

NEWSLETTER

CONSTRUCTION INFRASTRUCTURE UPDATES

FRIDAY, AUGUST 01, 2025

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• Pune Metro Fast-Tracks PCMC–Nigdi Extension, Targets Completion Six Months Early

AIIB building a robust pipeline of Indian projects to fund: Vice-president Pandey
The Economic Times,
August 01, 2025

Synopsis

The Asian Infrastructure Investment Bank (AIIB) aims to expand its presence in India by increasing funding for both sovereign and private sector projects, particularly in clean energy, green mobility, and digital infrastructure. India is currently the largest recipient of AIIB funds, and the bank plans to increase its overall annual financing target, providing more opportunities for Indian projects.

The Asian Infrastructure Investment Bank (AIIB) is looking to expand its India footprint and widen its pipeline of both sovereign and private sector projects to fund, said Ajay Bhushan Pandey, vice president (investment solutions) at the Beijing-based multilateral lender.

It's focussing on sectors, including clean energy, green mobility, affordable housing, data centre and other digital infrastructure, he said.

India is the largest recipient of AIIB funds and accounts for a fifth of the lender's \$60 billion financing since inception nine years ago, Pandey said. Of the \$12 billion that Indian projects have received so far, the private sector's share stands at \$1.8 billion, he added.



The lender, Pandey said, aims to expand its overall annual financing target to about \$17 billion in 3-4 years from \$10 billion now. This will leave greater funding space for India and other countries.

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The AIIB has 110 members. India is the second-biggest shareholder with a 7.57% voting share in the multilateral bank, trailing China that has 26.52%.

AIIB is willing to play its role not just as a financier but also as a catalyst for governments and private players to raise funds using the backing of the multilateral bank that has an AAA rating.

Plus, its participation in a project, including the private ones, can potentially encourage other lenders and investors to join in, significantly bolstering the availability of finances for the project.

India focus

Pandey and his team are meeting various government functionaries and private players during their India visit.

The AIIB will work with various ministries to create a very sound pipeline of sovereign projects, Pandey said. "Similarly, we will work with private sector players to create the pipeline of the projects where we can finance through all the options that are available," he added.

Pandey is scheduled to meet senior officials from the ministry of health later on Tuesday and those from the power ministry on Wednesday. He huddled with the water resources secretary on Monday and a number of issues, including the revival of dams, interlinking of rivers and the Namami Gange programme (meant for curbing pollution and rejuvenating the Ganga), were discussed.

He will meet Maharashtra chief minister Devendra Fadnavis and senior state officials to discuss infrastructure projects in both public and private sectors.

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Around 489 road projects face delays over land and clearance issues: Nitin Gadkari
The Economic Times,
August 01, 2025

Synopsis

Numerous road projects, initially slated for completion by March 2025, face delays due to land acquisition hurdles and pending clearances. The government is actively collaborating with states and stakeholders to resolve these issues. Cost overruns have occurred due to increased compensation, price escalation, and design changes, leading to contract terminations and re-awarding in some cases.

As many as 489 road projects, which were originally scheduled for completion by March 2025, are pending due to delays in land acquisition, forest/wildlife clearances and railway approvals, Parliament was informed on Wednesday.

Union Road Transport and Highways Minister Nitin Gadkari, in a written reply to the Rajya Sabha, said the government is making all efforts to resolve the pending issues in close coordination with state governments and other stakeholders to complete these projects.

Gadkari said cost overrun has been incurred in some of the delayed projects due to various factors like enhanced cost of compensation for land and structures, price escalation, Goods & Services

Tax (GST) impact, additional VUPs/PUPs on public demand or otherwise, change in General Arrangement Drawing (GAD)/design for Road Over Bridges/Road Under Bridges (ROBs/RUBs) to meet the Railway standards, etc.

If projects are inordinately delayed due to some reasons and further progress under the ongoing contract is not envisaged, the contract is terminated/foreclosed and re-awarded, with or without modification in the project configuration, he added.

Responding to a separate question, Gadkari said national highways are constructed in accordance with specifications of Indian Road Congress (IRC).

"The maximum design speed specified for construction of national highways in different terrains is 120 km/h for expressways and 100 km/h for national highways," he said.

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Nashik-Akkalkot Highway Project Under Chennai-Surat Expressway Revived Under BOT Model: Report Business Standard, August 01, 2025

The long-delayed Nashik-Akkalkot highway, a vital segment of the Chennai-Surat Expressway, is finally set to move forward as the National Highways Authority of India (NHAI) has opted to develop the project on a build-operate-transfer (BOT) basis, according to a DeshGujarat report.

The proposal has already been submitted to the Centre for final approval. Once cleared, tenders for construction will be floated.

