More](#)

Bombay High Court Upholds Enhanced Compensation in NH Land Acquisition Arbitration

The Bombay High Court, in *National Highways Authority of India v. Bhaskar Ninu Zambare & Ors.* and connected appeals (Arbitration Appeal Nos. 103, 104, 106, 108 of 2025, judgment dated April 1, 2026), dismissed a batch of appeals filed by the NHAI, thereby upholding arbitral awards granting enhanced compensation to landowners whose lands were acquired for highway widening under the National Highways Act, 1956.

[Read More](#)



Supreme Court Clarifies Limits of Incorporation of Arbitration Clauses in LOIs

The Hon'ble Supreme Court of India, in *Maharashtra State Electricity Distribution Company Limited & Ors. v. R Z Malpani* (Civil Appeal arising out of SLP (C) No. 36889 of 2025, judgment dated April 9, 2026), set aside the order of the Bombay High Court appointing an arbitrator under Section 11 of the Arbitration and Conciliation Act, 1996, holding that no valid arbitration agreement existed between the parties.

[Read More](#)





Delhi High Court Reaffirms Limited Judicial Review in Termination of Toll Contracts

The Hon'ble Delhi High Court, in *Md. Karimunnisa v. National Highways Authority of India & Anr.* (W.P.(C) 4817/2026, judgment dated April 20, 2026), dismissed a writ petition challenging the premature termination of a toll collection contract by the National Highways Authority of India (NHAI), reiterating the limited scope of judicial review in contractual matters involving public authorities.

[Read More](#)

Madras High Court Upholds Rejection of Abnormally Low Bid and Cancellation of Tender

The Hon'ble Madras High Court, in *M/s. P & C Projects Pvt. Ltd. v. Union of India* (W.P. Nos. 9067 & 10127 of 2026, judgment dated April 16, 2026), dismissed a challenge to the rejection of the lowest (L-1) bid and cancellation of a tender process on the ground of an "abnormally low bid," reaffirming the limited scope of judicial review in contractual and tender matters.

[Read More](#)



»» NOTIFICATIONS/CIRCULARS



Exemption from Income Tax on Land Acquisition Compensation under NH Act Clarified

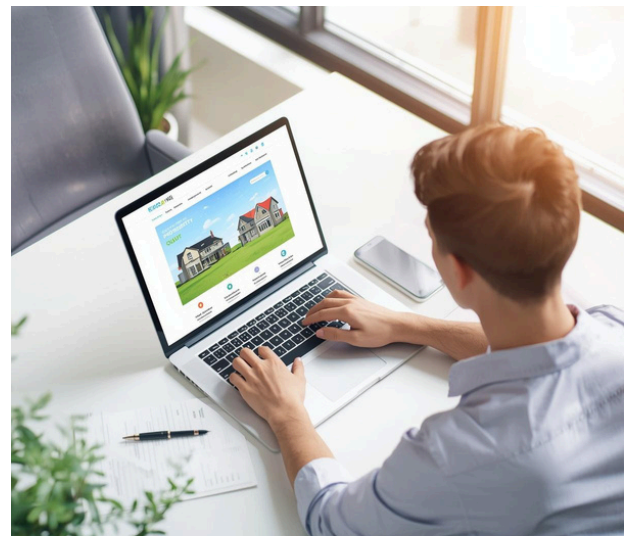
The Ministry of Road Transport and Highways (MoRTH), vide Circular dated March 30, 2026 (the "Circular"), read with the National Highways Authority of India (NHAI) Policy Circular dated April 9, 2026, has issued a clarification regarding the applicability of exemption from income tax on compensation paid for land acquired under the National Highways Act, 1956 ("NH Act").

[Read More](#)

MoRTH Enforces Portal-Based RoW and Access Permissions

The Ministry of Road Transport and Highways ("MoRTH"), vide Office Memorandum dated April 9, 2026 (the "OM"), has mandated the exclusive use of the revamped Rajmarg Pravesh Portal for processing applications relating to Access Permission and Right-of-Way ("RoW") approvals under the Control of National Highways (Land and Traffic) Act, 2002.

