

NEWSLETTER

CONSTRUCTION INFRASTRUCTURE UPDATES

MONDAY, DECEMBER 29, 2025

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Year Ender: 2025 laid the ground for faster growth in highway construction

The financial Express,
December 29, 2025

India's highway sector undergoes a strategic reset in 2025, prioritizing 90% land acquisition and regulatory clearances before awarding projects to prevent future delays, backed by a ₹40,000 crore asset monetisation roadmap.

The 2025 was a year of reset for the highway sector when the groundwork was laid down for speedier execution in the years to come while taking a small hit in the current financial year on award and construction targets. Another change was the finalisation of the Asset Monetisation Strategy after extensive consultations that will smoothen the process and create opportunities for retail investors to participate in the programme.

Decline in pace of awarding

The total length of highways awarded so far stood at 1410 km, sharply down from 3100 km in April-December of last financial year. The pace of awarding has been coming down for the past two years and this year the decline has been sharper as in April the Ministry of Road Transport and Highways (MoRTH) made it absolutely compulsory for its road building agencies to strictly ensure availability of 90% Right of Way (ROW) before start.

It has also mandated that forest and wildlife clearances and approved General Arrangement of Drawing (GAD) for Road Under Bridge and Rail Under Bridge stricter scrutiny of projects before awarding.

Tackling Execution Delays

Earlier awarding before completion of preparatory work resulted in delays. Currently 643 Under construction National Highways (NHs) projects with cumulative project cost of about Rs Four lakh crore, which were awarded since the 2015-16 have spilled beyond their original completion schedule as per contract. Of these 79 projects are facing delays of more than three years, 263 projects of delay of 1 to 3 years and 301 projects a delay of more than a year.

According to analysts all clearances before award may slow down the pace of awarding but once awarded the projects would be executed fast. Last financial year 7538 km of highway projects were awarded and this year too this number could be achieved, according to experts

In April-November total length of national highways constructed is about 4073 km. In April-December of last year this figure stood at 5853 km. The capital expenditure by MoRTH stood at Rs 1.74 lakh crore in April-October, up from Rs 1.44 lakh crore in the same period of 2024-25. General elections in 2024 kept the capex low last financial year.

For this year the highway construction target has been set at 10,000 km as against the achievement of 10,660 km in the last financial year. Typically the pace of construction and award picks up in the last quarter of the financial year.

“ICRA expects the road execution to moderate to 9,000-9,500 km (~25-26 km/day) in FY2026, which is lower than FY2025 execution of 10,660 km. The awarding activity is

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expected to pick-up in H2 FY2026 given the Ministry's focus on addressing land acquisition issues and environment clearances," group head and senior vice president at ICRA Ashish Modani said.

In November of 2023 the government decided to stop sanction of new projects under Bharatmala Project and pay attention to greenfield expressways. At present work on 25 greenfield expressways, totalling 10,000 km across the country, at a cost of Rs 6 lakh crore are in progress.

In the third term the government has approved road projects worth Rs 1.97 lakh crore, which also includes rural roads and eight high speed road projects of 936 km.

"Since road construction activity gains momentum after 6-9 months of project awarding, the pick-up in project awarding activity in the coming quarter remains crucial, otherwise the contractors focused on road projects by MoRTH are expected to witness another dull year in FY2027," Modani added.

The high speed expressways are capital intensive and most of them will be executed by the private sector through Built Operate Transfer (Toll). To make the projects more attractive more changes in the concession agreement are being worked on.

Last financial year 300 km of highways were awarded through BoT (Toll) but this year no projects have been given for development of highways through this mode.

In June the National Highways Authority of India (NHAI) released its asset monetisation strategy. The strategy gives clarity to potential investors in the path ahead so that they build long-term strategies around the programme.

Due to the strategy the government has already raised Rs 12357 crore from monetisation of two highway bundles through Toll Operate Transfer (ToT) mode. The bids for ToT bundles 19,20,21 and 22 and will bring in another Rs 8,000-9,000 crore, taking the total to Rs 20,375 crore. In the last quarter two rounds of monetisation through infrastructure trusts will be done. From private InvIT, the national Highways Infra Trust (NHIT) and public InvIT Raajmarg Infra Investment Trust (RIIT) another Rs 15000-16000 crore can be raised. Another Rs 8,000 crore could come through asset based securitisation.

