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File No.
Government of India
Ministry of Commerce & Industry
Department of Commerce
Logistics Division

Copy No. /

New Delhi, Dated June, 2021

NOTE FOR THE CABINET**Subject: Approval of the National Logistics Bill****1. Introduction**

- 1.1 Multiplicity of laws in the logistics sector has resulted in fragmentation of the regulatory environment, presence of multiple governing bodies, complex processes and varying documentation requirements and liabilities under the respective laws, leading to sub-optimal performance and utilisation of logistics assets. Accordingly, the country's record in implementation of these laws is less than satisfactory. For instance, only about 15 per cent of the common good carriers are so far registered under the Carriage by Road Act, 2007 even after a decade of its coming into effect in 2011. Further, there is no law for multimodal transportation within the country and there is no mechanism for grievance redressal in the logistics ecosystem.
- 1.2 In the above context, an umbrella National Logistics Law with jurisdiction across all modes of transport is proposed to be enacted. This law will provide for an institutional framework for coordinated development of the sector, and promote standardization and formalization to improve efficiency of the sector, amongst other things. The umbrella logistics law shall replace (or amend, as appropriate) the individual logistics-related Acts. This newly proposed law will serve as the nodal law on the transport of goods and related logistics services in India.

2. Background

- 2.1 This proposed National Logistics Law traces its origins to a proposal for the amendment of the Multimodal Transportation of Goods Act, 1993. The Ministry of Shipping was the Nodal Ministry for the MMTG Act, and consequently was responsible for the proposals for its amendments. After the creation of the Logistics Division in 2017 in the Ministry of Commerce and

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Industry, the responsibility for the amendment of the MMTG Act was vested with the Logistics Division.

- 2.2 The proposal for amendment of the MMTG Act was discussed extensively and it was suggested that the new law be larger than a mere transaction regulation and should cover integrated development of the logistics sector as well as the promotion and building of the multimodal transportation sector in order to create conditions for investment opportunities through participation of the private sector. Furthermore, it was suggested that similar analogous legislations may be examined for identifying best practices and the same may be incorporated in the proposal for the new law.
- 2.3 Internationally as well, it was observed that the lack of a framework law governing integrated logistics meant that the legal regime was unable to keep up with the transformation of the logistics sector. The United Nations Economic and Social Commission for Asia Pacific (UNESCAP) made these observations while initiating discussions on the need for a regional legal framework governing integrated logistics. South Korea has already implemented a framework legislation for integrated logistics and the Russian Federation is working on a draft Federal Law on Direct Multimodal (Combined) Transport.
- 2.4 After taking into consideration the observations on best practices globally and the gaps identified in the sector, it was determined that there was need for a holistic governance of the logistics sector through a National Logistics Act. Such a law would take a comprehensive view for development of an integrated logistic sector in the country with a focus on improving efficiency of the logistics services, promote multi-modality in development of logistics infrastructure, promote standardization and digitalization of logistics space, focus on skilling and promotion of investments in the logistics sector.
- 2.5 In India, carriage of goods by various modes, is governed by different laws (the carriage of goods by land is governed by 'The Carriage by Road Act, 2007' and 'The Railways Act, 1989'; carriage of goods by air is governed by 'The Carriage by Air Act, 1972'; carriage of goods by sea is governed by 'The

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(Indian) Bills of Lading Act, 1856', 'The Carriage of Goods by Sea Act, 1925' and 'The Merchant Shipping Act, 1958'. Additionally, multimodal transportation of goods outside India is governed by 'The Multimodal Transportation of Goods Act, 1993').

- 2.6 These laws only address specific domains or specific modes of transport within the logistics sector. However, in the modern-day context, a logistics service provider can integrate operations across several domains and modes (such as warehousing, multimodal transport, packaging, etc.) and in such a situation, the fragmentation of the governing legal framework into multiple legislations creates inefficiencies. Despite the services or activities covered under the extant laws being similar in nature and responsibility, there is a certain lack of cohesion across various aspects of these laws as they are applied across different modes of transport. In addition, some of these laws have mandatory registration clauses which appear archaic, as indicated by low levels of compliance. There is a need to consider a new common legislation on logistics with a focus on standardizing the definitions, facilitating ease of providing logistics services and fostering the growth and development of the sector.
- 2.7 The existence of multiple legislations on logistics in India has resulted in the fragmentation of the regulatory environment, variations in documentation requirements and liabilities, and creation of unnecessary complexity in processes, even though the same actors may perform common activities to which different legislations may apply. This has contributed to inefficiencies in performing logistics services.

3. Proposal

- 3.1 This proposal is being made for the approval of a draft National Logistics Bill, 202[1] [Annexure I], and to introduce the Bill in Parliament subject to such changes (*drafting-related or substantive*) as may be considered necessary in

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consultation with the Legislative Department, and to repeal or amend the relevant sections in the various Acts governing the transportation of goods.

- 3.2 In a modern India, there is a need to create a law that enables the logistics service to grow in an organised manner, promotes efficiency, facilitates commerce and enhances ease of doing business. While the laws currently in force in relation to carriage of goods have focused on regulating the sector, they inadvertently created entry barriers and, when detailing liabilities, laid exclusive onus on service providers. The proposed Bill, however, will move away from this approach and instead target growth and alignment with global best practices. The proposed Bill aims to encourage greater participation and investment by incentivizing and formalizing the presence of logistical service entities and by adopting a shared and equitable approach towards responsibilities. **The new Bill clearly enshrines the objective of “facilitation” and “promotion” of the sector as opposed to regulation.** The preamble of the proposed Bill clearly sets out its objectives – to reduce costs and inefficiencies ailing the logistics sector, to enhance co-ordination and transparency, to promote competition and sustainability, to streamline supply chains and to support India’s economic growth and to provide a self-reliance strategy. In furtherance of these objectives, **the proposed Bill primarily addresses three issues: *first*, predictability of logistics services (i.e., more transparent and streamlined time for delivery); *second*, safety of goods being transported; and *third*, harmonisation of liability regimes across sub-sectors.**
- 3.3 The new law will be applicable to all common carriers, all transport of goods by any mode for reward, and any issuance of a goods receipt (called by whatever name) wherein there is a change of custody of goods from the service user to the carrier. It will also imbibe good regulatory practices and principles, encourage the opening up of the logistics sector, level the playing field for all players, and align practices and responsibilities across all modes of transport, warehousing and value-added services. Moreover, the proposed Bill aims to encourage greater synergy in functions and investment by

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incentivizing and formalizing the participation of different categories of logistical service entities.

- 3.4 The proposed Bill has 44 Sections under 9 Chapters and will be applicable to the whole country. It will apply the new framework to both domestic logistics (for intermodal transportation, all unimodal transportation, multimodal transportation and warehousing services) and international logistics for multimodal, road and railways transportation (where either the port of departure or arrival is India). International carriage by sea and air will continue to be governed by the relevant International Conventions to which India is bound.
- 3.5 The proposed Bill will also repeal (where necessary) the legislations on single mode carriage of goods, or repeal the relevant sections in them (in situations where these Acts also deal with other subjects such as passenger transport) in consultation with nodal Ministries. The Multimodal Transportation of Goods Act, 1993 (MMTG Act) and the Carriage by Road Act, 2007 (CbR Act) will have to be repealed completely. The MMTG Act and the CbR Act set out provisions on, *inter alia*, registration of service providers, rules on the logistics document (the Multimodal Transport Document and the Goods receipt and forwarding Note respectively), rules on liability (including maximum limits, exonerations, and rules on hazardous goods) and other related and incidental provisions. The CbR Act additionally also includes penalty provisions for non-compliance. These provisions have all been revisited and harmonised with requirements of other modes of transport and included in the proposed Bill. The Indian Bill of Lading Act, 1856 will also have to be repealed. Bills of Lading Act comprises only 3 sections which pertain to the legal rights arising out and vesting in the Bill of Lading. These rights have been incorporated into and vested with the Unified Logistics Document (discussed further in Section 4 below) introduced in the proposed Bill for all domestic carriage of goods (across modes of transport).

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3.6 In addition to these two Acts, several other extant Acts will have to be amended so that the provisions dealing specifically with carriage of goods can be repealed. These are — The Railways Act, 1989; The Carriage by Air Act, 1972; The Indian Carriage of Goods by Sea Act, 1925;; and, the Sale of Goods Act, 1930. The Railways Act, 1989 contains provisions related to the transport of passengers and luggage which will have to be retained in the Act while repealing the provisions related to carriage of goods. The Carriage of Goods by Sea Act (CoGSA) and the Carriage by Air Act apply to both international and domestic carriage of goods. Only the provisions relating to carriage of goods domestically will be repealed and international carriage of goods will be retained as is since these logistic-related aspects are governed by International Conventions which are binding on India. This is because of two key reasons. *First*, international conventions are given effect to in India through specific implementing legislations and incorporating two separate conventions into the new Act through the process of repeal and reincorporation may create further confusion in the Industry. *Second* given that the international conventions are unimodal they use distinct terminology specific to individual sectors. Since the proposed Bill will harmonise terminology and documents such as the Air Waybill and Bill of Lading into the Unified Logistics Document, this may have the effect of altering the provisions as applied in India. Consequently, to ensure that the process of streamlining the domestic integrated logistics sector does not negatively disrupt the current practices in the international carriage of goods, it is suggested that CoGSA and Carriage by Air Act be retained for the purpose of international carriage of goods. Additionally, the Sale of Goods Act will have to be amended to give the Unified Logistics Documents (introduced in the proposed Bill) legal effect. It may be noted that while the Bill of Lading Act is being repealed, its three sections may also be reiterated in the Schedule titled of Rules of Bill of Lading in the CoGSA, so that the rights arising out of the Bill of Lading Act may be retained without disruption for international carriage of goods. **Annexure 1** of this Note sets out a table detailing the various Acts to be amended (along with

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the manner in which they may be amended) and repealed and the status of the incorporation of these provisions in the current Bill.

- 3.7 An umbrella national logistics law will provide a unified legal framework for the coordinated development of the logistics sector. In conjunction with the National Logistics Policy, it is intended to increase efficiency, transparency, competitiveness, and modernization of logistics services. It will also further the agenda of 'One Nation-One Market' by providing for a 'One Nation-One Contract' paradigm.

4. Aims and Objectives

- 4.1. The proposed National Logistics Bill will focus on the following key objectives:
- (1) Introduce unified documentation for logistics services across modes with common terminology, legal definitions, documents and formats;
 - (2) Harmonise liability regimes across modes, ensuring safety of goods;
 - (3) Provide for assignment of unique ID to logistic service providers in place of burdensome registration process to streamline and formalise the logistics sector;
 - (4) Provide for institutional framework defining the roles of various stakeholders across central and state governments for enhanced coordination for integrated logistics development;
 - (5) Create a regulatory mandate for all stakeholders to maintain digital data in a standardised format, to ensure digital record-keeping for compliance monitoring and exchange of electronic documents;
 - (6) Provide mechanisms for speedy resolution of disputes and grievances of various stakeholders of the logistics sector, such as arbitration and mediation, to reduce the burden on the judicial system and to avoid escalation of disputes;
 - (7) Provide enabling provisions to frame to streamline areas such as standards and guidelines for physicals assets, warehousing, packaging, transparency in freight charges, other fees and levies to ensure fair and reasonable competition etc.

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4.2. The proposed Bill, which transitions from a system of multiple unimodal laws to a single framework legislation on integrated logistics, introduces several new features and modifies several existing legal provisions. Key features of the proposed law are as under -

- 1) **Streamlining documentation through Unified Logistics Document:** Currently, there are multiple documents for each mode of carriage of goods and overlapping legal regimes to prove receipt of goods, contractual terms, etc. These documents include the 'Load Receipt / Lorry Receipt' in the transportation of goods by road, 'Bill of Lading' for transportation by sea, 'Air Waybill' for transportation by air, 'Railway Receipt' for transportation by railways and an 'e-Waybill' again for managing compliance under the GST regime for all modes of transportation. Most of the data fields in these documents are similar in content but named differently. While this may be okay for unimodal transportation, the growth of integrated logistics and multimodal transportation is hampered by differing documentation requirements and terminology. The harmonization and standardization of these terms can enhance the efficiency of the logistics sector.

The Unified Logistics Document (ULD), introduced under the proposed law, will be a single and comprehensive document, available in e-form, satisfying obligations under the new as well as existing laws across multiple modes of transportation and warehousing. The ULD will resolve the multiplicity of documentation and will replace, wherever possible, load/lorry receipt, air waybill, etc. unless the international treaty obligations dictate otherwise. At the option of consignor, it will be negotiable or non-negotiable, and it will be at owner-risk or carrier-risk, again at the option of the consignor. Every consignee or endorsee named in the ULD, upon consignment or endorsement, will have the rights and liabilities of the consignor.

- 2) **Harmonising terminology in the Sector through Standardised Definitions:** In the extant laws, definitions of key terms such carriers, goods and consignors are not uniform and cohesive. This divergence leads to further fragmentation in the sector. The proposed Bill will provide standardised definitions of

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commonly used terms, while accounting for contemporary realities and the requirements of the different modes of transportation and warehousing. The new Bill will also introduce standardised definitions for terms commonly used in the logistics sector which are currently not defined. Most importantly, the new Bill will cohesively define “logistics service”, a term that will be specific not just apply to transport or freight-related services but include allied, non-freight services as well. Conjunctively with the introduction of a Unified Logistics Document, bringing in standards with respect to terminology and definition will support the organized development of the industry. **Annexure 2** of this Note sets out examples of how terminology differs across different shipping documents.

3) **Assigning Unique ID Numbers by Replacing the Current Registration**

Processes: The experiences of extant legislations relating to carriage by road reveal that despite mandatory registration requirements, not even 15% of the service providers in the sector are registered. The new Law proposes to move away from lengthy and burdensome registration requirements and instead introduces the concept of a unique Logistics Account Number (LAN). With no pre-requisites for qualification, apart from basic minimum net worth, the computer-generated LAN system will allow all entities providing logistics services to be formalised under a KYC process. **In principle, this will ensure a shift from a regulatory mindset of ‘license to operate’ system to an account number-based model, minimising complex registration or licensing processes.** The LAN, which can be obtained through a simple application process, will be mandatory and should be mentioned on every receipt of goods by whatever name called.

