

NEWSLETTER

CONSTRUCTION INFRASTRUCTURE UPDATES

TUESDAY, FEBRUARY 03 - 04, 2025

[^ TOP](#)

BUDGET SEPECIAL 2025 - 2026

- [Major Infrastructure Push In Budget 2025: Rs 1.5 Lakh Crore Interest-Free Loans To States, Rs 10 Lakh Crore Asset Mobilisation Plan](#)
- [Economic Survey 2024-25: Over 1.18 Crore homes sanctioned, metro expansion, and smart city progress among top highlights](#)
- [Budget 2025-26: Allocation for rail, road infrastructure remains flat](#)
- [Budget 2025 Infrastructure Allocation: From ₹500 cr for AI education to infra in IITs, here's what Sitharaman proposed](#)
- [Budget 2025: What govt doubling down on infrastructure spending can achieve](#)
- [Mumbai Goa Highway Upgrade to Halve Travel Time and Complete by 2025](#)
- [New Land Acquisition Model Accelerates Kochi Seaport-Airport Road Devp](#)
- [Asia's Largest 'Jewar' Airport To Begin Regular Operations By April, 100 More Airports Planned Across India](#)

"Joining the Hands that Believe in Building Sustainably # Platform for Sustainable Infra"

Major Infrastructure Push In Budget 2025: Rs 1.5 Lakh Crore Interest-Free Loans To States, Rs 10 Lakh Crore Asset Mobilisation Plan

Swarajya,
February 03, 2025



In a significant move to accelerate infrastructure development, Union Finance Minister Nirmala Sitharaman has announced an outlay of Rs 1.5 lakh crore in 50-year interest-free loans to states.

This initiative, unveiled during the Union Budget 2025 presentation, is aimed at catalysing capital expenditure and reinforcing core infrastructure across the country.

Sitharaman also mentioned the government's focus on economic growth with energetic public investment and introduced an Urban Challenge Fund of Rs 1 lakh crore, which will transform cities into growth nodes while developing creative development with water and sanitation infrastructure.

The fund would trigger innovative urban projects with competitive and sustainable development models by nudging states into adopting them.

Each ministry is going to bring in a three-year pipeline of PPP infrastructure projects, and the Second Asset Monetisation Plan (2025-30) has been unveiled to fuel this momentum, which is targeting the mobilisation of Rs 10 lakh crore.

The funds will be reinvested into new projects, keeping the cycle of infrastructure expansion intact.

Furthermore, the government promises to provide a share of financing up to 25 percent on bankable projects, with rest to be made available from bond, banking entities, and through PPP models.

[^ TOP](#)

Economic Survey 2024-25: Over 1.18 Crore homes sanctioned, metro expansion, and smart city progress among top highlights

The Financial Express,
February 04, 2025

A total of 1.18 crore houses have been sanctioned to beneficiaries of The Pradhan Mantri Awas Yojana – Urban (PMAY-U), the Economic Survey 2024-25 said on Friday.



Economic Survey 2024-2025 highlights major infra development / Representative Photo. (Image Source: Reuters)

Economic Survey 2024-25: The Economic Survey for 2024-25, released on Friday, highlighted that 1.18 crore houses have been sanctioned under the Pradhan Mantri Awas Yojana – Urban (PMAY-U) since its inception in 2015. The scheme, designed to provide permanent housing solutions in urban areas. It has achieved over 1.14 crore houses on the ground and more than 89 lakh homes completed as of November 25, 2024.

PMAY-U 2.0, launched in September 2024, is set to assist an additional one crore households, marking a significant expansion of the program. Currently, agreements to implement PMAY-U 2.0 have been signed by 29 states and union territories. In FY25, the government has already approved the construction of 6 lakh houses under the new phase.

Urban infrastructure boom

The Economic Survey also mentioned growing urban infrastructure, particularly metro rail and rapid transit systems. With 29 cities across the country either operational or in the process of developing metro or rapid rail transit systems, a total of 1,010 kilometers of metro rail is already operational in 23 cities. An additional 980 kilometers are under construction, with 62.7 kilometers of new tracks being operationalized in FY25 alone. As a result, daily ridership has surged to 10.2 million.