This will easily enable the government to get to the revised monetisation target of Rs 40,000 crore this financial year. Minister of Road Transport and Highways Nitin Gadkari has said that the ministry has highway assets worth Rs 15 lakh crore that can be monetised. The asset monetisation strategy has a clear roadmap on how the programme will be conducted. This ensures that there will be no dearth of funds for future development work on highways but Gadkari has expressed his dismay over the pace of spending due to various bottlenecks.

The changes in the way highway projects are awarded, cabinet approvals for new expressways, removal of all roadblocks in execution and steady increasing funding with robust asset monetisation programme signals a better 2026.

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RRTS can transform urban mobility, act as catalyst for decentralised economic growth: Knight Frank

The Economic Times,
December 29, 2025

Synopsis

India's new Regional Rapid Transit System promises to change how people travel and boost economies. The Delhi-Ghaziabad-Meerut corridor will cut travel time significantly. Experts believe this system is more than just transport; it's a growth catalyst. Its success depends on planning, land use, and investment. Affordable housing near stations is also crucial for its long-term impact.

The Regional Rapid Transit System (RRTS) has the potential to transform urban mobility and boost economic opportunities along such corridors, according to real estate consultant Knight Frank.

On Friday, Knight Frank India released a report 'Regional Rapid Transit System: Testing the Commuters' Pulse'.

"The RRTS marks a major step in India's pursuit of faster, more efficient, and better-integrated regional mobility," the consultant said.

The report mentioned that RRTS can reduce travel time and expand the labour market. It will also integrate peripheral cities to integrate more closely with national and global value chains.

The flagship RRTS, Delhi-Ghaziabad-Meerut corridor, is being developed by the National Capital Region Transport Corporation (NCRTC). It has already begun its phased rollout. The corridor, approved at a cost of over Rs 30,000 crore, will span 82 km and dramatically reduce travel time between Delhi and Meerut to under an hour.

Shishir Bajjal, Chairman and Managing Director of Knight Frank India, said RRTS is not only a transport solution, but a catalyst for decentralised economic growth.

"For investors and developers, RRTS corridors represent tangible opportunities for growth where infrastructure dovetails with land-use planning and commercial momentum," he added.

Bajjal felt that its long-term success would depend on coordinated planning that brings together transport networks, land-use strategy and investment priorities to support sustainable urbanisation.

Terming the RRTS a structural intervention in India's urban growth dynamics, the report said its success hinges on more components than just infrastructure delivery.

A coordinated effort is required to expand economic opportunities and strengthen social and physical infrastructure, the report said, while stressing on the need to provide affordable housing around the RRTS corridor.

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No stops, new laws, longer roads: Inside the transport ministry's 2026 roadways agenda

The Economic Times,
December 29, 2025

Synopsis

India's road transport ministry will focus on barrier-free tolling and a new Road Safety Bill in 2026. These initiatives aim to significantly cut down the 1.8 lakh annual road fatalities. Several major expressways like Delhi-Mumbai and Amritsar-Jamnagar will be inaugurated. The ministry also plans to award thousands of kilometers of new highway projects and launch a Public InvIT.

India's road transport ministry is setting the stage for a major shift in how highways are built, paid for and regulated, with 2026 emerging as a pivotal year for reforms.

At the heart of the agenda are two long-term goals: rolling out seamless, barrier-free tolling across national highways and pushing through a new Road Safety Bill, as the country continues to grapple with alarmingly high accident fatalities.

The policy push is being matched by an aggressive infrastructure rollout, with several high-profile expressways and strategic projects scheduled to be completed over the next year.

Expressway completions to redefine long-distance travel

A series of marquee highway projects, many of them years in the making, are now nearing the finish line. The 1,362-km Delhi-Mumbai Expressway, one of India's most ambitious road projects, is expected to be fully completed by November 2026.