A robust electronic platform will be used to facilitate the use of the LAN. Where registration numbers or associated identification numbers have already been assigned to logistics service providers under other statutes, such as the IBA Code and the IATA Code, Forwarding Agent Number, Transporter GSTN Number, and FSSAI license/registration number, the same will be cross-linked under the new database, **to ensure that a multiplicity of KYC requirements is**

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removed. The process for allotment of LAN will be kept very easy. A graded penalty system may be introduced to ensure compliance with the requirement to obtain and use the LAN. There will be safeguards built into the law, such as allowing the carrier enough scope to rectify any contravention so that the whole logistics sector is slowly formalised with the active participation and consent of the stakeholders. The Central Government will operate the database and electronic platform for online allotment of LAN.

- 4) **Harmonized and Cohesive Framework on Liabilities:** The extant liability regime for logistics service providers is divided across five legislations. Certain liability regimes, such as for carriage by air and by sea, are modelled on international conventions that India is bound by. Since the carriage of goods laws were independently developed, there are several differences in the liability rules enshrined in these laws such as in the rules on consequential damages, delay, exoneration and maximum liability limits. There is a lack of a standardised framework to identify and impose consequences for delay. The industry practice is to define delay and consequential damages in the logistics contract. Similarly, there exists inconsistencies in the identified scenarios across statutes that allow for the exoneration of liability. However, the underlying fundamental principles of liability are similar across all modes of carriage. It is therefore possible to streamline and consolidate the liability regime into a set of common rules for all modes of transport without heavily disrupting the sector.

The proposed new Bill harmonizes these aspects of liability and introduces a uniform, fault-based liability regime for all domestic carriage. Under this Bill, every carrier shall be liable for loss, damage, delay or non-delivery of a consignment, insofar as he has some fault, or neglect that resulted in the loss or delay. There are clearly listed situations where the carrier is exonerated from liability, such as act of God, act of war, and riots, with special situations for carriage by sea to account for the perils of sea. The new Bill will cover the gaps in scenarios where delay, loss and consequential damages are not provided for. The Bill also provides for uniform caps on liability for all modes of

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transport, whereby no carrier can be liable for a sum greater than what is prescribed in the Bill. Importantly, the Bill mandates that no carrier can be made liable for an amount greater than the value of goods transported. Gradual harmonisation of the liability regime across modes of transportation and during warehousing will encourage service providers to consolidate functions and expand the portfolio of services.

Other aspects of the liability regime are being harmonised including notice requirements, owner risk rates and carrier risk rates, provisions governing dangerous goods and edible goods, right of lien, provisions on limitation, and dispute settlement provisions. These proposed changes to harmonise the legal regime will ensure that applicable international conventions that govern the international carriage of goods are taken into consideration.

5) ***Recognised Logistics-related Associations and Decentralised, Industry-led***

Dispute Resolution Mechanisms: The new Bill introduces the concept of Recognised Logistics-related Associations (RLAs) — voluntary associations or bodies of individuals consisting of members involved in the performance of logistics services. The purpose of creating these RLAs is to bring self-discipline and capacity building in the logistics sector and sub-sectors. The RLAs will be mandated to perform important functions like preparing databases of members, promoting transparency in fees and levies, conducting member training programmes, establishing a fair mechanism for grievance redressal and dispute settlement and conducting disciplinary proceedings.

The proposed Bill leverages the role of these RLAs in the industry to provide for the decentralised settlement of disputes using alternate dispute resolution mechanisms, shifting away from unnecessary dependence on an overburdened judicial system. It introduces an industry-led model of dispute settlement, where sectoral dispute settlement cells will be set up by the RLAs.

These cells of the RLAs will facilitate and promote the time-bound settlement of disputes through mediation, conciliation or arbitration. Such a process may also contribute to organising and streamlining the domestic insurance

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mechanism in the logistics sector. The proposed Bill will allow RLAs to introduce codes of best practices, standard operating procedures, and other guidelines in an effort to formalise the sector and minimise disputes.

6) **Safeguarding the rights of the Logistics Service Providers**

Provisions in the new Bill will also safeguard the interests of logistics service providers against unfair practices by the service users. Existing laws do not set out necessary safeguards in favour of the logistics service provider against undue delay in or lack of payment by the service user, particularly where the right of lien of the logistics service provider over the specific goods has extinguished. These safeguards are provided in the proposed Bill. The Bill will further ensure that the users and providers of logistics services will have at their disposal an efficient dispute resolution mechanism of mutually acceptable leaders from their specific industries.

- 7) **Institutional Set-up at Central and State Levels:** In order to facilitate coordination, the new law will set up a multi-stakeholder body at the apex level, namely, the National Logistics Council (NLC) and a Central Advisory Committee for Logistics (CACL) for coordination with the States and Union Territories. In addition, there may be other committees, groups and panels established for specific purposes to ensure progressive development of the sector. The Logistics Division will function as the Secretariat for all these bodies and will ensure policy alignment and orchestration of stakeholder action in policy implementation. At the State level, there will be a State Logistics Coordination Committee (SLCC) chaired by the Chief Secretary. A senior officer of the State Government would be designated as State Logistics Commissioner. The State Logistics Commissioner would be the member-secretary of the committee.

5. Justification

- 5.1 The National Logistics Law would provide for a unified legal framework for coordinated and synergetic development of the logistics sector across all modes of transportation. This would provide for unified documentation for

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logistics services, harmonise liability regimes in domestic trade, define and institutionalize the roles of various stakeholders, promote transparency in freight charges, other fees and levies, ensure quality logistics data and speedy dispute resolution and grievance redressal. The new law would help to enhance efficiency, improve transparency, competitiveness, and ensure modernization of the sector.

- 5.2 The aim of the new Bill is not to add another set of rules to an existing system which is already facing several challenges and inconsistencies in view of a fragmented regulatory framework. Instead, the law is intended to standardise the norms in place and build a more cohesive and comprehensive framework for the efficient governance of logistics services and, in particular, streamline the advancement and growth of logistics service providers. The new Bill will complement the goals of the National Logistics Policy in building a globally competitive logistics sector in India and support economic growth.
- 5.3 The focus of the new law is intended to be on facilitating the sector, as opposed to regulating the sector. This is done through a variety of new provisions. For instance, the preamble of the Bill enshrines the objective of “facilitation” and “promotion”. Further, the National Logistics Council and other institutional mechanisms are a way to ensure constant improvements in the sector. Another example is the introduction of an easy to procure Logistics Account Number (LAN), as opposed to complex registration requirements that are currently in force. The new law intends to improve ease of doing business in the sector and targets the removal of any inadvertent entry barriers that have so far prevented the growth of the same, while also keeping in mind the needs of logistics service providers.
- 5.4 Aligned with the ‘One Nation-One Market’ objective, this would move the country to a paradigm of ‘One Nation-One Contract’ for logistics.

6. Inter-Ministerial Consultation

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- 6.1 The draft Cabinet Note was circulated on _____ to related Ministries /Departments. Comments received from them have been duly incorporated in the policy (please see **Appendix II**).
7. **Financial Implication**
There is no financial implication of the note.
8. **Approval Sought**
Approval of the Cabinet is sought for the draft National Logistics Bill, 2021[1] placed in Appendix-I.
9. The **Statement of the Implementation Schedule** is placed in Appendix–III.
10. The **Statement of Equity, Innovation and Public Accountability** is placed in Appendix-IV.
11. This Note has been seen and approved by the Hon'ble Minister of Commerce and Industry.

S. Suresh Kumar
Joint Secretary to the Government of India

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Appendix I

National Logistics (Efficiency, Advancement, Predictability and Safety) Bill, 2021

A Bill to create a unified legal framework for logistics services for a modern logistics sector in India with the objective of reducing costs and inefficiencies, enhancing co-ordination and transparency, promoting competition and sustainability, streamlining supply chains and supporting India's economic growth and self-reliance strategy.

Enacted by Parliament in the 71st year of the Republic of India as follows:

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Chapter I- Preliminary**1. Short title, extent and commencement. —**

- (1) This Act may be called the National Logistics (Efficiency, Advancement, Predictability and Safety) Act, 2021.
- (2) It extends to the whole of India.
- (3) The Central Government may appoint a date by notification in the Official Gazette on which the provisions of this Act will come into force.

2. Definitions. —

- (1) In this Act, unless the context requires otherwise, -
 - (a) "Carrier" means a logistics service provider who performs or undertakes to perform for hire, the carriage or transportation of goods along with related value-added or allied services if any, through any single mode of transportation or multimodal transportation and enters into a logistics contract with the consignor for this purpose;
 - (b) "Carriage of goods" means the movement of goods from a source location to a destination location, through any mode of transportation.
 - (c) "Commercial court" means a commercial court as defined in clause (b) of sub-section (1) of section 2 of the Commercial Courts Act, 2015;
 - (d) "Consignee" means the person named as a consignee in the Unified Logistics Document;
 - (e) "Consignment" means documents, goods or articles entrusted by the consignor to a Carrier or any other Logistics Service Provider as described in the Unified Logistics Document;
 - (f) "Consignor" means the person named in the Unified Logistics Document as the consignor by whom or on whose behalf, the goods covered under the Unified Logistics Document are entrusted to a carrier or any other LSP;
 - (g) "Council" means the National Logistics Council established under section 26 of the Act;
 - (h) "Delivery" means delivering of the consignment to, or placing the consignment at the disposal of, the consignee or any person authorised by the consignee to accept delivery of the consignment, or specifically in the case of a negotiable ULD, any other person entitled to receive it;
 - (i) "Designated Authority" means the authority set up under section 4(1) of this Act;

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- (j) "Electronic Platform" means the platform set up under section 38 of this Act for the purposes set out therein, including specifically the electronic delivery of logistics information to the stakeholders, facilitation of execution of the Unified Logistics Document, issuance of the Logistics Account Number and related functions;
- (k) "Endorsee" means the person in whose favour an endorsement is made, and in the case of successive endorsements, the person in whose favour the last endorsement is made;
- (l) "Endorsement" means the signing by the consignee or endorsee after adding a direction on a negotiable ULD to pass the property in the goods mentioned in such document to a specified person;
- (m) "Freight charges" means the amount payable to a carrier for the transportation of the consignment from the source location to a destination location;
- (n) "Gross freight charges" means the freight and other charges payable to the carrier for transportation and any allied or value-added services covered under the Unified Logistics Document.
- (o) "Goods" means any moveable property including live animals, livestock, containers, pallets or such other articles of transport or packaging supplied by the consignor, irrespective of whether such property is to be or is carried on or under the deck;
- (p) "Green Logistics" means all attempts to measure and minimise the ecological impact of logistics activities which includes all activities of the forward and reverse flows of products, information and services between the point of origin and the point of consumption;
- (q) "International carriage" means any carriage in which the place of departure is situated outside the territory of India, and the place of destination is situated within the territory of India, or vice versa, whether or not there be a break in the carriage or a transshipment.
- (r) "Logistics Account Number" or "LAN" is a unique electronically generated identification number which may be assigned by the Designed Authority to a logistics service provider upon application, in such manner as set out in Section 4 of this Act;
- (s) "Logistics contract" means a contract under which a logistics service provider undertakes to perform or procure the performance of logistics services against promise of or actual payment of consideration for the services rendered under such contract;
- (t) "Logistics services" or "Logistics" means the transport or carriage of goods from the consignor to the consignee through intermodal, multimodal or single mode of transportation and includes the storage, loading or unloading of such goods for the

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purpose of delivery of goods to the consignee, or related value-added or allied services.

The term “related value-added or allied services” means, *inter alia*,

- (a) management services such as management of customs procedures, payment systems, information and communication systems, warranty support programmes, inventory or supply chain management; and
- (b) packaging, labelling, sorting, distribution, warehousing or any other storage or handling of goods;

provided that such related value-added, or allied services are carried out as part of or for the purpose of carriage or delivery of goods from consignor to consignee;

- (u) “Logistics Service Provider” or “LSP” is any entity or person who enters into a contract with a consignor or consignee for providing a logistics service;
- (v) “Mode of transportation” means the mode of carriage of goods by road, pipeline, air, rail, inland waterways, sea or such other mode as may be prescribed;
- (w) “Multimodal Transportation” means the carriage of goods under a single logistics contract, where a single logistics service provider or carrier has the liability over the consignment, but such carriage of goods is through more than one mode of transportation;
- (x) “Negotiable Unified Logistics Document” or “Negotiable ULD” means a Unified Logistics Document which is, -
 - (i) made out to the order or to the bearer; or
 - (ii) made out to the order and is transferable by endorsement; or
 - (iii) made out to the order and is transferable without endorsement;
- (y) “Non-negotiable Unified Logistics Document” or “Non-negotiable ULD” means a unified logistics document which indicates only one named consignee;
- (z) “Period of liability” means the period as defined in section 11 (1);
- (aa) “Prescribed” means prescribed by rules made under this Act;
- (bb) “Special Drawing Rights” or “SDRs” means such units of accounts as are determined by the International Monetary Fund;
- (cc) “Taking charge” with its grammatical variations and cognate expressions, means that the consignment has been accepted for providing a logistics service by the LSP and possession has been handed over to the LSP or its servants or agent;
- (dd) “Unified Logistics Document” or “ULD” means a negotiable or non-negotiable document issued in physical form or electronic form, evidencing the existence of a contract undertaken by an LSP to perform or procure the performance of a logistics service against payment or reward. For the purpose of this Act, it includes, *inter*

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alia, goods receipt, consignment note, lorry receipt, load receipt, air waybill, multimodal transport document, railway receipt, e-Waybill and bill of lading.

3. Scope of this Act and Conflict of Laws. —

- (1) Subject to sub-sections (2) to (4) below, this Act and any rules prescribed there under shall apply to all logistics services provided within the territory of India, including specifically to domestic carriage of goods under a logistics contract by any mode of transportation. The provisions of this Act shall supersede all other extant laws governing domestic carriage of goods that have not been repealed under section 44 herein.

Explanation.—Domestic carriage of goods means carriage of goods within the territory of India, which is not 'international' carriage of goods as defined in section 2(p) of this Act.

- (2) Nothing in this Act shall supersede any provisions which are set out in international conventions that India is a signatory to, and which apply to the international carriage of goods.
- (3) Notwithstanding the generality of the foregoing sub-section (2), the international carriage of goods by air and international carriage of goods by sea shall continue to be governed by the Carriage of Goods by Air Act, 1972 and the Carriage of Goods by Sea Act, 1925, and any rules promulgated thereunder in so far as the abovementioned Acts and rules implement the international conventions and treaties to which India is a signatory.
- (4) The international carriage of goods by road, railway and multimodal transportation shall be governed by this Act and rules prescribed hereunder. This Act and any Rules prescribed hereunder relating to international carriage of goods by road, rail or multimodal transportation shall supersede any other Act, Rule or law currently in force which has not been repealed under section 44 herein.