These developments have brought changes in terms of reducing emissions, traffic congestion, vehicle operating costs, accidents, and infrastructure maintenance, contributing to cleaner and more efficient cities.

Water and sewerage management

The Atal Mission for Rejuvenation and Urban Transformation (AMRUT), launched in 2015, has made significant strides in improving urban water management across 500 cities. The mission's efforts have led to a notable increase in tap water coverage to 70 percent and sewerage coverage to 62 percent. It has also augmented water treatment capacity by 4,649 million liters per day and developed 2,439 parks, adding 5,070 acres of green space.

AMRUT 2.0 was introduced in 2021, focusing on extending coverage to all statutory towns and cities. With an allocation of Rs 2.77 lakh crore for FY22 to FY26, this phase has already initiated 8,923 projects worth Rs 1.89 lakh crore, emphasizing the involvement of self-help groups and the adoption of innovative technologies.

Smart cities and real estate developments

The Smart Cities project, launched in 2015, has a completion rate with 7,479 projects worth Rs 1.50 lakh crore completed as of January 13, 2025. Meanwhile, 8,058 new projects worth Rs 1.64 lakh crore have been proposed. Additionally, the Real Estate Regulatory Authority (RERA) has registered around 1.38 lakh real estate projects and 95,987 agents, with nearly 1.38 lakh complaints disposed of, ensuring greater transparency and consumer protection in the sector.

[^ TOP](#)

Budget 2025-26: Allocation for rail, road infrastructure remains flat Business Today, February 04, 2025

Budget 2025: Finance minister Nirmala Sitharaman focussed on Rs 10 crore asset monetisation and public-private participation revival.

In a change from previous Budgets, Finance Minister Nirmala Sitharaman did not even once mention two key physical infrastructure sectors—rail and road in her speech on Saturday. The reason seemingly also reflected in the expenditure budget for FY26 with almost flat capex allocation to the two sectors.

The budgetary allocation to Ministry of Railways for FY26 has been pegged at Rs 255,445 as against Rs 255,393 in FY25. The roads and highways budget saw a 3% increase with allocation of Rs 287,333 crore for FY26 against Rs 278,000 crore in FY25.

This comes as a dampener for the industry as it was expecting a boost of 10-15%, keeping in mind the country's need to expand its physical infrastructure at a fast pace to achieve Viksit Bharat 2047 goal.

In the overall infrastructure segment, the finance minister focussed on asset monetisation and public-private participation revival in the Budget.

Sandeep Upadhyay, Managing Director—Infrastructure, Centrum Capital, says Budget 2025 has focussed to attract more private sector investments.

“A key highlight is the specific asset monetisation plan for 2025-30, aimed at infusing Rs 10 lakh crore into new projects. This initiative is expected to enhance much-needed equity investments, boosting overall sectoral growth. While roads and highways have led the way in successful PPP (Public-Private Partnership) execution, the sector has witnessed a 60% expansion in the national highway network over the past decade, drawing investments from leading sovereign and pension funds,” he said.

The finance minister also emphasised on encouraging states to leverage the India Infrastructure Project Development Fund (IIPDF) to develop PPP proposals.

Mohammad Athar, Partner and Leader Capital Projects and Infrastructure Development, PwC India says there is significant focus on cities as engines for economic growth with Rs 1 lakh crore Urban Challenge Fund will support urban development projects by financing 25% of the cost for bankable projects.

[^ TOP](#)

Budget 2025 Infrastructure Allocation: From ₹500 cr for AI education to infra in IITs, here’s what Sitharaman proposed

Mint,

February 03, 2025

Budget 2025: From ₹500 crore for AI education to boosting additional infra in IITs: A look at allocations made by Finance Minister Nirmala Sitharaman.

Budget 2025: Finance Minister Nirmala Sitharaman on Saturday made a series of announcements aimed at driving infrastructure development and said ₹1.5 lakh crore will be provided towards 50-year interest-free loans to states for infrastructure projects.

Budget 2025 for infrastructure development

Public-Private Partnership (PPP) in Infrastructure

— Each infrastructure-related ministry will create a three-year pipeline of projects that can be implemented in PPP mode.