Other major corridors lined up for completion include the Amritsar-Jamnagar highway by December 2026, the Bengaluru-Chennai Expressway by June 2026, the Ahmedabad-Dholera Expressway by March 2026, the Indore-Hyderabad highway by May 2026 and the Delhi-Dehradun Expressway by January 2026. Together, these routes are expected to significantly reduce travel time, improve logistics efficiency and ease congestion on existing arterial roads.

In addition, the government plans to inaugurate the 13-km Zojila tunnel in April next year. Once opened, the tunnel, described as Asia's longest, will provide all-weather connectivity between Srinagar and Leh. Officials have said travel time across the Zojila pass, which can stretch to three hours in harsh conditions, will come down to about 20 minutes.

'Savings could go up to Rs 8,000 crore': Gadkari on toll overhaul

Alongside construction milestones, the ministry is preparing to overhaul toll collection through a nationwide rollout of seamless, barrier-free tolling. Road Transport and Highways Minister Nitin Gadkari said tenders for the first phase have already been floated.

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“We plan to put up several seamless barrier-free tolling systems on national highways across the country. Initially, we have come out with 10 tenders for that. The cost of tolling will significantly come down from around 15 per cent currently to 3 per cent of the total toll collection,” Gadkari told PTI in an interview.

He said the shift could deliver substantial savings. “For instance, on a toll collection of Rs 50,000-60,000 crore in a year, savings could go up to Rs 8,000 crore in a year, savings could go up to Rs 8,000 crore in a year. Besides, it will also plug the loopholes and reduce waiting time on toll plazas,” he said.

The new system will rely on a combination of Automatic Number Plate Recognition cameras with AI-based analytics and RFID-enabled FASTag readers. Vehicles will be charged without stopping at toll plazas, based on digital identification. Officials said violations will trigger e-notices, and persistent non-payment could lead to suspension of FASTag accounts and penalties linked to VAHAN records.

The ministry had already offered relief to private vehicle owners in 2025 through the introduction of annual FASTag passes, allowing cars to cross up to 200 toll plazas for Rs 3,000 a year, a sharp drop from the earlier cost of around Rs 15,000.

‘This is terrible’: Road safety bill revived amid grim fatality data

Even as highways expand, road safety remains a stubborn challenge. Gadkari said the ministry is preparing a fresh Road Safety Bill after earlier attempts failed to clear Parliament.

“We are constantly focusing on road safety. There are several problems with that. We will try again and will come out with a new Road Safety Bill, and our endeavour will be to place it before Parliament in the next session itself,” he said.

India continues to record around five lakh road accidents every year. “In our country, there are 5 lakh road accidents annually, causing around 1.8 lakh deaths,” Gadkari said, noting that about 66 per cent of those killed fall in the 18–34 age group.

“This is terrible. We are trying hard (to reduce fatalities), but we have not been successful,” he said.

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“This is terrible. We are trying hard (to reduce fatalities), but we have not been successful,” he said.

Latest government figures show that road accident deaths rose by 2.3 per cent in 2024 to more than 1.77 lakh, averaging 485 fatalities a day.

Looking ahead, the highways ministry plans to accelerate project awards. Gadkari said road projects covering 12,000 km are expected to be awarded in 2025–26, with a higher target of 13,000 to 13,500 km in 2026–27.

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He also said a Public Infrastructure Investment Trust will be launched before March next year. The NHAI-sponsored Raajmarg Infra Investment Trust has already received regulatory approval as an InvIT, aimed at unlocking value from national highway assets while offering a long-term investment avenue for retail and domestic investors.

Despite reforms such as changes to the build-operate-transfer model to attract private investment, the sector continues to face execution hurdles. Government data shows 649 highway projects worth Rs 4.2 lakh crore are delayed, with land acquisition, contractor issues, forest and environmental clearances and utility shifting among the key reasons.

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Delayed Land Transfer May Push Pune Airport's New Parking Bays Beyond 2026, Report Says

Swarajya,
December 29, 2025

The expansion of Pune airport's parking capacity is likely to face an extended timeline, as the crucial handover of 13 acres of Indian Air Force (IAF) land to the Airports Authority of India (AAI) has still not been completed.