Chapter II - Facilitation of Logistics Service Providers**4. Application for a Logistics Account Number.—**

- (1) The [Central Government in consultation with the National Logistics Council] shall set up a Designated Authority, with such composition as may be prescribed, to carry out the functions set out in Chapter II of this Act.
- (2) All LSPs providing logistics services as on the date of the commencement of this Act, shall apply for a Logistics Account Number with the Designated Authority within one year of the Act coming into force.
- (3) Any person intending to commence logistics services after the coming into effect of this Act shall apply for a Logistics Account Number at least 30 days prior to the intended commencement of such logistics service, where the date of such intended commencement of logistics service shall be communicated to the Designated Authority at the time of application.

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- (4) All LSPs, and all such persons intending to provide logistics service, may apply for the Logistics Account Number in such form [and along with such nominal fees] as may be prescribed:
- Provided that they are able to furnish proof of minimum net worth of [●] through a net worth certificated issued by a Chartered Account or such other document as may be prescribed. All LSPs will intimate the Designated Authority of any change in information furnished in such manner as may be prescribed.*
- (5) For the purpose of facilitating applications and minimising Know-Your-Customer procedures, an LSP who has already obtained a registration certificate or registration number or a unique identification number under any other law or regulation, for the purpose of providing a logistics service, may furnish the same registration or identification number, to obtain a LAN under sub-section (4) above. The [Central Government / Designated Authority] shall notify a list of the types of registration certificates or identification numbers which may be furnished under this sub-section (5) and shall also prescribe the manner in which such registration or identification number may be furnished.
- (6) Subject to sub-section (7) below, on receiving an application under sub-section (4), the Designated Authority shall either directly or through such third-party providers as may be appointed by the Central Government, issue a Logistics Account Number to the applicant.
- (7) The Designated Authority may reject the granting of a Logistics Account Number only under exceptional circumstances as may be prescribed, or if the applicant does not meet the minimum net worth requirement set out under this Act. The Designated Authority shall provide reasons in writing where an application for LAN has been rejected. The applicant shall be given a reasonable opportunity to be heard.
- (8) The LAN will be valid for a period of [●] years, a [●] renewable as prescribed, unless otherwise cancelled.
- (9) From the date falling one year after the commencement of this Act, no person may carry on the business of providing logistics services or present themselves as a LSP without obtaining a LAN.
- (10) From the date falling one year after the commencement of this Act, every LSP is required to mention the LAN in:
- every transaction entered in its capacity as a LSP,
 - in every logistics contract entered by such LSP,
 - in every ULD executed by the LSP, and
 - any other sub-contract with a third-party which provides a logistics service (including any allied or related service) in pursuance of an executed a logistics contract.

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- (11) Any non-compliance with sub-section (9) by the logistics service provider may be penalised with any or all of the following actions, as deemed appropriate:
- (a) cancellation or revocation of the LAN,
 - (b) financial penalty of such amount as may be prescribed, or
 - (c) any other penalty as may be prescribed by the Central Government.


5. Cancellation of Logistics Account Number. —

- (1) The Designated Authority may, for such limited and exceptional circumstances as may be prescribed, revoke or cancel the LAN issued to a LSP, thereby prohibiting the LSP from entering into any new logistics contract or issuing any new ULDs.
- (2) The Designated Authority shall give the LSP a reasonable opportunity to show cause against such cancellation order, within such time and in such manner as may be prescribed.
- (3) The LSP may continue to fulfil its obligations under any executed logistics contracts or executed ULDs upon cancellation of the LAN, but it shall cease to enter into any new logistics contracts or issue any new ULDs after the cancellation of the LAN.

6. Certification of LSPs.—

- (1) The National Logistics Council shall introduce accreditation scheme[s] for [LSPs, logistics businesses and logistics facilities and any other related services] which may be based, as far as practicable, on relevant international standards.
- (2) An LSP, with a valid LAN, may apply to be certified under a scheme to the Designated Authority, in such manner as may be prescribed:

Provided that such LSP fulfils the conditions set out in the certification scheme introduced by the National Logistics Council.

-  The Designated Authority, upon receipt of application under sub-section (2), shall audit [or appoint recognised third-party agencies to audit] and certify LSPs observing the certification schemes.
- (4) [The National Logistics Council shall] specify the manner and criteria for auditing and certification of these LSPs. The Designated Authority may also authorise third-party organisations to audit and certify LSPs based on the criteria laid down by National Logistics Council.
 - (5) [The Designated Authority may take special measures to incentivise and promote the certification of LSPs¹ in consultation with relevant committees set up under this Act].

¹**Note:** Based on an assessment of global and domestic practices relating to accreditation linked incentives, the following measures may be taken to promote the LSPs in terms of incentivising them to accredit themselves under this law -

1. Facilitating easier access to finance and reduced insurance premiums/ processing requirements;

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- (6) The Designated Authority may itself [or through recognised third party organisations] conduct conformity assessment and market surveillance of certified LSPs to determine continued observation of certification schemes and criteria. The Designated Authority may revoke any certification or authorisation granted to a logistics services provider or third party organizations respectively under this section, and cease the access of LSP to incentives, if it determines that the prescribed conditions are not being followed by such LSP or third party organisations.
- (7) The Designated Authority shall publish and keep up to date, a list of certified LSPs and authorised/accredited organisations on the electronic platform set up under section 38 of this Act.

Chapter III – Unified Logistics Document

7. Issue and effect of unified logistics document.—

- (1) Where the consignor and the LSP have entered into a logistics contract, and the LSP has taken charge of the goods, the LSP shall issue, either in physical or in electronic format, a ULD to the consignor.
- (2) Subject to the section 3 of this Act, the provisions related to ULD in this Act shall supersede the provisions related to similar documents issued in relation to domestic and international carriage of goods under a logistics contract in any other Act or law currently in force.
- (3) The ULD issued under sub-section (1) may, at the option of the consignor, be a negotiable or non-negotiable ULD. Both negotiable and non-negotiable ULDs shall mention the LAN of the LSP issuing the ULD.
- (4) The ULD issued under sub-section (1) may, at the option of the consignor, be issued under owner risk as per Section 14(1) or carrier risk as per Section 14(2).
- (5) The LSP shall issue the ULD only after obtaining, and during the subsistence of, an insurance cover.

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2. Prioritising, discounting and/or subsidising access to public logistics facilities such as state warehousing and container freight stations;
 3. Preference for standardised/ accredited LSPs in government procurement and listing accredited LSPs on the government website;
 4. Less strict requirements for registration, such as bank guarantees, thresholds for experienced personnel, etc.;
 5. Tax-based incentives: (i) Expedited processing of drawbacks, tax refunds and rebates; and/ or (ii) Reduction or waiver of taxes (GST, Customs, etc) for such accredited LSPs;
 6. Access to Green Channel at customs clearance for some goods.

The list of accredited LSPs can be published on the electronic platform / relevant government website e.g. the Directorate of Plant Protection, Quarantine and Storage lists accredited treatment providers on its website; the WDRA publishes the list of registered warehouses on its website (registration of warehouses requires accreditation certification).

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- (6) Every consignee or endorsee named in the ULD, to whom property in the goods mentioned therein shall pass, upon or by reason to consignment or endorsement, shall have all the rights, including rights of suit, and liabilities with respect to such goods, of the consignor.
- (7) The ULD must name and sufficiently identify the consignee or endorsee, as the case may be, to whom property in the goods mentioned in such document will pass, and who will, upon or by reason of such consignment or endorsement, have all the rights and liabilities of the consignor.
- (8) Nothing in this Act shall prejudice or affect:
- (a) the right of the LSP to claim consideration from the consignor or enforce any liability of a consignee or endorsee, as the case may be; and
 - (b) any right of stoppage in transit, or any right to claim freight against consignor, or any liability of the consignee or endorsee, by reason or consequence of him being the consignee or endorsee, or of his receipt of the goods by reason or in consequence of such consignment or endorsement.
- (9) Subject to the provisions of section 9, the ULD will serve as *prima facie* evidence of-
- (a) the conclusion of the logistics contract between the consignor and the LSP;
 - (b) the terms and conditions of the logistics contract;
 - (c) the taking charge of goods described in the ULD by the LSP; and
 - (d) the apparent good condition of the goods described in the ULD at the time at which the LSP has taken charge of such goods, unless the contrary is described under sub-section (3) of section 8.
 - (e) the shipment, notwithstanding that the goods to be transported, or some part of goods to be transported, may not have been shipped, unless the holder of the ULD has been given actual notice at the time of receipt that the goods have not in fact been transported:

Provided that the carrier signing the ULD may exonerate himself in such an event, by showing that it was caused without any fault on his part, and wholly by the fault of the consignor, the consignee, or their agents.

8. Contents of ULD.—

- (1) The ULD shall contain such particulars mentioned under sub-section (3) and any other particulars as may be prescribed.
- (2) The Central Government shall prescribe rules for the format of the ULD and any other particulars, for both domestic and international carriage of goods:

Provided that, subject to section 3 of this Act, where a document equivalent to the ULD is required to be issued for international carriage of goods under an international

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convention as implemented in India through the Carriage of Goods by Sea Act, 1925 or Carriage of Goods by Air Act, 1972 such document shall not be covered by the rules under this Act.

- (3) The ULD shall, *inter alia*, contain the following particulars-
- (a) the general nature and value of the goods, the leading marks necessary for identification of the goods, the character of the goods, the number of packages or units and the gross weight and quantity of the goods as declared by the consignor;
 - (b) the apparent condition of the goods;
 - (c) the name, LAN and principal place of business of the LSP;
 - (d) the name and principal place of business of the consignor and the consignee;
 - (e) the place and date of taking charge of the goods by the LSP;
 - (f) the details of the trade association of which the LSP may be a member;
 - (g) the place of delivery of the goods and the date or the period of delivery of the goods by the LSP as expressly agreed upon between the consignor and the LSP;
 - (h) whether it is negotiable or non-negotiable;
 - (i) whether it is issued under **owner risk or carrier risk**
 - (j) if such document is negotiable, the name of any endorsee when such endorsement is made, to be updated by the LSP under sub-section (6);
 - (k) the place and date of its issue;
 - (l) **freight and gross freight charges payable by the consignor or the consignee, as the case may be, where such consideration has been expressly agreed to by both the consignor and the consignee;**
 - (m) the signature (digital or physical, as appropriate) of the LSP or of a person duly authorised by it;
 - (n) the intended journey route, modes of transport, places of warehousing and storage and places of transshipment;
 - (o) any related or allied value added services involved in the performance of the logistics services and a record of the contracts for such constituent services appended to the ULD;
 - (p) terms of carriage of goods and a statement that the document has been issued subject to and in accordance with this Act;
 - (q) a clear notice if the goods are dangerous or hazardous;
 - (r) the agreement for arbitration of disputes, if any, entered into between the parties and the arbitration cell decided upon between the parties, in accordance with Chapter VII of this Act; and

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- (s) any other particulars which the parties may agree to insert in the document, if any such particular is not inconsistent with any law for the time being in force.
- (4) The absence of [clauses(f) to (o)] listed in sub-section (3) will not affect the legal character of the ULD.
- (5) The Central Government shall prescribe rules for the standardization of terminology to be used for the contents and particulars included in the ULD, keeping in consideration the objective of harmonization of terminology under any extant laws or rules governing logistics service, which have not been repealed under section 44.
- (6) The ULD, and any novation, alteration, or rescission made to it, must be made accessible to the consignor, the LSP and the consignee or endorsee, as the case may be, through the electronic platform set up under section 38 of this Act.
- (7) The LSP shall to the extent practicable maintaining an updated record of the particulars mentioned clauses[(j), (n) and (o)]of sub-section (3) and of any other contracts for related or allied value added services related to the ULD, on the electronic platform set up under section 38 of this Act in such manner as may be prescribed.
- (8) The LSP shall, to the extent practicable, maintain and update a real-time record of the entity providing related or allied value added services for the consignment during the provision of logistics services, on the electronic platform referred to in section 38 of this Act in such manner as may be prescribed.

9. Reservation in ULD by the LSP.—

- (1) Where the LSP or a person acting on its behalf knows, or has reasonable grounds to suspect that the particulars furnished by the consignor under clauses (a) and (b) of sub-section (3) of section 8 do not accurately represent the goods actually taken in charge, or if it has no reasonable means of checking such particulars, the LSP or a person acting on its behalf may insert in the ULD, at the time of, or prior to the signing or issuance of the ULD, a reservation specifying the inaccuracies, if any, the grounds of suspicion or the absence of reasonable means of checking such particulars.
- (2) Where the LSP or a person acting on its behalf fails to insert the reservation relating to the apparent condition of the goods in the ULD, it will be deemed to have accepted the goods in apparent good condition, unless the contrary is described under sub-clause (b) of sub-section(3) of section 8.
- (3) Where the LSP or a person acting on its behalf has inserted a reservation as referred to in sub-section (1) in the ULD, the ULD will not be *prima facie* evidence under sub-section (9) of section 7 of the particulars against which the reservation has been inserted.

10. Logistics contract to be made in accordance with this Act.—

Where a registered LSP has entered into a logistics contract, such contract shall be in compliance with the provisions of this Act, and any provision of such contract which is

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inconsistent with the provisions of this Act shall be, to the extent of such inconsistency, void and unenforceable.

Chapter IV – Liability of Carrier**11. Basis of Liability. —**

- (1) The period of liability of the carrier for the consignment will cover the period from the time the carrier has taken the consignment in its charge to the time of its delivery.
- (2) The carrier will be liable to the consignor for loss during the period of liability, resulting from -
 - (a) any loss of the consignment;
 - (b) any damage to, destruction or deterioration of the consignment;
 - (c) any delay in delivery of the consignment beyond such time period as may be agreed to in the ULD;
 - (d) Non-delivery of the consignment.

Explanation.—For the purposes of this Chapter, non-delivery of consignment shall mean delay in delivery beyond 90 days from the date of delivery agreed upon in the ULD.

- (3) The carrier will not be liable under sub-section (2), if it proves that no fault or neglect on its part, or on the part of its servants or agents, had caused or contributed to such loss, damage, deterioration, destruction, delay or non-delivery.
- (4) The carrier will not be liable for any loss or damage or consequential loss or damage, arising out of delay in delivery, if the ULD is silent on the time period beyond which delivery would constitute delay. The liability of the carrier for delay beyond the period mutually agreed upon in the ULD shall not exceed the value laid down in section 14.

