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INFORM: Infrastructure Projects & Finance

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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 Stresses Strict Adherence to Clear Language in Interpreting Legal Instruments
2. Tax Deduction for Infrastructure Development Contracts Valid
3. Fees Collected by Foreign Bank Branch Not Taxable in India

NOTIFICATIONS/CIRCULARS:

1. Transition of LRS Monthly to Daily Return Submission
2. RBI's Review of Gold Loan Practices Uncovers Irregularities
3. MoRTH Issues Directive to Ensure Compliance with Updated Policy Circulars in National Highway Projects
4. MoRTH Tightens Quality Control Norms for EPC Mode Road Projects
5. Government Forms Expert Panel to Oversee Tunnel Projects Across India
6. Guidelines Issued for Utilizing Inert Materials in National Highway Construction
7. Amendment to Guidelines for Material Use and Value Engineering in National Highway Projects
8. Draft Migration of Tariff Guidelines, 2024 Issued by Ports Ministry

>>> CASE LAWS



Supreme Court Stresses Strict Adherence to Clear Language in Interpreting Legal Instruments

In a notable case of Kamal Kishore Sehgal v. Murti Devi, (2024 SCC OnLine SC 2582), dated September 19, 2024, regarding interpretation of sale deeds, the Hon'ble Supreme Court of India ruled that when the language in a legal instrument or document is clear and unequivocal, the interpretation should rely solely on the explicit wording, without considering external factors or circumstances.

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Tax Deduction for Infrastructure Development Contracts Valid

The Division Bench of the Hon'ble High Court of Calcutta has delivered a significant ruling in the case of Principal Commissioner of Income Tax - 1, Kolkata v. Bothra Shipping Services Private Limited, (ITAT/85/2024), dated September 25, 2024, clarifying the eligibility for tax deductions under Section 80IA (4) of the Income Tax Act, 1961.

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Fees Collected by Foreign Bank Branch Not Taxable in India

In a significant ruling, the Hon'ble High Court of Delhi in Director of Income Tax v. ANZ Grindlays Bank, ITA 563/2007 & connected matters, dated September 19, 2024, determined that fees collected by a foreign branch of a banking company for extending credit lines to account holders outside India are not subject to taxation in India.

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NOTIFICATIONS/CIRCULARS



Transition of LRS Return Submission From Monthly to Daily

The RBI has announced the discontinuation of the requirement for AD Category-I banks to submit monthly returns in the Centralised Information Management System (CIMS) under the Liberalized Remittance Scheme (LRS) for Resident Individuals. Instead, banks will now be required to upload transaction-wise data on a daily basis at the close of business on the following working day, using CIMS return code R010.

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RBI's Review of Gold Loan Practices Uncovers Irregularities

The Reserve Bank of India (RBI), vide circular dated September 30, 2024, bearing reference number RBI/2024-25/77 DoS.CO.PPG.SEC.10/11.01.005/2024-25, has called for strict adherence to prudential norms, particularly for loans secured against gold ornaments and jewellery. RBI has urged all supervised entities (SEs) to undertake a comprehensive review of their existing gold loan policies and practices.

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MoRTH Issues Directive to Ensure Compliance with Updated Policy Circulars in National Highway Projects

The Ministry of Road Transport and Highways (MoRTH) has issued a directive to all state governments, union territories, and central agencies involved in national highway projects to ensure that the design, construction, and maintenance of these projects adhere to the latest policy circulars issued by the Ministry. This directive aims to maintain uniformity and compliance across all ongoing and future projects.

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MoRTH Tightens Quality Control Norms for EPC Mode Road Projects

The Ministry of Road Transport and Highways (MoRTH) has introduced stricter quality control measures for road projects under the Engineering Procurement and Construction (EPC) mode by mandating 100% inspection of all quality tests conducted by contractors. However, contractors will still be held fully accountable for any lapses in quality and must bear the costs of correcting any errors or defects that arise.

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Government Forms Expert Panel to Oversee Tunnel Projects Across India

In light of recent tunnel construction mishaps, notably the Silkyara tunnel incident, the Ministry of Road Transport and Highways (MoRTH) has acknowledged the need for a thorough review of the current practices in the investigation, design, and construction phases of tunnel projects.

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Guidelines by MoRTH for Utilizing Inert Materials in National Highway Construction

The National Highways Authority of India (NHAI) vide circular dated September 23, 2024, bearing reference number RW/NH-33044/27/2024/S&R (P&B) has announced new policy guidelines aimed at promoting the sustainable construction of national highways through the use of inert materials derived from processed urban solid waste.

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Amendment by MoRTH to Guidelines for Material Use and Value Engineering in National Highway Projects

The Ministry of Road Transport & Highways (MoRTH), vide circular dated September 20, 2024, bearing reference number No.RW/NH-34049/01/2020-S&R (P&B), issued guidelines to enhance the efficiency and sustainability of National Highway projects through the adoption of new and alternative materials and technologies.

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Draft Migration of Tariff Guidelines, 2024 Issued by Ports Ministry

The Ministry of Ports, Shipping and Waterways (MOPSW) has issued a draft of the Migration of Tariff Guidelines, 2024, for comments. The guidelines are for adoption of Market Determined Tariff for PPP projects under Guidelines for Regulation of Tariff 2005, Guidelines for Upfront Tariff Setting for PP Projects 2008, Guidelines for Determination of Tariff for Projects 2013 & Tariff Guidelines 2019—Regarding.

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