The land transfer initially expected by October is now anticipated only by the end of January, according to a TOI report.

"We have written a letter to the IAF regarding the same. The IAF has appointed a board of officers for this purpose, and they will be initiating the final process regarding the transfer of land," Pune Airport Director Santosh Dhoke was quoted as saying by TOI.

Pune airport, which functions from within an IAF base spanning more than 2,300 acres and home to Sukhoi MK-I fighter units, has been under pressure to boost its limited infrastructure.

The project, first announced in December last year, outlines the creation of five additional parking bays and three remote bays. Under the arrangement, AAI was required to construct designated office infrastructure for the IAF before the land could be handed over.

Dhoke confirmed that the required infrastructure has now been completed. Once the land is formally transferred, AAI's planning directorate will evaluate the development plan before issuing tenders.

"This process can take around six to seven months or more before tenders are awarded and the work begins," he said, suggesting that actual construction remains some distance away.

A government source acknowledged the missed deadline, explaining that "such things take some time" and citing documentation delays.

The airport currently operates with only 10 bays—capacity constraints that were sharply exposed during the recent IndiGo operational meltdown, when flights were diverted due to occupied bays, leaving passengers stranded.

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At peak performance, Pune airport handled more than 200 daily flight movements; recent figures sit around 194–198.

Aviation specialist Deepak Shastri urged urgency, noting that authorities must ensure "there are no further delays" because the infrastructure gap continues to hinder performance.

A second airport for the city, which has been in the works for long, has picked up some pace with Chief Minister Devendra Fadnavis recently announcing an enhanced rehabilitation and compensation package for those affected by the project. This new airport would come up in Purandar, which is located about 45 kilometres away from the city.

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Year-End 2025 Rail Infra Wrap: Kashmir Gets All-Weather Rail, Pamban Lift Bridge Opens, Bullet Train Halfway And Sleeper Vande Bharat Nears Launch
Swarajya,
December 29, 2025



Vande Bharat train crossing Chenab bridge in J&K

Indian Railways closes 2025 with a mix of achievements that reshape national connectivity — faster long-distance trains, unprecedented freight capacity, landmark infrastructure and large-scale modernisation.

Several of these projects have been years in the making and now begin to show visible impact on travel and logistics. Yet, gaps remain in capacity, project timelines and passenger-experience consistency, all of which will shape debates headed into 2026.

Key Train Additions and Passenger Services

The biggest passenger-facing development ahead is the Vande Bharat Sleeper, expected to roll out early 2026. Railways says it will “redefine overnight travel” by reducing journey time on high-demand routes.

As of 26 December, 164 Vande Bharat services are operating nationally, with 15 added this year.

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To address affordability on non-AC routes, 30 Amrit Bharat trains with redesigned rakes with upgraded sleeper and general coaches are currently running.

Thirteen were added this year. Meanwhile, Namo Bharat regional rail now runs on two corridors.

Track Expansion, Renewal and Speed Upgrades

The rail network saw 900+ km of new track added between April and November.

Renewal and replacement also moved substantially — 6,880 track km renewed, and over 9,000 turnouts replaced.

Officials argue the pace of commissioning, which was 8.57 km/day since 2014, now doubles the rate seen from 2009–14.

Electrification has reached 99.2 per cent of the broad-gauge network, placing India ahead of the UK, China and Russia in percentage terms.

Sectional speeds have risen to 130 kmph on key stretches and 110 kmph across 4,069 km, although these improvements remain unevenly distributed.

Landmark Connectivity: Kashmir, Mizoram and Pamban

Three headline projects stood out this year:

- Kashmir's Udhampur–Srinagar–Baramulla link, a 272 km line through the Himalayas, is now fully operational including the world-highest Chenab Arch Bridge. This is the first time Kashmir has round-the-year rail access without road dependencies.
- Mizoram's first railway access — the Bairabi–Sairang line (51 km) now connects Aizawl to the national map. Trains were flagged to Delhi, Kolkata and Guwahati on the inauguration day.
- New Pamban Bridge, India's first vertical-lift rail bridge, replaces a 110 year old link to Rameswaram. Its lifting span opens maritime movement.