12. Assessment of compensation. —

- (1) The quantum of compensation will be assessed with reference to the value of the consignment at the place where, and the time at which such consignment is delivered or should have been delivered according to the ULD, to the consignee.
- (2) The value of the consignment will be determined according to the current commodity exchange price, or if there is no such price, according to the current market price and if the current market price is not ascertainable, the value will be determined with reference to the comparable value of a consignment of the same kind and quantity.
- (3) The assessment of compensation and value will be carried out by valuers with such qualifications and expertise as may be prescribed.

13. Exoneration from Liability. —

- (1) Subject to sub-section (3), the carrier shall not be liable for loss arising from:

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- (a) act of God;
 - (b) act of war;
 - (c) act of public enemies;
 - (d) riots and civil commotion;
 - (e) arrest, restraint or seizure under legal process;
 - (f) orders or restrictions imposed by any Governmental authority;
 - (g) act or omission or negligence of the consignor or the consignee or the endorsee or the agent or servant of the consignor or the consignee or the endorsee;
 - (h) natural deterioration or wastage in bulk or weight due to inherent defect, quality or vice of the consignment or packaging;
 - (i) latent defects;
 - (j) fire, explosion or any unforeseen risk.
- (2) In addition to the causes listed in sub-section (1), in the event of carriage by sea, the carrier shall not be liable for loss arising from:
- (a) act, neglect or default in the management of the ship,
 - (b) perils of the sea,
 - (c) quarantine restrictions;
 - (d) strikes or lock outs or stoppage or restraint of labour from whatever cause, whether partial or general;
 - (e) saving or attempting to save life or property at sea;
 - (f) insufficiency or inaccuracy of marks at sea.
- (3) When loss occurs as a result of the above causes, the carrier shall not be relieved of his liability, if the carrier could have avoided or minimised such loss by exercising due diligence and reasonable care.

14. Limitation of Liability for domestic carriage. —

- (1) The liability of the carrier for consignments booked under owner risk, where no higher risk rate charged.
- (a) in case of delay in delivery beyond the mutually agreed time period referred to in section (4) of section 11, shall be limited to the amount of gross freight charges (including any consequential damages).
 - (b) in case of any loss, damage, deterioration, destruction or non-delivery of consignment, shall be limited to ten times the gross freight charges:

Provided that, in case of both clauses (a) and (b), where the gross freight charges or ten times the gross freight charges, as the case may be, exceeds the declared value or the

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market value of the consignment, the liability shall be limited to the lower of the declared value or market value of the consignment.

- (2) If a consignment is booked under a higher risk rate, the liability of the carrier shall be in accordance with such terms as may be agreed upon between the carrier and the consignor. The total liability, as agreed to between the carrier and the consignor, shall not in any event exceed the declared value of the consignment or the market value of the consignment, whichever is lower.

Explanation.— for the purposes of this section, higher risk rate shall mean the rate charged by a carrier in order to undertake a higher amount of liability for the carriage of consignment, that is higher than its ordinary rate of charges. Such a higher rate of charge must be prominently displayed in the premises of the business of the carrier, in English and the vernacular language of the State.

- (3) If it is proved that the loss, damage or delay in delivery of consignment resulted from an act or omission of the carrier with an intent to cause such loss, damage or delay or recklessly and with knowledge that such loss, damage or delay would probably result, the carrier will not be entitled to the benefit of limitation of liability under this section.

15. Special provisions for carriage by sea. —

- (1) Notwithstanding anything contained in this Chapter, for the carriage of goods by sea neither the carrier nor the ship-owner shall be liable for loss or damage arising or resulting from unseaworthiness unless caused by want of due diligence on the part of the carrier to make the ship seaworthy. Whenever loss or damage has resulted from unseaworthiness, the burden of proving the exercise of due diligence shall be on the carrier or other person claiming exemption under this section.

- (2) In addition to the provisions of this Chapter, for the carriage of goods by sea, the carrier, master, or agent of the carrier and the consignor may enter into an agreement to fix such maximum amount of liability:

Provided that such maximum shall not be less than the figure above named. In such an instance, the limits of liability shall be in accordance with the agreement.

- (3) Notwithstanding anything contained in this Chapter, for the carriage of goods by sea a carrier shall be at liberty to surrender in whole or in part all or any of his rights and immunities or to increase any of his responsibilities and liabilities under this Chapter, provided such surrender or increase shall be embodied in the ULD.

- (4) Nothing in these Rules shall be held to prevent the insertion in a ULD any lawful provision regarding general average.

Explanation.— For the purpose of this section, general average shall be understood to mean the rules regarding common bearing of sacrifices and expenditures, when such extraordinary sacrifice or expenditure is intentionally and reasonably made or

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incurred for the common safety for the purpose of preserving from peril the property involved during a maritime adventure.

- (5) Nothing herein contained shall prevent a carrier or a consignor from entering into any agreement, stipulation, condition, reservation or exemption as to the responsibility and liability of the carrier or the ship for the loss or damage to or in connection with the custody and care and handling of consignment prior to the loading on and subsequent to the discharge from the ship on which the consignment is carried on sea.

16. Limitations of liability for international carriage by road or rail. —

Subject to sub-section (4) of section 3 of this Act, in the case of international carriage by road, or rail, the liability of a carrier for loss resulting from-

- (a) Delay, including consequential damages as a result of delay in delivery beyond the mutually agreed time period, shall be limited to the amount of gross freight charges
- (b) loss of, damage, deterioration, destruction or non-delivery of consignment, shall be limited to ten times the gross freight charges or 2 SDRs, whichever is higher.

17. Limitations of liability for international carriage by multiple modes of transport. —

- (1) Where a carrier becomes liable for any loss of, or damage to, any consignment, the nature and value whereof have not been declared by the consignor before such consignment has been taken in charge, and the stage of transport at which such loss or damage occurred is not known, then the liability of the carrier to pay compensation shall not exceed two Special Drawing Rights per kilogram of the gross weight of the consignment lost or damaged or 666.67 SDRs per package or unit lost or damaged, whichever is higher.

Explanation.—For the purpose of this sub-section, where a container, pallet or similar article is stuffed with more than one package or units, the packages or units enumerated in the multimodal transport document, as packed in such container, pallet or similar article of transport shall be deemed as packages or units.

- (2) Notwithstanding anything contained in sub-section (1), if the multimodal transportation does not, according to the multimodal transport contract, include carriage of consignments by sea or by inland waterways, the liability of the carrier shall be limited to an amount not exceeding 8.33 SDRs per kilogram of the gross weight of the consignments lost or damaged.

- (3) Where a carrier is liable for any loss of, or damage to, any consignment, the nature and value whereof have not been declared by the consignor before such consignment has been taken in charge and the stage of transport at which such loss or damage occurred is known, then the limit of the liability of the carrier for such loss or damage shall be determined in accordance with the provisions of the specific mode during the course of which the loss or damage occurred, as detailed in sections 14 to 15 of this Act. Any stipulation in the ULD to the contrary shall be void and unenforceable:

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Provided that the carrier shall not be liable for any loss, damage or delay in delivery due to a cause for which the carrier is exempted from liability under this Act.

- (4) Where delay in delivery of the consignment occurs, then the liability of the carrier shall be limited to the freight payable for the consignment so delayed.

18. Notice of loss of or damage to consignment. —

- (1) The delivery of a consignment to the consignee by the carrier shall be treated as *prima facie* evidence of delivery of the consignment as described in the ULD, unless written notice as required in sub-sections (2) and (3), as the case may be, is given to the carrier by the consignee.
- (2) Where the loss of, or damage to, the consignment is apparent, the consignee must give a notice of the general nature of loss or damage, in writing, to the carrier at the time of handing over of the consignment to the consignee.
- (3) Where the loss or damage is not apparent, notice of the loss of, or damage to, the consignment must be given by the consignee in writing within 6 consecutive days from the date of delivery, or such period as may be agreed between the parties in the ULD.

19. Limitation period for arbitration. —

- (1) A carrier will not be liable under any of the provisions of this Chapter unless action under Chapter VII is brought within 9 months from —
- the date of delivery of the consignment, or
 - the date when the consignment should have been delivered, or
 - the date on and from which the party entitled to receive delivery of the consignment has the right to treat the consignment as lost.
- (2) The limitation period for arbitration referred to in sub-section (1) may be modified by agreement between the parties, provided such mutually agreed period may not exceed 9 months.
- (3) The consignor may not initiate criminal action against a carrier if ULD has been issued for a consignment that is lost, and for which a valid ULD has been issued.

Chapter V - Obligations of Consignor

20. Liabilities of consignor for inadequacy or inaccuracy in ULD.—

- (1) The consignor will be deemed to have guaranteed to the LSP the adequacy and accuracy of the particulars required to be mentioned in the ULD under clauses (a) and (b) of sub-section (3) of section 8, at the time such LSP takes charge of the goods.
- (2) The consignor will indemnify the LSP against loss resulting from inadequacy or inaccuracy of the particulars referred to in sub-section (1), irrespective of whether such LSP has inserted a reservation in the ULD under section 9.

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- (3) The right to be indemnified under sub-section (2) will not limit the liability of the LSP under the logistics contract, or under a contract for any constituent service, as the case may be, towards any person other than the consignor.

21. Right of LSP on non-payment of consideration. —

- (1) The LSP shall be paid the consideration due to him as stipulated in the ULD without delay.
- (2) In case the LSP has not been paid the amount of consideration stipulated in the ULD, the LSP shall have a right of lien on the consignment and on the documents in its possession.
- (3) Notwithstanding anything contained in this Act, the period during which the goods are in possession of the LSP in exercise of its right of lien referred to in sub-section (2), will not be included for the purposes of calculating the time of delay by the carrier under any provision of the Act.

Notwithstanding the above, in the case of carriage of goods by railways, the LSP may sell the goods instead of exercising the right of lien.

- (5) Where the consignment has been duly delivered to the consignee or endorsee has the case may, and the LSP has not been paid the stipulated consideration, the consignor is liable to pay the LSP an additional interest of [•] for every day of non-payment.

22. Right of an LSP in case of unclaimed goods. —

- (1) If the consignee fails to take delivery of any consignment of goods within a period of thirty days from the date of notice given by the LSP, such consignment may be deemed as unclaimed:

Provided that in case of perishable consignment, the consignment shall be deemed unclaimed after a period of twenty-four hours of service of notice or any lesser period as may be mutually agreed to by and between the LSP and the consignor.

- (2) In the case of an unclaimed consignment under sub-section (1), the LSP may,—
- (a) if such consignment is perishable in nature, sell the consignment; or
 - (b) if such consignment is not perishable in nature, cause a notice to be served upon the consignee or upon the consignor if the consignee is not available, requiring him to remove the goods within a period of fifteen days from the date of receipt of the notice and in case of failure to comply with the notice, the LSP shall have the right to sell such consignment without any further notice to the consignee or the consignor, as the case may be.
- (3) The logistics services provider shall, out of the sale proceeds received under sub-section (2), retain a sum equal to the freight, storage and other charges due including expenses incurred for the sale, and the surplus, if any, from such sale proceeds shall be returned to the consignee or the consignor, as the case may be.

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23. Responsibility for Dangerous or Hazardous Goods. —

- (1) No dangerous or hazardous goods may be carried or handled by a LSP, except in accordance with this section.
- (2) The Central Government may prescribe goods that are considered dangerous or hazardous to human, plant or animal life and health.
- (3) The Central Government may prescribe the label or class of labels to be displayed on the motor vehicle or vessel carrying dangerous or hazardous goods, or on the packaging of such goods in the course of transportation.
- (4) The consignor must provide information regarding dangerous or hazardous goods and, if necessary, the precautions to be taken while handling the goods, being handed over to the LSP or any person acting on behalf of the LSP.
- (5) Where the consignor fails to fulfil its obligation under sub-section (4) and such LSP or person acting on its behalf does not otherwise have knowledge of the dangerous goods—
 - (a) the consignor will be liable to the LSP or the other person acting on his behalf for all loss resulting from the discharge of constituent services in relation to such goods; and
 - (b) the goods may at any time be unloaded, destroyed or rendered innocuous, as the circumstances may require, without payment of compensation.
- (6) In the case of carriage of goods by sea, goods of an inflammable, explosive or dangerous nature to the shipment whereof the carrier, master or agent of the carrier, has not consented, with knowledge of their nature and character, may at any time before discharge be landed at any place or destroyed or rendered innocuous by the carrier without compensation, and the consignor of such goods shall be liable for all damages and expenses directly or indirectly arising out of or resulting from such shipment.
- (7) In the case of carriage of goods by sea, the consignor shall not be responsible for loss or damage sustained by the carrier or the ship arising or resulting from any cause without the act, fault or neglect of the consignor, his agents, or his servants.
- (8) Notwithstanding anything contained in this Act for the time being in force, every carrier shall scrutinise and ensure before starting transportation of any consignment containing goods of dangerous or hazardous nature to human life that the consignment is covered by, one or more insurance policies under a contract of insurance in respect of such goods providing relief in case of death or injury to a person or damage to any property or the consignment, if an accident takes place.

24. Responsibility for edible goods. —

- (1) All edible goods shall be carried in accordance with the Food Safety and Standards Act, 2006, including any rules and regulations made thereunder.
- (2) The consignor must provide information regarding the edible goods and, if necessary, the precautions to be taken while handling the goods, being handed over to the LSP or any person acting on behalf of the LSP.

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Chapter VI– General Principles**25. Principles for Implementation of this Act. —**

The Central Government, the State Governments and other agencies, as the case may be, while implementing the provisions of this Act shall be guided by the following General Principles for integrated development of the logistics sector. —

- (1) Take a holistic view of integrated and coordinated development of logistic sector with a view to improving quality, reliability and drive efficiencies by reducing logistics cost both for domestic as well as international trade;
- (2) Ensure synergetic transformation of key transport sectors, development of warehousing and cold chain infrastructure, and multimodal logistics parks through investments both by the government and the private sector;
- (3) Develop logistic infrastructure that is sustainable, prioritises green logistics and meets the needs of the nation;
- (4) Enable digital transformation of the logistics sector, not only to align it with new businesses including e-commerce but also with global supply chains;
- (5) Enable users of logistic services to make informed choices best suited to their needs; and
- (6) Prevent fraudulent, deceptive or unfair trade practices which may mislead or harm the interest of the users and logistic service providers.

