

NEWSLETTER

CONSTRUCTION INFRASTRUCTURE UPDATES

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Govt Unveils Rs 100 Billion PPP Fund for Infrastructure Growth

CW Team,
February 12, 2025

The Indian government has introduced a Rs 100 billion Public-Private Partnership (PPP) fund to boost infrastructure development. Additionally, states will receive an interest-free loan of Rs 1.5 trillion to support capital outlay for infrastructure projects.

A fresh asset monetisation plan aims to raise Rs 10 trillion, encouraging greater private sector and investor participation. The Maritime Development Fund will cover up to 49% of project costs, with the remaining contribution from private entities or port trusts.

The modified UDAN scheme will expand regional connectivity, while a Greenfield airport in Bihar is expected to improve the state's links with the rest of India and generate employment. India Post will undergo a transformation to function as a logistics organization. The government has extended tax exemptions for ship and aircraft leasing units until March 31, 2030. Specified entities engaged in ship leasing within the International Financial Services Centre (IFSC) will receive exemptions on capital gains and dividend income. The tonnage tax scheme will be extended to inland vessels from the assessment year 2026-27.

Start-ups incorporated before April 1, 2030, will continue to benefit from tax holidays. The withholding tax thresholds for various payments will be broadened. Prosecution for delayed TCS payments will be removed under certain conditions, and the processing time for penalty immunity applications will be extended to three months. Transfer pricing provisions for arm's-length price determination will now apply for three years, while higher TDS/TCS rates for non-filers of income tax returns will be scrapped.

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Rs 1 Tn National Highway Projects Delayed: Care Ratings

The Indian Express,
February 11, 2025

Over half of the 374 road projects awarded by the national highways authority, with a total construction cost of Rs 1 trillion, have experienced delays exceeding six months as of December 2024. The extent of time overruns has risen significantly, from 33 per cent in June 2023 to 55 per cent by the end of 2024, indicating worsening project execution timelines.

All these projects are being implemented under the Hybrid Annuity Model (HAM), which remains the dominant approach in national highway development, accounting for 55 per cent of all projects. These contracts, awarded between 2015 and 2024, cover approximately 16,000 km and have a total bid project cost (BPC) exceeding ₹4.03 trillion.

By September 2024, around 42 per cent of the projects, with a combined BPC of over Rs 1.65 trillion, had been completed. Approximately 45 per cent of the projects, valued at Rs 1.80 trillion, were still under construction, while the remaining 13 per cent were awaiting the appointed date to begin work.

Among the projects currently under construction, delays affect 55 per cent of them, amounting to an aggregate BPC of Rs 1 trillion. While extensions of time are granted to mitigate project-specific risks, such delays ultimately slow down the overall pace of highway construction and impact the profitability of developers.

The primary causes of these delays include increasing competitive pressure in the sector, difficulties in securing obstruction-free rights of way, and adverse weather conditions such as excessive rainfall. These challenges continue to affect project execution, leading to extended timelines and potential cost escalations.

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PMRDA Speeds Up Inner Ring Road Project

PTI,
February 12, 2025

The Pune Metropolitan Region Development Authority (PMRDA) has fast-tracked the inner ring road project and proposed acquiring 115 hectares in 13 villages. Land acquisition will begin soon for the crucial stretch — Pune district's second ring road after the Maharashtra State Road Development Corporation Limited's (MSRDC) outer ring road.

The 83-km inner ring road project is expected to cost around ₹14,200 crore. The district collector's office having completed a joint survey will proceed with land valuation. Officials stated that villagers have agreed to give up land for the project.

The plan will require 743.41 hectares from 44 villages in Khed, Haveli, Mulshi, and Maval talukas. The inner ring road, spanning 83 km, will connect Pune-Satara Road with Ahmednagar Road and include 42 connecting roads, 17 bridges, and 10 tunnels. A 5-metre-wide space will be reserved for metro tracks.

The first phase, from Solu to Wadgaon Shinde, aims to ease congestion on Ahmednagar Road. The second ring road will cover around 1,301 survey numbers across 44 villages.

PMRDA's ring road will connect MSRDC's outer circular ring road at Solu village. To support it, PMRDA has begun acquiring land for a 6.5-km stretch from Alandi to Wagholi on Ahmednagar Road. Proposals for acquiring 115 hectares in 13 villages have been submitted to the district collector.

A 5.7-km section of the inner ring road falls within Pune Municipal Corporation (PMC) limits and passes through Lohegaon. As per the agreement, PMC will develop the stretch and later transfer it to PMRDA. The 65-metre-wide road will connect Pune to Pimpri-Chinchwad via Lohegaon and will be built under a public-private partnership (PPP). Proposed in 2016, the ring road project aims to reduce traffic congestion in Pune's core areas and improve connectivity for suburban development.