The Mumbai–Ahmedabad bullet-train line reported 55.6 per cent physical progress and Rs 85,801 crore spent so far, still years away from full commissioning.

Freight Growth, Cargo Terminals and Wagon Production

Indian Railways says it has finally crossed the 1 billion tonne freight loading threshold in FY 2025–26. Two dedicated corridors — the Eastern and Western DFCs are operational, enabling 403 freight trains per day, freeing conventional lines for passenger services.

Wagon manufacturing hit 41,929 units, the highest in three years, signalling capacity buildup ahead of a push to triple freight loading by 2030.

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The year also saw the first-ever foodgrain freight to Anantnag and the first automotive rake to Mizoram, small but symbolic markers of economic reach.

Locomotive Manufacturing under PPP

Rolling-stock manufacturing continues shifting to PPP. Highlights include:

- Madhepura electric loco plant — 576 locomotives delivered; 90 per cent domestic sourcing
- Marhowra diesel plant — 773 locomotives built so far; USD 400-million export contract secured to Guinea
- Dahod electric loco facility — new 9,000-HP freight engines cleared for mass production

These projects are positioned as Make-in-India anchors, but questions remain about maintenance costs, future demand and export scalability.

Passenger-Experience: Big Vision, Small Gaps

The Amrit Bharat Station Scheme, touted as one of the world's largest station upgrade programmes has 1,337 stations selected, but only 155 completed so far. Modernised stations now feature wider concourses, escalators, digital signage and local-produce kiosks.

Meanwhile, solar-power installation has reached 2,626 stations, and 6,117 stations now offer free Wi-Fi. A new RailOne app is being positioned as a unified platform for ticketing, complaints, tracking and taxi-booking.

Security and signalling upgrades include Kavach Version 4.0 commissioned across 738 km, 25,939 fog-safety devices deployed, and CCTV now active at 1,731 stations and in 11,953 coaches.

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New 750 Km Expressway To Reshape UP Travel: Shamli–Gorakhpur Corridor To Connect Delhi, Dehradun, Lucknow And Nepal Border

PTI,

December 29, 2025

A key road project in Uttar Pradesh has moved a step closer to reality, with the Detailed Project Report (DPR) for the proposed Shamli–Gorakhpur Expressway now complete.

The 750 km, six-lane expressway, set to cost about Rs 35,000 crore will form a crucial new link across the state.

The National Highways Authority of India (NHAI) will oversee its construction, with responsibility formally assigned to the Roorkee unit.

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Designed to connect western Uttar Pradesh to the Nepal border-side districts in the east, the project is being described as a backbone link that will significantly reduce travel time across regions.

According to the plan, the expressway could be completed within three years. Once operational, it is expected to ease road travel to Delhi, Dehradun and Mussoorie, while also unlocking commercial and mobility benefits for villages and towns located along the Ganga belt.

The state has already advanced work on the Ganga Expressway, connecting Prayagraj to Meerut.

Plans are underway to further extend it from Prayagraj towards Ballia and from Meerut towards Haridwar, which in combination with the Shamli-Gorakhpur corridor would ensure that vast swathes of the state are linked seamlessly by high-speed access roads.

Land acquisition has now begun. NHAI has issued directions to publish Gazette notifications in three phases. Lists of tehsils, villages and farmers' khasra numbers are slated for publication by 31 January.

A drone survey has already been completed, helping map the alignment and clarify the route.

The proposed expressway will pass through 22 districts, including Bijnor, Amroha, Muzaffarnagar, Saharanpur, Shamli, Rampur, Bareilly, Sitapur, Lucknow, Bahraich, Siddharthnagar, Sant Kabir Nagar and Gorakhpur.

The expressway will link with five major routes — Ganga Expressway, Purvanchal Expressway, Lucknow-Gorakhpur Expressway, Ambala-Shamli Expressway and Delhi-Dehradun Expressway making vehicle movement between Lucknow and Delhi significantly simpler.

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