[Read More](#)



MoRTH Introduces Interim Measures on Cost Escalation for Highway Projects

The Ministry of Road Transport and Highways ("MoRTH"), vide its letter dated April 1, 2026, read with NHAI Policy Circular dated April 8, 2026 (the "Circular"), has introduced interim measures in relation to price adjustment provisions for National Highway projects in light of the recent increase in fuel prices, construction materials and logistics costs.

[Read More](#)



MoRTH Revises Normative Construction Periods for NH Projects

The Ministry of Road Transport and Highways (“MoRTH”), vide Circular dated April 6, 2026 (the “Circular”), has issued revised guidelines prescribing normative construction periods for National Highway (NH) projects executed under Engineering, Procurement and Construction (EPC), Hybrid Annuity Model (HAM) and Build-Operate-Transfer (BOT) frameworks.

[Read More](#)

SEBI Rationalises Investment Flexibility for REITs and InvITs

The Securities and Exchange Board of India (SEBI), vide notifications dated April 16, 2026 (InvIT Amendment Regulations, 2026 bearing reference no. SEBI/LAD-NRO/GN/2026/301 and REIT Amendment Regulations, 2026 bearing reference no. SEBI/LAD-NRO/GN/2026/302) (collectively, the “Amendments”), has introduced changes to the regulatory framework governing Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs).

[Read More](#)



Ministry of Power Advises Use of Insurance Surety Bonds in Procurement Frameworks

The Ministry of Power, vide Office Memorandum dated April 4, 2026 (the “OM”), has advised the adoption of Insurance Surety Bonds (ISBs) as an alternative to bank guarantees and bid securities across power sector procurement frameworks. The OM builds upon the earlier amendment issued by the Ministry of Finance to the General Financial Rules, 2017 (GFR), and reflects a broader effort to facilitate the use of alternative security instruments in public procurement.

[Read More](#)





RBI Introduces Targeted Exemption for Select NBFCs under SBR Framework

The Reserve Bank of India (RBI), vide its Circular dated April 29, 2026, has issued the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Amendment Directions, 2026 (the “Amendment Directions”), introducing a targeted regulatory exemption within the framework of the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 (the “Principal Directions”).

[Read More](#)

MNRE Clarifies Regulatory Treatment of ESS under FDRE Framework

The Ministry of New and Renewable Energy (“MNRE”), vide Office Memorandum dated April 11, 2026, has issued a clarification addressing the regulatory treatment of energy storage systems (ESS) under the firm and dispatchable renewable energy (FDRE) bidding guidelines, providing regulatory clarity to developers operating hybrid and storage-linked renewable projects.

[Read More](#)



»» QUICK READS



Goa PWD Introduces Performance-Based Maintenance Contracts for Road Stretches

In a move aimed at improving road quality and long-term asset management, Goa's Public Works Department (PWD) has introduced performance-based maintenance contracts (PBMC) for select road stretches. The initiative marks a shift in the state's approach to road maintenance and is intended to enhance accountability in public procurement.

[Read More](#)

Government Eyes Insurers, Pension Funds to Deepen Infrastructure Financing

In a move to mobilise long-term capital and diversify funding sources, the Government of India is advancing efforts to facilitate greater participation of insurers and pension funds in infrastructure financing.

[Read More](#)



Push Towards 100% Land Acquisition for Highway Projects

In a move aimed at addressing delays in highway development, the Ministry of Road Transport and Highways is exploring a shift towards requiring 100% land acquisition prior to granting approvals for new national highway projects, signalling a more stringent approach to project readiness and execution.

[Read More](#)



India Seeks Safeguards for Chabahar Port Amid Sanctions Uncertainty

India is in discussions with Iran to secure its strategic and commercial interests in the Chabahar Port, as the United States' sanctions waiver applicable to the project, valid until April 26, 2026, has expired and its continuation remains uncertain. To address this, India is exploring interim arrangements under which a local Iranian port authority may manage the port during the sanctions period.

[Read More](#)

Key Contact:



Chandrasekaran R., Partner
M: +91 94443 98172
E: r.chandrasekaran@foxmandal.in
To see the complete profile, [Click Here](#).



The information provided herein is for general informational purposes only, and is not intended to constitute legal advice.