Chapter VII–Institutional Mechanism**26. Constitution and Composition of the National Logistics Council. —**

- (1) There shall be a National Logistics Council for development of a modern and integrated logistics sector constituted by notification by the Central Government.
- (2) The Council shall be the apex multi-stakeholder body for development and management of the logistics sector and for coordination amongst various central ministries and agencies and between the central government and the states, public and the private sector to improve both domestic and cross border logistics.
- (3) The Council shall consist of the Minister of Commerce and Industry as its Chair, the Minister of State for Commerce and Industries as its Co-Chair and the following twenty-two members, namely:-
 - (a) eight Members in the rank of Secretary to the Government of India to respectively represent the Ministries or Departments of the Central Government dealing with –
 - (i) Civil Aviation
 - (ii) Railways
 - (iii) Road transport and Highways
 - (iv) Shipping

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- (v) Agriculture and Farmers Welfare
- (vi) Micro, Small Scale and Medium Enterprises
- (vii) Industry and Internal Trade
- (viii) Commerce.



who shall be Members *ex officio*;

- (b) three representatives from the logistics sector of which one shall be from small scale sector;
 - (c) three eminent experts in transport, logistics and supply chain;
 - (d) five members to be appointed by rotation every three years, one each in seriatim from the Zones as specified in the First Schedule to represent the States and the Union territories;
 - (e) three persons to represent organisations / associations in the logistics sector;
 - (f) two representatives from consumer organisations;
 - (g) Secretary / Special Secretary, Logistics Department / Division shall be member secretary *ex officio*
- (4) The Members of the National Logistics Council other than *ex officio* Members shall be full -time members and appointed for a term of three years from the date on which they accept the appointment, and shall be eligible for re-appointment for a further term of three years. They shall be appointed in such a manner so as to secure the highest standards of competence, broad range of relevant expertise, and shall represent, the broadest possible geographic distribution within the country.

27. Powers and Functions of the National Logistics Council. —

- (1) The National Logistics Council may by regulations specify –
 - (a) the standards and guidelines in relation to logistics infrastructure and services, procedures, equipment and facilities with particular focus on promoting multimodal transportation and integrated logistics services and specifying an appropriate system for enforcing various standards notified under this Act;
 - (b) the guidelines that promote transparency in freight charges, other fees and levies in the logistics sector and ensure that such fees and levies are fair, reasonable and promote competition across modes;
 - (c) method and manner of registration of LSPs and specify the minimum eligibility requirements for grant of LAN to the LSPs under section 4 of the Act;
 - (d) method and manner of accreditation of LSPs, the criteria for authorisation of organisations to do accreditation of LSPs, and the criteria for certification and authorization under section 6 of the Act;
 - (e) method and manner of calling for information from LSPs, as may be necessary, for carrying out its functions under the Act;
- (2) The National Logistics Council shall also –
 - (a) approve master plans for national (or regional) logistics based and sectoral logistics with particular focus on multimodal transportation, first and last-mile delivery

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- developed with the co-operation of related ministries and agencies and monitor progress of in implementation of such plans;
- (b) support States and Union Territories in developing master plans for state (or local) logistics;
 - (c) promote investments both by public and the private sector for integrated development of logistics infrastructure and facilities;
 - (d) assess long-term workforce needs and address workforce challenges in the logistics sector with a particular focus on expanding industry-led training and apprenticeship opportunities and through online training.
 - (e) improve the work environment of logistics workers and encourage adoption of such good practices in this regard.
 - (f) provide technical advice and assistance to the Central Government and the State Governments in the implementation of crisis management procedures relating to supply chains and logistics, prepare plans for crisis management and work in close co-operation with the crisis units which may be set up by the Central Government to manage logistics and supply chain related crises;
 - (g) establish a system of network of organisations with the aim to facilitate a scientific co-operation framework by the co-ordination of activities, the exchange of information, the development and implementation of joint projects, the exchange of expertise and best practices in the fields within the integrated logistics sector;
 - (h) provide scientific and technical assistance to the Central Government and the State Governments for improving co-operation with international organisations;



28. Functional Committees, Technical Panels and Logistics Forum. —

- (1) The National Logistics Council may committees on different functional areas such as logistics infrastructure and facilities; logistics processes and digital transformation; international logistics; human resources in logistics or any other area as it may deem fit to deliberate upon and coordinate the matters delegated to them.
- (2) The National Logistics Council may also establish technical panels in technical areas such as multimodal logistics parks, warehousing, urban logistics, green logistics, dangerous goods and hazardous materials, or other relevant areas. Such panels shall consist of experts from academic and research institutions, relevant industry and other stakeholders.
- (3) Finally, a Logistics Forum shall be established for engagement with the key stakeholders, including fleet operators, freight forwarders, customs agents, shipping lines, warehouse operators, end-to-end logistics providers as well as from users of logistics services including industry and manufacturing associations, e-commerce players etc.

29. State Logistics Commissioner. —

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- (1) The State Government shall appoint the State Logistics Commissioner for efficient implementation of logistics services and other requirements laid down under this Act and the rules and regulations made thereunder.
- (2) The State Logistics Commissioner shall perform all or any of the following functions, namely:—
 - (a) carry out a survey of the logistics assets (fixed and movable) and logistics services providers in the State to find out compliance by such providers of the standards notified by the National Logistics Council;
 - (b) conduct or organise training programmes for the personnel of the office of the State Logistics Commissioner, on a wider scale, for different segments of the logistics sector;
 - (c) ensure an efficient and uniform implementation of the standards and other requirements as specified and also ensure a high standard of objectivity, accountability, practicability, transparency and credibility;
 - (d) such other functions as the State Government may, in consultation with the National Logistics Council, prescribe.
- (3) The State Logistics Commissioner may, by Order, delegate, subject to such conditions and restrictions as may be specified in the Order, such of his powers and functions under this Act (except the power to appoint Designated Officer) as he may deem necessary or expedient to any officer subordinate to him.

30. Central Logistics Commissioner. —

The Central Government shall appoint an officer not below the rank of a Joint Secretary as Central Logistics Commissioner to discharge all functions of State Logistics Commissioner provided under section 29 above and for efficient implementation of integrated logistics and other requirements in the logistics sector under the Central government and its agencies laid down under this Act and the rules and regulations made thereunder.

31. State Level Coordination Committees. —

- (1) At the state level there would be a State Logistics Coordination Committee (SLCC) with the Chief Secretary as its Chair with State Logistics Commissioner as Member-Secretary.
- (2) For interface with the private sector, a State logistics forum would be established.
- (3) Matters necessary for the composition and operation of the State Logistics Coordination Committee (SLCC) and the State logistics Forum other than the matters under this section shall be notified by the Central Government.

32. Central Advisory Committee for Logistics (CACL). —

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- (1) The Central Government shall, by notification, establish a Committee to be known as the Central Advisory Committee for Logistics (CACL) for coordination with the State Governments and Union Territory Administrations.
- (2) The Central Advisory Committee shall consist of two members each to represent the interests of transport, warehousing, agriculture, industry; consumers, relevant research bodies and all State Logistics Commissioners shall be ex officio member.
- (3) The representatives of the concerned Ministries or Departments of the Central Government in Civil Aviation, Railways, Road transport and Highways, Shipping, Agriculture and Farmers Welfare, Micro, Small Scale and Medium Enterprises, and other related government Ministries or Departments institutes or organizations shall be invitees to the deliberations of the Central Advisory Committee.
- (4) The Secretary / Special Secretary, Logistics Department / Division shall be ex officio Chairperson of the Central Advisory Committee.
- (5) The Central Advisory Committee shall follow such rules of procedure including its transaction of business as may be specified by regulations.

33. Functions of Central Advisory Committee. —

- (1) The Central Advisory Committee shall ensure close cooperation between the National Logistics Council, the State Governments and the other agencies and organisations operating in the field of logistics.
- (2) The Central Advisory Committee shall advise the National Logistics Council on –
 - (a) the performance of its duties under this section and in particular in drawing up of a proposal for the Food Authority's work programme,
 - (b) on the prioritisation of work,
 - (c) identifying potential risks,
 - (d) pooling of knowledge, and
 - (e) such other functions as may be specified by regulations.
- (3) The Central Advisory Committee shall meet not less than three times a year.

Chapter VIII – Matters related to Recognised Logistics-related Associations

34. Recognised Logistics-related Associations. —

- (1) The Central Government may recognise and authorise, in such manner as may be prescribed, any association or body of individuals consisting of members engaged in providing logistics services, as a Recognised Logistics-related Association (RLA).

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- (2) The Central Government may prescribe the criteria which every association or body of individuals referred to in sub-section(1) of this section is required to fulfil, in order to be eligible to be authorised as an RLA. Such criteria shall, *inter alia*, cover the following matters:
- (a) The legal and organisational structure of the association or body of individuals;
 - (b) The composition of the governing body;
 - (c) The system of governance; and
 - (d) The capacity and fitness of persons engaged in the oversight and management of the association or body of individuals.
- (3) The Central Government may provide support, including technical administrative, financial or any other support, to identified RLAs to enable such associations to fulfil the functions assigned to them under this Act. **In particular, the Central Government may enable identified RLAs to develop expertise in relation to facilitating arbitration, or other forms of institutional dispute settlement for any disputes in relation to a ULD,** a consignment or a logistics contract, arising between a consignor/consignee and an LSP who is a member of such RLA.
- (4) No association, organisation, individual or body of individuals may represent itself as an 'RLA' or as a 'Recognised Logistics-related Association' without being validly recognised and authorised by the Central Government.
- (5) All LSPs shall be encouraged to become a member of the relevant RLA.

35. Functions of an RLA. —

Subject to the provisions of this Act, an RLA shall perform, *inter alia*, the following functions:

- (a) maintain an integrated database of its members in such form and manner as may be prescribed;
- (b) promote transparency in freight charges, other fees and levies in the logistics sector;
- (c) conduct training programmes for its members and conduct awareness programs for the logistics sector;
- (d) Adopt or prepare standardised Code of Conduct applicable to its members, based on guidance issued by the National Logistics Council;
- (e) facilitate fair and transparent redressal of grievances and settlement of disputes;

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- (f) conduct accountable and transparent disciplinary proceedings against its members, if required;
- (g) facilitate growth and efficiency in the logistics sector through increased cooperation of logistics service providers and users of logistics services;
- (h) assist the National Logistics Council in the development of standards and accreditation systems if required; and
- (i) any other obligations and functions as may be prescribed.

36. Dispute Resolution. —

- (1) Every RLA shall, in such manner as may be prescribed, set up a dedicated dispute settlement cell for overseeing and facilitating any disputes between a member and any consignee or consignor that may arise from a logistics contract.
- (2) A dispute settlement cell set up by an RLA under this Act shall be capable and equipped to carry out, *inter alia*, the following functions:
 - (a) Facilitate conciliation or mediation as the first step in the settlement of disputes, in such manner as may be prescribed;
 - (b) Provide guidance to the members of the RLA on the conduct of dispute settlement through arbitration;
 - (c) Promote the use of industry-led arbitrations or such other forms of dispute settlement as may be prescribed, by its members for settlement of disputes;
 - (d) Prepare a roster of qualified individuals with experience and practice in the logistics sector, who may be appointed as arbitrators, mediators or conciliators as applicable, by parties to a dispute;
 - (e) Adopt or prepare standard operating procedures for settlement of disputes based on guidance issued by the National Logistics Council, in such manner as be prescribed;
 - (f) Such other function(s) as may be prescribed.
- (3) Monitoring and Oversight Committees, set up in such manner as may be prescribed and with representation from LSPs, consignors, consignees and other relevant stakeholders as may be identified, shall oversee the functions of the dispute settlement cell of an RLA to ensure the maintenance of transparency, fairness and neutrality in settlement of disputes by the RLA.

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37. Jurisdiction for instituting action.—

In the absence of an agreement to arbitrate between the parties, this Chapter VIII is without prejudice to the rights of such parties to institute an action in a commercial court, if such court is notified and has jurisdiction over any of the following, and where such commercial court has not been notified, in any other court of competent jurisdiction, as the case may be, which has jurisdiction over any of the following:--

- (1) the place where the habitual residence or the principal place of business of the defendant is located; or
- (2) the place where the logistics contract was made:
Provided that the defendant has a place of business, branch or agent at such place; or
- (3) the place of taking charge of the goods for logistics services or the place of delivery of such goods; or
- (4) any other place specified in the logistics contract and evidenced in the ULD.

Chapter IX– miscellaneous**38. Establishment of an electronic platform.—**

- (1) The Central Government shall establish and maintain an electronic platform on which it shall publish relevant information under this Act, in a manner as may be prescribed.
- (2) The electronic platform will also provide services to LSPs and other entities for maintenance of records relating to the ULD and issuance of the LAN, which shall be made accessible to such entities, in such manner as may be prescribed.
- (3) All data collected in digital form by the Central Government on or through such electronic platform and stored or hosted therein, shall be subject to all data protection laws applicable in India. The Central Government, in consultation with the National Logistics Council, may further provide guidelines on the protection of such data collected in keeping with international best practices.
- (4) The electronic platform shall integrate with all relevant and required government portals for the purpose of validating and providing enriched logistics and logistics stakeholder data in a standardized manner.

39. Delegation. —

The Authority may by an order in writing delegate to any member or officer of the Authority, subject to such conditions, if any, as may be specified in the Order, such of its powers and functions under this Act as it may deem necessary.

40. Power of the Central Government to prescribe rules.—

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- (1) The Central Government may, by notification in the Official Gazette, prescribe rules for carrying out and implementing any of the provisions of this Act.
- (2) The rules may provide, *inter alia*, for the following:
- (a) the modes of transport which may be prescribed under sub-section (v) of section 2;
 - (b) composition of the Designated Authority under sub-section (1) of Section 4;
 - (c) the procedure for applying for a LAN under sub-sections (4) and (5) of section 4, and the procedure for renewal of a LAN under sub-section (8) of section 4;
 - (d) grounds for rejection of an application for LAN under sub-section (7) of section 4;
 - (e) financial penalty or any other penalty under sub-section (11) of section 4;
 - (f) circumstances for cancellation of LAN under sub-section (1) of section 5 and the manner and time to show cause against cancellation order under sub-section (2) of section 5;
 - (g) the form and manner for applying for a certification or authorisation scheme under section 6;
 - (h) the contents of the ULD under sub-section (1) of section 8, format of the ULD under sub-section (2) of section 8 and the standardisation of terminology used in a ULD sub-section (5) of section 8;
 - (i) the form and manner of maintaining and updating a real-time record of the entity providing related and allied value-added services under sub-sections (7) and (8) of section 8;
 - (j) qualifications and expertise of valuers who may carry out an assessment of compensation under section 12;
 - (k) goods that are considered dangerous or hazardous under sub-section (2) of section 23 and the label or class of labels to be displayed under sub-section (3) of section 23
 - (l) functions of the state logistics commissioner under sub-section (2) of section 29;
 - (m) manner of recognition and authorization of an RLA under sub-section (1) of section 34 and eligibility criteria for authorization as an RLA under sub-section (2) of section 34;
 - (n) manner and form of maintenance of integrated database by an RLA under clause (a) of section 35 and any other obligations and functions of an RLA under clause (i) of section 35;

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- (o) manner of setting up a dispute settlement cell by an RLA under sub-section (1) of section 36;
- (p) manner of facilitation of conciliation and mediation, promotion of use of industry-led arbitration, adoption or preparation of standard operating procedures for settlement of disputes and any other functions under sub-section (2) of section 36;
- (q) manner of setting up of Monitoring and Oversight Committees under sub-section (3) of section 36;
- (r) establishment and maintenance of electronic platform under sub-section (1), manner of providing services under sub-section (2) and data-protection under sub-section (3) of section 38.