— States will also be encouraged to do so and can seek support from the IIPDF (India Infrastructure Project Development Fund) scheme to prepare PPP proposals, said FM.

Support to States for Infrastructure

An outlay of ₹1.5 lakh crore is proposed for the 50-year interest-free loans to states for capital expenditure and incentives for reforms.

Modified Udaan scheme

The FM announced a modified Udaan scheme to enhance regional connectivity to 120 new destinations, which will help four crore additional passengers in the next 10 years. The scheme will also support helipads and smaller airports in hilly, aspirational, and North East region districts.

“Joining the Hands that Believe in Building Sustainably # Platform for Sustainable Infra”

Greenfield Airports in Bihar

In addition to expanding the capacity of Patna airport and a brownfield airport in Bihar, Nirmala Sitharaman announced that greenfield airports will be facilitated in Bihar to meet the future aviation needs of the State.

National Geospatial Mission

- The government will start a National Geospatial Mission to develop foundational geospatial infrastructure and data.
- Using PM Gati Shakti, this Mission will facilitate the modernisation of land records, urban planning, and design of infrastructure projects.

Warehousing facility for air cargo

- The government will facilitate the upgradation of infrastructure and warehousing for air cargo, including high-value perishable horticulture produce.
- Cargo screening and customs protocols will be streamlined and made user-friendly.

Centre of Excellence in AI for Education

- A Centre of Excellence in Artificial Intelligence (AI) for education will be set up with a total outlay of ₹500 crore.

Additional infra in five IITs set up after 2014

- Additional infrastructure will be created in the five IITs set up after 2014 to facilitate education for 6,500 more students.
- Hostel and other infrastructure capacity at IIT, Patna will also be expanded.

Jal Jeevan Mission

- The Budget outlay for Jal Jeevan Mission will be enhanced to achieve 100 per cent coverage.

Asset Monetization Plan 2025-30

The Finance Minister said that building on the success of the first Asset Monetization Plan announced in 2021, the second Plan for 2025-30 will be launched to plough back capital of ₹10 lakh crore in new projects. Regulatory and fiscal measures will be fine-tuned to support the Plan.

Urban Sector Reforms

Urban sector reforms related to governance, municipal services, urban land, and planning will be incentivised.

[^ TOP](#)

Budget 2025: What govt doubling down on infrastructure spending can achieve

India Today,
February 03, 2025

The allocation of Rs 11.5 lakh crore for capital expenditure shows a clear and continuing focus on public spending on infrastructure as a means of economic recovery

In Short

- Rs 11.5 lakh crore allocated for capex, including Urban Challenge Fund.
- Public-private partnerships key to balancing investment and debt.
- Railways, highways, and ports receive major capital allocations.

With an eye on the ripple effect it has on employment generation and attracting private capital, the Narendra Modi government has doubled down on massive public spending through infrastructure in Budget 2025, with large connectivity projects and urban redevelopment as the main focus.

An allocation of over Rs 11.5 lakh crore for capital expenditure (capex) shows a clear and continuing focus on public spending on infrastructure as a means of economic recovery. Amplifying capital spend by states, the Centre will also set up an Urban Challenge Fund of Rs 1 lakh crore to support 25 per cent of the cost of bankable projects in urban development.

A HIGH-STAKES BET

Finance minister Nirmala Sitharaman said the outlay was a “transformative moment” for India’s infrastructure ambitions. “Infrastructure development remains a cornerstone of India’s growth strategy, with targeted investments to enhance connectivity and reduce logistics costs,” she said.

The government’s strategic pivot leans heavily on public-private partnerships (PPPs) and asset monetisation to balance investment with debt sustainability. The second Asset Monetisation Plan (2025-30) aims to reinvest Rs 10 lakh crore into new projects over five years, underpinned by regulatory reforms to attract private capital.

“The second Asset Monetisation Plan (2025-30) will plough back Rs 10 lakh crore into new infrastructure projects, with regulatory and fiscal measures to support its execution,” Sitharaman announced in her Budget speech. She said the Urban Challenge Fund will “focus on growth hubs, creative redevelopment and water-sanitation initiatives”.