PMRDA will purchase land in villages directly at market rates. Once the land measurement is completed, the valuation committee will determine the acquisition rates.

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India's First Vertical Lift Pamban Railway Bridge
CW Team,
February 11, 2025

India's first-ever vertical lift railway bridge, an engineering feat, is set to be inaugurated in Pamban, Rameswaram, replacing the historic British-era Pamban Railway Bridge, according to report by ANI. The of this state-of-the-art structure marks a crucial advancement in India's railway infrastructure, promising enhanced connectivity between the mainland and Rameswaram Island.

The original Pamban Bridge, commissioned in 1914, was designed with a manually operated horizontal opening mechanism to facilitate the movement of maritime vessels. Initially constructed for Metre Gauge trains, it was later reinforced to accommodate Broad Gauge traffic and was reopened for operations in 2007. However, recognising the limitations of the ageing structure, the Ministry of Railways approved the construction of a modern replacement in February 2019.

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Its most striking feature is a 72.5-metre-long central span that can be lifted to a height of 17 metres, enabling ships to pass beneath. The advanced electro-mechanical lift mechanism is seamlessly integrated with train control systems, ensuring smooth and automated operations.

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India Plans 1,450 Km of Asphalt Roads Along the Indo-Pak Border

The New Indian Express,

February 12, 2025

A large-scale road construction project is set to enhance border security, with 1,096 km of roads planned in Rajasthan and 354 km in Punjab. The initiative is expected to commence within a month, improving patrolling efficiency for the Border Security Force (BSF).

Currently, BSF personnel face significant challenges in monitoring the border due to shifting sand dunes and rough terrain. The development of these roads will facilitate smoother movement both on foot and in vehicles, such as jeeps and gypsies. Improved vehicular access will also help reduce response time between border outposts, strengthening security operations.

Originally proposed by the Central Public Works Department (CPWD) in 2021, the project later received approval from the Ministry of Home Affairs. While construction has already started in Punjab, work in Rajasthan will begin from Barmer and extend through Jaisalmer, Bikaner, and Sriganganagar.

Beyond enhancing mobility, the improved road infrastructure is expected to play a crucial role in curbing smuggling activities, particularly the illegal transportation of heroin and other narcotics. The presence of well-constructed roads will make it more difficult for smugglers to exploit underground tunnels for illicit operations, further bolstering border security.

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World's Largest Groundwater Recharge Project: MP, Maharashtra Set To Sign Tapti Mega Recharge Agreement

Swarajya,

February 12, 2025

Madhya Pradesh Chief Minister Mohan Yadav has announced that all hurdles for the Tapti Mega Recharge Project have been removed, setting the stage for an agreement with Maharashtra on the interstate water initiative.

Yadav's announcement came after a state Cabinet meeting.

The project is meant to provide water to northern Maharashtra and southern Madhya Pradesh while addressing drinking water shortages in Nagpur and irrigation demands in Chhindwara, according to state government officials cited in an Indian Express report.

According to the officials, a formal signing of the agreement is expected soon, with the Union Minister of Jal Shakti and Maharashtra's Chief Minister expected to visit Bhopal for the official proceedings.

According to the Madhya Pradesh government, once signed and implemented, it will be the world's largest groundwater recharge project.

At Friday's Cabinet meeting, Yadav instructed officials to fast-track the Tapti Basin Mega Recharge and Kanhan Sub-Basin projects.

The initiative reportedly aims to maximise water utilisation by diverting the Tapti River into three streams to enhance irrigation across Madhya Pradesh and Maharashtra.

It is a key component of Madhya Pradesh's strategy to resolve long-standing interstate water-sharing conflicts.

Following the meeting, Yadav emphasised that the state aims to ensure water availability for irrigation, drinking, and industrial purposes while fostering cooperative ties with neighbouring regions.

The project will utilise 31.13 TMC of water, distributing 11.76 TMC to Madhya Pradesh and 19.36 TMC to Maharashtra.

It is expected to irrigate 1,23,082 hectares in Madhya Pradesh and 2,34,706 hectares in Maharashtra, benefitting Burhanpur and Khandwa districts.

According to the officials, no villages would be displaced, making a rehabilitation programme unnecessary.

Initially proposed as a 66 TMC reservoir, the project was revised due to concerns over land displacement and environmental impact, particularly on forests and tiger reserves.

The updated design adopts a groundwater recharge model featuring four key water structures.

The Khariya Gutighat Low Diversion Weir, located on the Madhya Pradesh-Maharashtra border, will have a storage capacity of 8.31 TMC.

A 221 km right bank canal, including 110 km in Madhya Pradesh, will provide water for 55,089 hectares.

A 135.64 km left bank canal, with 100.42 km in Madhya Pradesh, will provide water to 44,993 hectares.

Additionally, a 123.97 km left bank canal extension, incorporating a 14 km tunnel, will irrigate 80,000 hectares in Maharashtra.

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