41. Power of the Council to specify regulations.—

- (1) The Council may specify regulations to execute its functions under the Act.
- (2) The regulations must be consistent with the Act and the Rules made under it.
- (3) The Council may provide for the following:
 - (a) regulations on the criteria for certification of LSPs under section 6; and
 - (b) data protection guidelines under section 38.

42. Rules and regulations to be laid before the Parliament. —

Every rule and regulation made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation, or both Houses agree that the rule or regulation should not be made, the rule or regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation.

43. Power to remove difficulties. —

- (1) If a difficulty arises in giving effect to the provisions of this Act, the Central Government may make necessary provisions for removing the difficulty.
- (2) Such provisions must be -
 - (a) consistent with this Act;
 - (b) made by Order published in the Official Gazette;
 - (c) laid before each House of the Parliament.

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(3) No order will be made under this section after the expiry of two years from the commencement of this Act.

44. Repeal.—

- (1) The Multimodal Transportation of Goods Act, 1993 and the Carriage of Goods by Road Act 2007, is repealed in entirety.
- (2) All provisions related to the carriage of goods by railway under the Railways Act, 1989 are repealed.
- (3) All sections of and all Rules / Orders / Notifications promulgated under the Carriage of Goods by Sea Act, 1925 which are applicable to domestic carriage of goods are repealed.
- (4) All sections of and all Rules / Orders / Notifications promulgated under the Carriage of Goods by Air Act, 1972 which are applicable to domestic carriage of goods are repealed.
- (5) Despite such repeal, any actions under the repealed Act, are deemed to have been taken under the corresponding provisions of this Act.

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APPENDIX II

Comments and Response of Ministries/Departments

Supported without any comments	
1.	Ministry of Railways (MoR)
2.	Ministry of Civil Aviation (MoCA)
Supported with comments	
3.	Ministry of Road Transport & Highways (MoRTH)
4.	Ministry of Shipping (MoS)
5.	DG (Shipping)

S. No.	Ministry/Department Comments/GIST of Comments	Response
3.	Ministry of Road Transport & Highways (MoRTH)	
a)	It is suggested that all the laws governing logistics can be assimilated into one law, with special mode-specific provisions wherever required by international conventions.	The proposed Bill will assimilate all laws governing domestic carriage of goods. However, for those modes of transport for which India has signed international conventions, these conventions continue to be implemented through the existing legislations.
4.	Ministry of Shipping (MoS)	
a)	It is suggested that documents such as the bill of lading be allowed in an electronic format.	Section 7 allows ULD in both physical and electronic format.
b)	It is suggested that provisions relating to indemnity and risk cover be added.	Section 14 and Section 20(2) and (3) are related to risk cover and indemnity.
c)	It is suggested that provisions regarding data privacy and standardization of pricing be introduced into the new law.	The proposed Bill does not govern pricing of logistics services. Section 38(3) of the Bill

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		specifies that all data protection laws in force shall apply to data collected under this law.
d)	It is suggested that latest conventions regarding carriage by sea be looked at and harmonized.	This Bill covers all modes of domestic carriage of goods, and international carriage by rail and road alone. International carriage of goods by sea falls outside the scope of this Bill.
5.	DG (Shipping)	
a)	It is suggested that the multi-modal transport document be referenced in the consultation paper along with the other documents which were to be replaced by the unified logistics document.	The Draft Consultation Note was modified as per this suggestion.
b)	It was suggested that penal provisions for non-compliance with the new law be introduced.	Several different views were provided on whether penal provisions should be included and if yes, their nature. The text of the proposed Bill includes an enabling section (Section 4) for imposition of penalties and the exact quantum and nature of the penalties may be further specified through Rules.
c)	It was suggested that the rights of the service recipient are safeguarded.	Rights of logistics service users are safeguarded in the liability related provisions of the Bill. Logistics service users may initiate disputes in the event of delay, loss, damage or destruction of

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		goods, in accordance with the provisions of the liabilities chapter.
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APPENDIX III

Statement of Implementation Schedule**Sub: National Logistics Bill, 2021**

Sr. No.	Gist of Decisions Required	Project benefits/results	Time-frame, manner of implementation
1.	Approval of the National Logistics Bill, 2021	<ul style="list-style-type: none"> • The proposed Bill will create a unified legal framework that is cohesive and harmonized for all logistics services taking place within India. • Existing laws on this subject create uncertainty and unpredictability, since they are disparate and divided based on the mode of transport. This fragmented system leads to high transaction and litigation costs, which this proposed law seeks to eliminate. • As a result of the divided liability regime, there is significant delay and difficulty in determination of loss, especially when questions arise as to the stage in which loss occurred. This leads to uncertainty in terms of liability, especially when logistics services are sub-contracted. The common liability regime proposed by this law solves this issue, and ensures that all modes of carriage of goods are covered by a uniform legal regime. • The existing Acts also use diverse terms and definitions to refer to analogous concepts and documents. These cause 	

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		issues for integrated logistics service providers. These disparities have been harmonized in the new law.	
2.	Repeal of the Multimodal Transport of Goods Act, 1993	<ul style="list-style-type: none"> • The Multimodal Transport of Goods Act, 1993 governs international multimodal transportation of goods, where the goods are transported from a place within India to a place outside India. • This law has been completely incorporated into the new law, so as to create a harmonious legal regime. • Since all substantive provisions under this Act have been covered by the new law, it is required to be repealed. 	
3.	Repeal of the Carriage by Road Act, 2007	<ul style="list-style-type: none"> • The Carriage by Road Act, 2007 governs the domestic carriage of goods on road. This does not cover international carriage of goods, which has been included in the proposed law. • Additionally, the terms and definitions used in this Act, as well as the liability-related provisions, have been harmonized with laws governing other modes of carriage, and therefore all substantive provisions contained in this Act have been subsumed in the new law. As a result, this Act is required to be repealed, to enable a single harmonized law for logistics services. 	

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4.	<p>Amendment of</p> <ol style="list-style-type: none"> a. The Railways Act, 1989 b. The Carriage by Air Act, 1972 c. The Indian Carriage of Goods by Sea Act, 1925 d. The Indian Bills of Lading Act, 1856 e. The Sale of Goods Act, 1930 	<ul style="list-style-type: none"> • All provisions related to carriage of goods in the Railways Act, 1989 will have to be removed from the Act by way of amendment, in order to ensure that all logistics-related provisions are contained in the new law alone. Though substantively the same, this amendment will ensure that there is no disparity in terms of terms, liabilities and dispute settlement. • The provisions of the Carriage by Air Act, 1972 and the India Carriage of Goods by Sea Act, 1925 that extend their application to domestic carriage of goods will have to be amended, and domestic carriage will be removed from the scope of these Acts. This is to ensure that all laws related to domestic carriage of goods by sea and air are harmonious with domestic carriage by other modes. The substantive provisions of these Acts need not be amended. Similarly, an amendment is required to be made to the Indian Bills of Lading Act, 1856 regarding its non-applicability to domestic carriage of goods. • An amendment will be required to Section 2(4) of the Sale of Goods Act in order to include a Unified Logistics Document in the list of 	
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		documents of title to goods.	
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APPENDIX IV

Statement on Equity, Public Accountability and Innovation

Sub: National Logistics Bill, 2021

Sr. No.	The Required Goal	How does the Proposed Bill advance this goal
1.	Equity or Inclusiveness	<p>The proposed Bill aims to remove the entry barriers to the sector created by archaic and burdensome qualification requirements for registration. The decentralized dispute settlement mechanism, led by the recognized logistics associations, will ensure that all logistics service providers and service users have the opportunities to address their disputes and grievances effectively and aim to bridge the gap between large service providers and smaller entities in the sector in terms of access to dispute resolution mechanisms. The Institutional Mechanism set up under the Bill also ensure orchestration of stakeholder action in policy implementation.</p>
2.	Innovation	<p>The proposed Bill will promote the use of technology and digital mechanisms in the Sector. The Bill provides for the creation of an electronic platform with adequate protection and security to facilitate the integration of the various activities in the logistics sector. The Logistics Account Number, which will reduce archaic registration requirements, will be issued through this electronic platform. The proposed Bill also promotes the use of digital documentation. The Unified Logistics Document will be made available in e-form with adequate protection and provisions for digital signatures.</p> <p>The Bill also envisages accreditation and certification schemes to be introduced in the future, which can be utilized to promote innovation in logistics services.</p>
3.	Public Accountability	<p>The proposed Bill introduces several means of improving transparency and accountability. The new Logistics Account Number, in conjunction with the standardized Unified Logistics Document and the electronic platform, will ensure improved traceability of transactions in the logistics sector. The Institutional Mechanism set up under the Bill allows for stakeholder</p>

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		inputs and consultations to improve transparency. The involvement of the Recognised Logistics Associations will harmonize the standard operating procedures in the sector, improve training of service providers and facilitate effective cooperation and redressal of grievances between the service user and service provider.
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ANNEXURE 1

This Annexure sets out a tabular representation of the key substantive provisions of each of the following legislations, and the corresponding change / incorporation in the proposed Bill. In addition to these, an amendment will also have to be made to the Sale of Goods Act, 1930 to give legal effect to the Unified Logistics Document.

Complete repeal:

- a. The Multimodal Transportation of Goods Act, 1993
- b. The Carriage by Road Act, 2007

Amendment required:

- a. The Railways Act, 1989
- b. The Carriage by Air Act, 1972
- c. The Indian Carriage of Goods by Sea Act, 1925
- d. **The Indian Bills of Lading Act, 1856**

Additionally, with respect to the Railways Act, 1989 and the Carriage by Air Act, 1972, there are certain provisions related to carriage of passengers and luggage. These provisions will be retained within these Acts. Carriage by Air Act, 1972 and Carriage of Goods by Sea Act, 1925 also apply to international carriage of goods (which are governed by binding International Conventions). Accordingly, only the provisions relating to domestic carriage of goods will be repealed from these Acts. The remaining provisions will be retained as is. For both these Acts, the tables below set out the provisions are to be repealed and their status of incorporation into the proposed Bill.

I. Acts requiring complete repeal.

1. The Multimodal Transportation of Goods Act, 1993

This Act is to be repealed entirely, as per Section 44(1) of the LEAPS Bill.

Chapter or Provision	Contents	Equivalent provision in LEAPS Bill	Additional Comments
Chapter II - Regulation of Multimodal Transportation	Covers mandatory registration for multimodal transport operators, including application, cancellation and appeal for rejection of registration	Sections 4: Application for Logistics Account Number and Section 5: Cancellation of Logistics Account Number	Registration provisions, including fees for registration and a license-based model was seen to be ineffective, with a majority of LSPs not obtaining requisite

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Sections 3 - 6			registration. The new model of a LAN moves away from a registration system to a facilitation system, where a unique number is awarded to each service provider, and is cancelled or rejected on very limited grounds.
Chapter III - Multimodal Transport Document Sections 7 - 12	Covers issuance of MMTD, its status as document of title, its contents, reservations contained, evidentiary effect, and responsibilities of consignor	Sections 7 - 9 provide for a unified logistics document that will replace the MMTD in all aspects. Specifically, Section 8 details the contents of the ULD and Section 9 details reservations in the ULD by LSP.	A wide variety of documents used in different modes of transport required different terminology, and different formats, which make it difficult for integrated logistics service providers. The ULD is a document that contains all salient features required for all modes of transport, in one document to replace the several documentary requirements that exist.
Chapter IV - Responsibilities and Liabilities of MMTO Sections 13 - 20A	Covers basis of liability, limitations on liability (in various scenarios), assessment of compensation, loss of right to limit liability, notice for loss or damage, and time period of responsibility.	Liability of carrier contained in Sections 11 - 19 of the Bill. The principles on which liability is to be decided remain the same, and the determination of liability contained in the MMTG Act is reproduced in the LEAPS Bill.	Principles of liability, principles of exoneration from liability, assessment of compensation, limitation on liability retained the same. Notice period modified to make it uniform across all modes of transport.

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		<p>Limitations of liability, exoneration of liability, compensation etc provided for.</p> <p>Notice period for loss or damage is modified to 6 days from date of delivery.</p>	<p>Limitation on liability contained in MMTG Act is same as limitations of liability for international carriage by multiple modes of transport, contained in Section 17 of the LEAPS Bill.</p>
<p>Chapter V - Miscellaneous Section 21 - Special Provisions for dangerous goods</p>	<p>Provides for special provision for dangerous goods, including an obligation on consignor to inform MMTO of the nature of the goods, and liabilities of the consignor in the event of such information is not provided.</p>	<p>Responsibility for dangerous and hazardous goods contained in Section 23 of LEAPS Bill. Provides for labelling of vehicle, of packaging, disclosure of information, consequences for non-disclosure by consignor, etc.</p> <p>Includes special provisions regarding insurance as well, which is made mandatory for carriage of dangerous goods.</p>	<p>Provides for a more detailed set of rules on carriage of dangerous goods, to ensure safety of LSP, as well as all persons involved in the carriage of the dangerous goods.</p> <p>In addition, edible goods are also regulated under Section 24.</p>
<p>Section 22 - Right of Lien</p>	<p>Provides an MMTO to have a lien on goods on document, in the event of non-payment</p>	<p>Rights of an LSP in event of non-payment are safeguarded in Section 21 of the LEAPS Bill. Provides for a right of lien, right of sale (after due notice) and interest for non-payment.</p>	<p>Rights of LSPs safeguarded in a more comprehensive manner, and right of lien expanded to right of sale and right to receive penal interest.</p>
<p>Section 23 - General Average</p>	<p>Provides that it shall be permitted for parties to include any provision related to general average</p>	<p>Rule permitted general average provided for carriage by sea in Section 15(4).</p>	<p>No changes made from the provision in the MMTG Act.</p>

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Section 24 - Limitation on action	Limitation period of 9 months from date of delivery of goods, date of expected delivery	Limitation on action provided for in Section 19 of the LEAPS Bill. Limitation period retained at 9 months.	No changes made from the provision in the MMTG Act.
Section 25 - Jurisdiction for instituting action	Jurisdiction for institution of actions provided for.	Jurisdiction for institution of actions provided for in Section 37 of LEAPS Bill. Remains the same as MMTG Act.	No changes made from the provision in the MMTG Act.
Section 26 - Arbitration	Parties to MMTC may provide for arbitration, and the procedure shall be specified in the MMTD	No specific provision restating the right of parties to provide for arbitration in their contract. However, RLAs set up under Section 34, which are empowered under Section 3 to provide guidance on arbitration as a means for dispute resolution.	Dispute resolution has been revamped entirely in the LEAPS Bill, to provide for a mechanism of industry led dispute resolution, that does not rely on courts. Parties are free to choose arbitration, mediation or conciliation, and will be assisted by the RLAs to ensure speedy dispute resolution as well.