India’s infrastructure spending crossed Rs 10 lakh crore in 2023-24, riding on post-pandemic recovery combined with the PM Gati Shakti Master Plan, which cut logistics expenses. Budget 2025 now seeks to connect more areas with a focus on transport projects and eco-aligned city growth.

Raghav Madan, director at Deloitte India, highlighted the impact of the second phase of the National Infrastructure Pipeline (NIP) on investment attraction. “The second phase of NIP is expected to further encourage this innovation, including encouraging other classes of investors to participate in Indian infrastructure. Public invites by government agencies like the National Highways Authority of India (NHAI) can help achieve this new NIP target.”

HEAVY LIFTERS: RAILWAYS, HIGHWAYS AND PORTS

“Joining the Hands that Believe in Building Sustainably # Platform for Sustainable Infra”

The railways and highways sectors have again dominated capital allocations. The Indian Railways, which moves 8.5 billion passengers annually, has been allocated Rs 253,424.65 crore, up from last year's Rs 244,110 crore. The government plans to invest in expanded freight corridors, upgraded rail centres and more.

The highways allocation of Rs 278,192.07 crore is a 7.4 per cent rise from last year. The Bharatmala Pariyojana programme as well as rural road plans lead this focus. The maritime sector received Rs 25,000 crore as Maritime Development Fund for port revamp. The Sagarmala Programme got Rs 3,371.94 crore to expand ports or develop waterways.

A NEW UDAN

The civil aviation sector got Rs 2,400.31 crore, with UDAN (Ude Desh ka Aam Naagrik) 4.0 programme to improve regional flights. Airport development in small cities needs private capital. A new version of UDAN aims to link 120 destinations, potentially serving 40 million fliers over the next decade. The plan includes support for helipads as well as small airports in hilly areas and the Northeast.

“Investment in developing world-class airports, enhancing regional connectivity, capacity upgrades, procedures, regulatory framework and streamlined visa facilities will all play a critical role in bringing to life this vision of developing India into a global aviation hub,” said Pieter Elbers, CEO of Indigo, India's largest airline.

Budget 2025 seeks to interconnect multiple ways of travel, boost clean infrastructure and rural growth. The PM Gati Shakti Master Plan leads the effort to combine logistics. Electric highways built for EVs and clean ports show a clear direction toward earth-friendly building projects.

The pace of land acquisition remains a major obstacle for infrastructure projects. Legal disputes or complex procedures delay projects and cause execution problems. Supply-chain issues also raise costs along with schedule changes.

The private sector is expected deliver about 25 per cent of the total funding through the PPP model. Transportation projects, such as highways, ports or urban networks, need substantial private investment to succeed. These joint efforts will shape how fast new facilities emerge.

In recent years, infrastructure development has given a boost to employment in India. Analysis by Moody's Ratings highlights how these developments have spurred growth in the construction, steel, cement and transportation sectors. The anticipated increase in job creation correlates with the government's planned capital investment of Rs 11.1 lakh crore in connectivity initiatives for 2024.

The construction industry employs 71 million individuals (2023), which is projected to touch 100 million by 2030, establishing it as the second-largest source of employment in India. The International Monetary Fund (IMF) found that infrastructure funds create 7 to 30 jobs per \$1 million spent based on the sector, with roads or water projects offering the most positions.

A Periodic Labour Force Survey shows a 36 per cent rise in jobs (170 million jobs) from 2016-17 to 2022-23 because of investments in infrastructure. Research also shows valuable results despite skill gaps. Each Rs 1 crore invested in these sectors leads to a 2.5-5.6 per cent job increase. The data

matches overseas studies, all of which proves that infrastructure projects create immediate jobs as well as lasting economic growth.

[^ TOP](#)

Mumbai Goa Highway Upgrade to Halve Travel Time and Complete by 2025

News 24,
February 04, 2025

The Mumbai-Goa Highway, a vital link between two of India's most popular destinations, is undergoing significant transformation. The 466-kilometre stretch is being upgraded to a four-lane highway and is expected to be completed by May or June 2025. Once finished, the travel time between Mumbai and Goa, which currently takes around 12 to 13 hours, will be cut down to just 6 hours.