2. The Carriage by Road Act, 2007

This Act is to be repealed entirely, as per Section 44(1) of the LEAPS Bill

Chapter or Provision	Contents	Equivalent provision in LEAPS Bill	Reason for change
Registration of Common Carrier Sections 3 - 6	Provides that registration of carriers is mandatory, and provides procedure for application for registration, conditions for registration, suspension and	Sections 4: Application for Logistics Account Number and Section 5: Cancellation of Logistics Account Number	Registration provisions, including fees for registration and a licence-based model were seen to be ineffective, with a majority of LSPs not obtaining requisite registration. The new

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	cancellation of registration, and appeal against order of registering authority.		model of a LAN moves away from a registration system to a facilitation system, where a unique number is awarded to each service provider, and is cancelled or rejected on very limited grounds.
Section 7 - Submission of annual return	Provides for the State Transport Authority to submit to the Central Government a consolidated annual return regarding details of goods carried by common carriers in that State or Union territory, based on the returns submitted by the carrier.	None	The requirement for carriers to submit annual returns has been done away with, along with the registration system. However, details regarding transported goods will be traceable using the LAN, and by virtue of the electronic platform.
Section 8 - Goods forwarding note Section 9 - Goods receipt	Provides for a goods forwarding note to be executed by consignor, with correct details. Goods receipt is a document provided by a carrier, in triplicate, and serves as prima facie evidence of the weight, measure and other details of the goods	Sections 7 - 9 provide for a unified logistics document that will replace the Goods Receipt in all aspects. There is no express provision for a document equivalent to a goods forwarding note. However, the ULD requires a logistics contract, which will contain the details to be provided in a goods receipt.	A wide variety of documents used in different modes of transport required different terminology, and different formats, which make it difficult for integrated logistics service providers. The ULD is a document that contains all salient features required for all modes of transport, in one document to replace the several documentary requirements that exist.

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<p>Section 10 - Liability of common carrier</p>	<p>Provides for liability of carriers in the event of loss, damage etc, and provides caps on liability. Provides separate caps on liability for situations of delay.</p>	<p>Liability of carrier contained in Sections 11 - 19 of the Bill.</p> <p>The principles on which liability is to be decided remain the same, and the determination of liability contained in the Carriage by Road Act is reproduced in the LEAPS Bill.</p> <p>Similar to Carriage by Roads Act, special provisions for high risk rate provided for. Additionally, maximum liability is limited to the value of the goods.</p>	<p>The provisions regarding liability in the LEAPS Bill have retained the principles of liability provided for the in various carriage of goods Acts. However, they have been harmonised with respect to caps on liability, exonerations etc. Rules regarding high risk rate and ordinary risk rate are preserved as is.</p>
<p>Section 11 - Rates of charge to be fixed by common carrier for carriage of consignment at higher risk rate</p>	<p>Provides for higher risk rate and ordinary risk rate.</p>	<p>High risk rate and carrier risk rate or ordinary risk rate provided for in Sections 14(1) and (2) of the Bill.</p>	<p>No change</p>
<p>Section 12 - conditions exonerating liability of common carrier</p>	<p>Provides for exoneration of liability in a situation such as detention of goods by competent authority.</p> <p>Also states that carrier will be liable in case loss or damage has arisen as a result of criminal activity, and further, that</p>	<p>Exoneration of liability provided in Section 13, and covers wider scope of situations, such as act of God, act of war, civil strife etc.</p> <p>Section 11 provides that a carrier will not be liable if it can prove lack of fault or neglect. The burden of proof in</p>	<p>Exoneration of liability expanded and made uniform for all modes of transport.</p>

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	negligence or criminal act need not be proven by the consignor in the case of loss, damage or non-delivery.	this regard is not placed on the consignor, similar to the Carriage by Road Act.	
<p>Section 13 - carriage of goods of dangerous or hazardous nature to human life</p> <p>Section 14 - Power of Central Government to prohibit carriage of a certain class of goods</p>	<p>Provides that the Central Government may prescribe rules on carriage of dangerous goods, labels to be used, and nature of vehicles used for, carriage of dangerous goods.</p> <p>Central Government is also permitted to prohibit carriage of a class of goods by carriers.</p>	<p>Responsibility for dangerous and hazardous goods contained in Section 23 of LEAPS Bill. Provides for labelling of vehicle, of packaging, disclosure of information, consequences for non-disclosure by consignor, etc.</p> <p>Includes special provisions regarding insurance as well, which is made mandatory for carriage of dangerous goods.</p> <p>No specific provision authorising Central Government to make rules prohibiting carriage of particular class of goods. However, this power falls within the power of the Central Government to make rules, and therefore is still permitted.</p>	<p>Provides for a more detailed set of rules on carriage of dangerous goods, to ensure safety of LSP, as well as all persons involved in the carriage of the dangerous goods.</p> <p>In addition, edible goods are also regulated under Section 24.</p>
Section 15 - Right of carrier in case of consignee's default	Rights that are expressly protected in the event consignee fails to take delivery and if the goods are unclaimed carrier may	Rights of an LSP in event of non-payment are safeguarded in Section 21 of the LEAPS Bill. Provides for a right of lien, right	Rights of LSPs safeguarded in a more comprehensive manner, and right of sale expanded to right of lien and right

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	<p>sell the goods after providing notice. Similarly, if consignor does not pay his dues, the carrier may detain or dispose off the consignment to recover his dues.</p>	<p>of sale (after due notice) and interest for non-payment. This is broader than the sole right of sale provided in the Carriage by Road Act.</p>	<p>to receive penal interest.</p>
<p>Section 16 - notice for institution of suit</p>	<p>Prohibits institution of suits without a notice in writing within 180 days from date of booking of consignment by the consignor.</p>	<p>Notice of loss or damage is provided for in Section 18, and states that without notice in writing regarding loss or damage, all deliveries shall be treated as prima facie evidence of goods in good condition.</p> <p>In the case of apparent damage, notice must be given in writing at time of taking delivery of the goods.</p> <p>If damage is not apparent, notice in writing must be given within 6 days from date of delivery.</p>	<p>Notice related requirements modified, to be more expansive. Notice requirements divided based on apparent and non-apparent damage, and is calculated from date of delivery and not date of booking of the consignment.</p>
<p>Section 17 - General responsibility of common carrier</p>	<p>Provides that a common carrier is responsible for loss, destruction, damage, delay etc. of goods, and lists events that will exonerate the carrier (such as act of God, war, etc.).</p>	<p>The basis of liability of the carrier remains the same, and is set out in Section 11(2) of the Bill. Additionally, situations of exoneration are set out in Section 13, and include what is provided in the Carriage by Road Act, as well as other situations not found in</p>	<p>The basis of liability has been retained as is.</p> <p>List of situations allowing exoneration has been expanded, including situations previously provided for in other Acts as well, to make it harmonized across all modes of transport.</p>

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		the Act (such as fire, explosion, unseen risk, riots etc).	
Section 18 - punishment for non-registration, or carrying of dangerous or non-permitted goods Section 19 - Composition of offences	Provides that for the first offence, the person contravening the rules is to be punishable by fine of INR 5,000 and for subsequent offences, by fine of INR 10,000. Provides for compounding of offences as well.	Non-compliance with LAN related provisions is punishable only by way of a monetary penalty. This is to be graded; however, the exact value of penalty is yet to be decided. This is provided for in Section 4 of the Bill. No other offences or penal provisions are detailed.	Non-compliance with LAN related offences is penalised by way of a monetary fine, on each instance of non-use, to ensure compliance with the law. Penalties regarding dangerous or hazardous goods have not been provided, and there is a duty on the service user to inform the LSP regarding the dangerous or hazardous goods alone.

3. The Indian Bills of Lading Act 1856

The Indian Bills of Lading Act, 1856 is silent regarding the scope of its application, but, as discernable from the existing jurisprudence, is applicable to both international as well as domestic carriage of goods by sea. The Act only comprises of three sections applying to the rights arising out of the Bill of Lading. All of the three sections have been incorporated in the LEAPS Bill. However, as noted above, the LEAPS Bill does not apply to international carriage of goods by sea due to the existence of binding international conventions governing the sector. Consequently, to avoid any disruption of the rights arising out of the Bill of Lading Act for international carriage of goods, it is suggested that these sections may be reiterated in the Carriage of Goods by Sea Act 1925 which is already being amended (see *Part II.3 below*).

The substantive provisions of the Indian Bills of Lading Act have been addressed in the LEAPS Bill (applicable to domestic carriage by goods) in the following manner. It may be further noted that since these three sections set out fundamental rights arising out the shipping document they have been made applicable to all modes of transport by ensuring that these rights are vested in the Unified Logistics Document.

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Chapter or Provision	Contents	Equivalent provision in LEAPS Bill	Additional Comments
Section 1- Rights under bills of lading to vest in consignee or endorsee	The consignee named in a bill of lading and its endorsee has all rights of suit transferred to and vested in him and is subject to the same liabilities as if the contract in the bill of lading had been made with him.	Section 7(6) of the Bill on "Issue and effect of unified logistics document" deals with the rights and liabilities of the consignee or endorsee, including the rights of suit.	The provision deals with the rights and liabilities transferred to the consignee or endorsee by the 'Bills of Lading' or its equivalent ULD in the Draft LEAPS Bill.
Section 2- Not to affect right of stoppage in transit or claims for freight	The right of stoppage in transit, or right to claim freight against the original shipper or owner, or any liability of the consignee or endorsee due to his being consignee or endorsee, or due to his receipt of the goods are not affected or prejudiced.	Section 7(8)(b) of the Bill states that nothing in the Bill would prejudice or affect the right of stoppage in transit, or right to claim freight against the original shipper or owner, or any liability of the consignee or endorsee.	This provision in the Draft Bill is equivalent to Section 2 in the Indian Bills of Lading Act, saving rights of consignor from prejudice due to other provisions.
Section 3- Bill of lading in hands of consignee, etc., conclusive evidence of the shipment as against master, etc.	Every bill of lading in the hands of a consignee or endorsee for valuable consideration, representing goods to have been shipped on board a vessel, shall be conclusive evidence of such shipment as, against the master or other person signing the same, notwithstanding that such goods or some part thereof may not	Sections 7(9) deals with what the ULD will serve or not serve as <i>prima facie</i> evidence of. The clause (e) of Section 9 deals with ULD as <i>prima facie</i> evidence of shipment.	The provision in the LEAPS Bill also specifies the matters for which the ULD, equivalent to the Bills of Lading, will serve as evidence of.

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	<p>have been so shipped, unless such holder of the bill of lading shall have had actual notice at the time of receiving the same that the goods had not in fact been laden on board: Provided that the master or other person so signing may exonerate himself in respect of such misrepresentation, by showing that it was caused without any default on his part, and wholly by the fraud of the shipper, or of the holder, or some person under whom the holder claims.</p>		
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II. Acts requiring amendment.

1. The Railways Act, 1989

Chapter XI (Responsibilities of Railway Administration as Carriers) deals with liability and responsibility of the railway administration for carriage of goods. The LEAPS Bill harmonises the liability framework across all modes of transportation for the carriage of goods, accordingly this Chapter XI will have to be repealed / deleted from the Railways Act 1989. It may be noted however, that there are two provisions in this Chapter which are outside the scope of the LEAPS Bill (as they pertain to passenger travel). There are also a few provisions in this Chapter which have not been incorporated in the new LEAPS Bill directly as these are very specific to carriage by railways and do not find place within the larger framework structure of the LEAPS Bill. Such provisions (which are discussed below) may be introduced by way of rules under the LEAPS Bill.

Provision	Contents	Equivalent provision in LEAPS Bill	Reason for change
A. Provisions outside the scope of the LEAPS Bill			

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Section 100 - Responsibility as carrier of luggage Section 101 - Responsibility as a carrier of animals	Provides that railways will not be responsible as a carrier of luggage, unless it is booked as goods with issuance of railway receipt.	Falls outside the scope LEAPS Bill.	May be retained in the Railways Act. Language may have to revisited to ensure continuity with the rest of the provisions of the Act.
Section 109 - Railway administration against which application for compensation for personal injury is to be filed	Deals with claims for personal injury	Outside the scope of the LEAPS Bill	May be retained in the Railways Act. Language may have to be revisited to ensure continuity with the rest of the provisions of the Act.
B. Provisions not directly incorporated in the LEAPS Bill			
Section 94 - Goods to be loaded or delivered at a siding not belonging to a railway administration	Provides that when goods are requiring to be loaded at a siding not belonging to the railway administration, the administration shall not be responsible for any loss, destruction etc of the goods. Similar provisions exist for when delivery is to be done at a siding not belonging to the railway administration.	No equivalent provision.	This provision is unique to railway carriage, and has been removed to harmonise the laws. It may be introduced as rules within the LEAPS Bill.
Section 104 - Extent of liability in respect of	States that if goods are carried in an open wagon with the permission of	No equivalent provision.	This provision is unique to railway carriage, and has been removed to

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goods carried in open wagon	the consignor, and if damages occur only as a result of such carriage, liability shall be halved		harmonise the laws. It may be introduced as rules under the LEAPS Bill.
Section 96 - Traffic passing over railways in India and railways in foreign countries	Provides that in the course of international rail carriage, if the railway is used, the railway administration shall not be liable unless it is proved that the loss, destruction, damage etc arose over the railway of the railway administration.	There is no directly corresponding provision contained in the LEAPS Bill. However, the principles of liability provided in the Bill, being no-fault liability, will ensure that if the railway administration did not have control over the goods during a particular part of the carriage, no liability can lie.	The provisions for liability have been harmonized across the board, and all special provisions related to certain modes of carriage, including rail, have been removed. Any further non-conflicting specifications in relation to a particular mode of travel may be introduced by Rules.
Section 99 - Responsibility of a railway administration after termination of transit	Provides that the railway administration shall be responsible as a bailee up to 7 days after termination of transit, following which the administration shall not be liable for any loss, destruction or damage.	No provisions related to the carrier being a bailee after termination of transit. Section 11(1) states that the period of liability of the carrier will cover only that period from the time the carrier has taken the consignment in its charge, till date of delivery.	The provision regarding the carrier being a bailee is unique to the Railways Act, and has been removed in order to harmonize the obligations of carriers across all modes of transport.
C. Provisions incorporated as is or modified			
Section 93 - General Responsibility of a railway administration as carrier of goods	Provides for situations of exoneration from liability, such as act of God, act of war, act of public enemies etc., and	Exoneration of liability provided in Section 13, and covers the same scope as what is provided in the Railways Act. Section 11 provides	Exoneration of liability kept the same, as the Railways Act had the most comprehensive provisions regarding exoneration of liability.