The new highway will connect Panvel to Sindhudurg, passing through scenic regions like Raigad and Ratnagiri. The project is being jointly managed by the National Highways Authority of India (NHAI) and the National Highway Public Works Department (NHPWD). In addition to improving connectivity, the upgraded highway will feature 14 interchanges, offering a smoother and more efficient travel experience.

The construction of the highway, however, has faced delays due to ongoing work in key towns, including Pali, Lanja, Kolad, Mangaon, Indapur, and Chiplun. The development of bypasses, flyovers, and underpasses has taken longer than anticipated. Despite these setbacks, officials assure that the project will be completed before the monsoon season begins.

Initially estimated to cost Rs 35 billion, the project's expenses have now reportedly risen to Rs 73 billion due to the delays. The stretch between Panvel and Indapur, spanning 84 kilometers, is being widened by NHAI, while the remaining sections are being developed by the PWD. Once completed, the upgraded highway is expected to significantly enhance travel efficiency and ease between Mumbai and Goa.

[^ TOP](#)

New Land Acquisition Model Accelerates Kochi Seaport-Airport Road Devp

The New Indian Express,
February 04, 2025

The court has directed the government to deposit an amount of Rs 37,90,96,662 in a nationalised bank under the name of the High Court Registrar. Following this, the tahsildar is responsible for depositing the amount in the Registrar's account, after which the land acquisition process can proceed.

The state has allocated Rs 190.39 million for this purpose, in addition to Rs 180.75 million that was already available in the tahsildar's account. The acquisition is part of a broader land acquisition effort for the second phase of the project, which includes three sections: HMT Road-NAD Junction to Chowara, and Chowara to Airport Road.

In the 2.7km stretch from Kalamassery to NAD, construction has been completed on the 1.5km stretch where land is available, while land belonging to NAD is still pending acquisition. The amount of Rs 230.06 million has been handed over to the tahsildar, who will issue award enquiry notes to landowners. Once the necessary documents are provided, the land will be acquired with the compensation.

Acquisition efforts for the HMT land are progressing, with authorities aiming to expedite the process. The NAD-Mahilalayam stretch involves over 400 landowners, and while the process is expected to take at least six months, the acquisition of HMT land can proceed once the required amount is deposited, as there is only one landholder for that section.

Land acquisition is also progressing on the 6.5km NAD-Mahilalayam section, where two bridges have already been constructed across the Periyar. However, the final 4.15km section, from Chowara to the airport, is pending government approval for land acquisition.

[^ TOP](#)

Asia's Largest 'Jewar' Airport To Begin Regular Operations By April, 100 More Airports Planned Across India

Swarjya,

February 03, 2025



An illustration of the Noida International Airport at Jewar in Uttar Pradesh.

Jewar International Airport, poised to become the largest airport in Asia, will commence regular operations from April 2025, according to Minister for Civil Aviation Kinjarapu Rammohan Naidu, as reported by The Economic Times.

Addressing the Rajya Sabha, the minister emphasized that the airport is progressing as per schedule, with the validation flight successfully conducted in December 2024.

"Jewar airport is emerging as the country's and Asia's biggest airport. We have conducted the validation flight in December at the airport. Everything is going according to timelines and very soon in the month of April we will see regular operations starting from Jewar-Noida International Airport," Naidu stated, quoted as saying by The Economic Times.

The minister further highlighted that leading airlines, including Air India and IndiGo, are eager to launch operations from Jewar, enhancing international and domestic connectivity.

Jewar International Airport, located near the Noida Expressway, is expected to significantly boost regional connectivity. The government is working on further improving road networks to ensure seamless access to the airport, facilitating passenger and cargo movement.

Additionally, Naidu addressed the government's long-term aviation strategy, confirming that the UDAN (Ude Desh ka Aam Naagrik) scheme — which aims to boost regional air travel — will be extended for another ten years.

"The government is working on adding another 100 airports across the country," he announced, underscoring India's commitment to expanding its aviation infrastructure.

Responding to questions on the status of Kushinagar Airport, Naidu assured that the airport would be operational soon, with efforts underway to complete the necessary preparations.

[^ TOP](#)