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	states that in situations apart from these, the railway administration is responsible for loss, destruction, damage or deterioration in transit, or non-delivery of consignments.	that a carrier will not be liable if it can prove lack of fault or neglect. The burden of proof in this regard is not placed on the consignor, similar to the Carriage by Road Act.	
Section 95 - Delay or retention in transit	States that railway administration is not responsible for loss, destruction damage etc of goods caused by delay or detention in a railway carriage, if the administration can show that the delay arose for reasons beyond its control, or without negligence or misconduct on its part.	The principle of liability in the LEAPS Bill is based on the same principles, whereby if there is no fault, negligence or misconduct on the carrier's part, no liability shall lie. This can be found in Section 11(3) of the Bill.	No change
Section 97 - Goods carried at owner's risk rate	Provides that when goods are carried at owner's risk rate, the liability shall not lie on the railway administration, unless there is proof that there was negligence or misconduct on its part. In this regard, it is clarified that the railway administration must disclose to the	The burden of proof provided in Section 11(3) is on the carrier to prove that it had committed no fault or did not act negligently. This is similar to the provision in the Railways Act, though worded differently, since under the Railways Act as well, the railway administration must first disclose the	No change.

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	consignor how the goods were handled, and if negligence is not readily apparent from such disclosure, the burden of proof shifts to the consignor.	condition of the goods during its carriage.	
Section 98 - Goods in defective condition or defectively packed	Provides that if goods are defectively packed so as to cause leakage or wastage, and such defect has been recorded in the forwarding note, the railway administration shall not be responsible, unless negligence can be proven.	Wastage of product due to quality or vice of packaging is provided as a condition for exoneration of liability in Section 13(1).	No change.
Section 102 - Exoneration from liability in certain cases	Provides for exoneration of liability when the consignor has provided material false description of goods, practiced fraud, etc, and for consequential losses, loss arising from riot, civil commotion, strike etc.	Exoneration of liability provided in Section 13, and covers wider scope of situations, such as act of God, act of war, civil strife etc. Liabilities of the consignor for inaccuracies in the ULD are provided for in Section 20 of the Act.	Exoneration of liability expanded and made uniform for all modes of transport. No substantive change in provisions regarding exoneration from liability.
Section 103 - Extent of monetary liability in respect of any consignment	Provides that if value of consignment is not declared, liability shall not exceed no case exceed such	Limitations of liability are provided for in Section 14, and is capped based on the gross freight charges. In no event may the	No substantive change in the provisions when the value of goods is declared. In cases where the

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	amount calculated with reference to the weight of the consignment as may be prescribed. When value is declared, liability shall not exceed the value declared.	liability exceed the value of the goods. Declaration of value of goods is mandatory within the ULD, and therefore no liability cap is contemplated in situations where value of goods is unknown. Section 12 may also be used in determining the value of goods and assessment of compensation, and states that the value of a consignment is to be determined based on current commodity exchange prices.	value of goods is not declared, the value of goods is to be determined under Section 12, and then the liability cap is to be determined.
Section 105 - Right of railway administration to check contents of certain consignment or luggage	Provides that a railway administration may make a condition that its servant may examine the goods to ensure they carry the declared articles/goods.	Section 9 states that when the LSP has doubts regarding the accuracy of information furnished by the consignor, and has no reasonable method for checking the accuracy, he may make a reservation in the ULD.	The LSP is permitted to check the accuracy of information furnished by the LSP, and in the absence of a reasonable method for such checks, may make a reservation. There are no substantive changes from the Railways Act.
Section 106 - Notice of claim for compensation and refund of overcharge	Mandates a notice regarding claims for compensation. Notice for refund of overcharge also provided	Mandatory written notice provided for in Section 18. Refund of overcharge not expressly provided for under this Act.	No change regarding mandatory written notice. Refund of overcharge is unique to railways, and therefore has been removed in the Bill. It may be reintroduced by way of Rules.
Section 107 -	Provides that	The chapter on liability	Harmonized across

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Applications for compensation for loss etc., of goods and Section 108 - Person entitled to claim compensation	application for compensation to be filed against railway administration on whom notice is served. Also states that if compensation is paid to consignee or endorsee, the obligation of the railway administration is discharged.	only contemplates claims for compensation to be initiated by the consignor, and does not detail how a consignee may receive compensation. This is because the logistics contract is between a consignor and carrier alone, and therefore the consignor is the appropriate party to receive compensation.	all modes of transport, to permit only the aggrieved party, being the consignor, to receive compensation.
Section 110 - Burden of Proof	Relates to disputes before a railway claims tribunal, and states that burden of proof lies on person claiming compensation.	Not applicable, since dispute resolution does not take place before a railway claims tribunal. However, burden of proof regarding proving lack of fault or neglect lies on the carrier, and not on the consignor, under Section 11(3).	Burden of proof is uniformly applied in all modes of carriage, and is based on many factors. If there is prima facie evidence that goods were delivered in good condition, burden of proof lies on the consignor. However, in other instances, burden of proof to show lack of fault lies on the carrier.
Section 111 - Extent of liability of railway administration in respect of accidents at sea	Provides for situations where the railway administration contracts to carry goods partly by rail and partly by sea, and specifies specific exonerations with respect to sea voyages.	Special exonerations for sea voyages set out in Sections 13(2)(a) – Section 13(2)(f).	No changes

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2. Carriage by Air Act, 1972

Requires partial amendment of Rules promulgated under the Act.

The Carriage by Air Act primarily governs international carriage by air. It includes Section 8² which grants the Central Government power to apply, by notification, the schedules and certain other provisions in the Act to non-international carriage by air. Apart from this, the entire provision granting power to the Central Government may not be repealed since the Act covers carriage of passengers and luggage by air, apart from goods. Without the power to extend the provisions of the Act to non-international carriage, there will be a void in term of non-international carriage of passengers and luggage.

However, Section 8 allows for exceptions, adaptations and modification to the provisions of the Act when extending to domestic carriage, and as a result there is no need to repeal the provision. The Central Government, specifically the Ministry of Civil Aviation came out with a notification in 2014³ to extend the Act to non-international carriage by air after the Act was amended through Carriage by Air (Amendment) Act, 2009.⁴ It applied Section 5 and the Rules contained in the Third Schedule to the said Act domestically subject to the exceptions, adaptations and modifications provided in the notification. This notification can be further amended as per section 8(3) of the Act to insert a provision excluding the application of rules to carriage of goods by air.

Chapter or Provision	Contents	Equivalent provision in LEAPS Bill	Reason for change
Preamble	"...and in the amended form (subject to exceptions, adaptations and modifications) to non-international carriage by air..."	Not applicable. The LEAPS Bill will have its own preamble, not referring to any single mode of transport of goods.	The bill refers to application of rules to non-international carriage by air, i.e. domestic carriage of goods by air.
Section 8. Application of Act to carriage by air which is not international	It grants the Central Government the power to apply international rules in the schedules	The Chapter III on Liability of Carrier in all the three schedules form the most substantial part in	This part gives the power to extend the rules laid down in the act, including on carriage of goods

²Act 69 of 1972.

³Notification S.O. 142 (E) dated 17 January 2014 by Ministry of Civil Aviation in supersession of Notification S.O. 186(E) dated 30 March 1973, Ministry of Tourism and Civil Aviation that applied Second Schedule of the Carriage by Air Act 1973.

⁴Act 28 of 2009.

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	and certain other provisions in the act to apply to non-international carriage by air by notification.	those schedules. These provisions have been modified and contained in Sections 11 - 19 of the LEAPS Bill.	by air, to non-international carriage.
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3. Carriage of Goods by Sea Act, 1925

The Carriage of Goods by Sea Act, 1925 (CGSA) is the incumbent legislation for transportation by sea. The Act is also the implementing legislation for the international conventions⁵ which govern the carriage of goods by sea. Section 2 of the Act sets out its applicability and notes that it is applicable to carriage of goods “from any port in India to any other port whether in or outside India”. The Schedule to the Act then sets out the substantive rules of the conventions applicable to the carriage of goods by sea. An amendment in the CGSA will be required to Section 2 of the Act such that it reads – “from any port in India to any other port outside India” with the phrase “whether in or” omitted from the text of the legislation.

The table below sets out an overview of the provisions of this Schedule and the comparable provisions in the new LEAPS bill. The Schedule predominantly sets out the rules around obligations and liability of the carrier / shipper in relation to the cargo.

Provisions of the Schedule	Contents	Equivalent provision in LEAPS Bill	Additional comments
Article II – Risks and Article III Responsibilities and Liabilities	Articles II and III set out that carriage of goods will be subject to the responsibilities, liabilities set out therein. Article III in particular sets out	Section 15 of the Bill sets out special provisions dealing with carriage by Sea and Chapter III sets out the general principles covering the Unified	The Act allows room for rules to be implemented to account for any special considerations to be accommodated in

⁵International Convention for the Unification of Certain Rules of Law relating to Bills of Lading, and Protocol of Signature (or Hague Rules of 1924). The more recent Visby Rules and Hamburg Rules were not adopted.

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	specific obligations related to maintenance of ships and loading unloading of consignments onto ships, as well as provisions related to the Bill of Lading.	Logistics Document which is expected to replicate / replace the Bill of Lading for domestic use. Chapter IV of the Bill also sets out the general rules applicable to the liability of carriers.	case of carriage by specific mode of transport. Chapters III and IV of the Bill include the principles set out in these Articles.
Article IV – Rights and Immunities Article V – Surrender of Rights and Immunities Article VI – Special Conditions	These provisions set out the principles on the basis of which liability may be exempt or exonerated. They also allow the carrier to surrender such immunities.	Section 13, 14 and 15 collectively incorporates the provisions set out in Article IV.	The provisions have been incorporated in the new bill.

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ANNEXURE 2

STANDARD TERMS IN EXTANT SHIPPING DOCUMENTS

S. No.	Standard Field Name	Load Receipt	Bill of Lading	Railway Receipt	Airway Bill	E-Way Bill
1	Document ID	LR No	BoL Number	RR No	AWB No	EWB No
2	Issued Date	Date	Issued Date	RR Date	Issued Date	Creation Date
3	Consignor with Address	Name and Address of Shipper	Name and Address of Shipper	Sender's Name + Code, Address (Sender), GSTIN (Sender)	Name and Address of Shipper	Consignor Address
4	Consignee with Address	Consignee	Name/Address of Receiver	CNSG Name + Code, Address (CNSG), GSTIN (Consignee)	Name/Address of Receiver	Consignee Address
5	From Address	From	Port of Discharge	From Station/Siding + Code	From Airport	Legal Name & GSTIN, State
6	To Address	To	Port of Destination	To Station/Siding + Code	To Airport	Legal Name & GSTIN, State
7	Freight Charges Terms	Terms	Freight Charges Terms (Pre-Paid, Collect, 3rd party)		Freight Charges Terms (Pre-Paid, Collect, 3rd party)	
8	Transporter/Carrier Name and Vehicle/Vessel/Airline/Railway	Vehicle Number/Transporter	Carrier Name/Code, Vessel Name, Trailer number, Seal numbers	Zone Code, Gauge Code, Wagon Details of RR	Carrier Name/Code, Flight Name/Number	Transporter Name / GSTIN, Vehicle Number / Type, Document Number / Date
9	PO/Invoice	PO/Invoice	Purchase	Tax Invoice	Purchase	Sub

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	Details	Number	Order Number / Invoice Number	Number, Invoice No & Date -	Order Number / Invoice Number	Type, Document Type, Document Number, Document Date, Transaction Type
10	Risk Details	Risk	As per Incoterms mentioned	Risk Rate	As per Incoterms mentioned	
11	Facilitator Details		Forwarding Agent No	HNDLD BY	Forwarding Agent No	
12	Law & Jurisdiction Details	Law & Jurisdiction Clause	Custom Clause		Custom Clause	
13	Material Details	Shipment Details	HSN Code, Private Marks, Container Nos, No of Packages, Description of Goods, Gross Weight, Dimensions	Wght Unit, Cmdt Code, No Of Articles, Pckg Code, Pvt Mark, Sender Wght, ActlWght At Norm Rate, Over WtChbl At Pun Rate	HSN Code, Private Marks, Container Nos, No of Packages, Description of Goods, Gross Weight, Dimensions	Hsn& Product Name, Quantity, Unit, Price Per Unit(Rs), Taxable Value, Sgst, Cgst, Igst, Cess(%), Non Advol(Rs)
14	Freight Charges	Charges		Rate, Total ChrgWt, Charged Via, Punitive Charge For Overloading. Freight, OthrChrg (Code		

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				+ Amt), Rebate (Code + Amt), Paid OnChrg (Code + Amt), Under Chrg (Code + Amt), Over Chrg (Cod Total Freight		
15	Insurance Details	Insurance Details				
16	Demurrage Charges	Demurrage Charges				
17	Authorised Dept. tags/stamps (if applicable)	Authorised Dept. tags/stamps (if applicable)	Authorised Dept. tags/stamps (if applicable)		Authorise d Dept tags/stam ps (if applicable)	
18	Acknowledgm ent Required (Consignee)?	For POD				
19	Additional Fields			Type		
20				Form		
21				Fnr		
22				ChrgDist		
23				Fnot No		
24				Fnot Date		
25				Trfc Type		
26				Rate Type		
27				Wgon 8w		
28				Class		
29				T/W Load		
30				InvAt		
31				WghdAt		
32				Delivery Book/ Folio No		
33				Rmc Details		
34				(As Per Weighment Sheet)		
35						Validity

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						Date
36						Road, Rail, Air, Rail
37						Approximate Distance (In Km)