The 1,271 km Chennai-Surat Expressway, overseen by NHAI, is designed to link major cities across six states—Gujarat, Maharashtra, Karnataka, Telangana, Andhra Pradesh and Tamil Nadu.

Key urban centres along the route include Surat, Nashik, Ahilyanagar, Solapur, Kalaburagi, Kurnool, Kadapa and Tirupati.

Planned in two principal phases—Surat to Solapur and Solapur to Chennai, the expressway features multiple sub-sections.

The Nashik-Akkalkot stretch, spanning 374 km with six lanes, has been identified as one of the project's most crucial corridors.

An earlier tender floated under the hybrid annuity model had collapsed due to technical and financial hurdles, prompting the shift to the BOT approach.

According to senior NHAI officials, the Public-Private Partnership Appraisal Committee has now granted approval for the Nashik-Akkalkot plan.

The highway will be built in two phases: Nashik to Ahilyanagar (152 km) and Ahilyanagar to Akkalkot (222 km).

Once completed, the highway will drastically reduce travel time between Nashik and Akkalkot from the current nine hours to just four.

Furthermore, when the entire Chennai-Surat Expressway is operational, the Nashik-Surat journey is expected to shrink to around two hours.

The corridor will also connect with the Delhi-Mumbai Expressway at Navsari, offering enhanced access to the national capital and creating a seamless transport link between western and southern India.

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Rs 4,030 Crore Greenfield Radial Road Planned To Transform Hyderabad's Southern Growth Corridor

Swarajya,
August 01, 2025

A 41.5 km greenfield radial road is set to link the Raviryal Interchange on Hyderabad's Outer Ring Road (ORR) with the proposed Regional Ring Road (RRR) near Amangal, The New Indian Express reported.

Designed as a partially access-controlled expressway with 3+3 lanes and expandable to 4+4 in the future, the project will reserve a central median for a potential metro or railway line, along with green buffers, pedestrian paths and dedicated cycle tracks.

Officials confirmed that the chosen alignment largely avoids thickly populated zones, thereby reducing displacement and facilitating faster execution. The Rs 4,030 crore project will be taken up in two phases.

Phase-1, running 19.2 km from Raviryal to Meerkhanpet, is pegged at Rs 1,665 crore for construction, with an additional Rs 246 crore earmarked for land acquisition.

Phase-2 will cover 22.3 km from Meerkhanpet to Amangal, costing Rs 2,365 crore for works and Rs 345 crore for land. In total, 1,003.61 acres are required, including 202 acres of Telangana Industrial Infrastructure Corporation (TGIIC) land and 231.72 acres of forest land.

Financial bids, opened recently on the state's e-procurement platform, saw Phase-1 awarded to Rithwik Projects Pvt Ltd, which quoted 3.93 per cent above the Estimated Contract Value (ECV).

Larsen & Toubro Ltd bagged Phase-2 with a bid 4.2 per cent above ECV.

The development, however, has sparked political debate, with the Opposition BRS alleging a quid pro quo arrangement, pointing out that Rithwik Projects is linked to the family of Andhra Pradesh BJP MP C M Ramesh.

Beyond improving road connectivity, the radial route has been aligned with the proposed Hyderabad Metro Phase 2-B, from Shamshabad to Bharath Future City via Raviryal.

Officials said the synchronisation of the road and metro corridors would help reserve the right of way, thus avoiding future land acquisition hurdles.

Authorities believe the corridor will accelerate investments, boost regional economies, and provide seamless multimodal access between Rajiv Gandhi International Airport (RGIA), E-City, and the proposed Bharath Future City.

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Indus Waters Treaty Suspension Effect: India Moves Ahead With 1,856 MW Chenab Project Opposed By Pakistan For Decades

Swarajya,
August 01, 2025

India has invited global tenders for the construction of the long-pending Sawalkote Hydroelectric Project on the Chenab river, leveraging the current abeyance of the Indus Waters Treaty with Pakistan, Times of India reported.

The project—originally conceived in 1984 and designated as nationally significant—had been stalled for decades due to Pakistani objections under the treaty, as well as local administrative, environmental, and compensation hurdles.

The National Hydroelectric Power Corporation (NHPC) on Wednesday began the international competitive bidding process for the planning, design, and engineering of the 1,856 MW project, located near Sidhu village in Jammu and Kashmir's Ramban district.

The deadline for bid submission is 10 September.

Sawalkote is India's largest run-of-river hydropower project and is seen as a major strategic move to maximise India's utilisation of Indus basin waters during the suspension of treaty obligations.

The 1960 Indus Waters Treaty had allocated control of the Beas, Ravi, and Sutlej rivers to India, and the Indus, Chenab, and Jhelum to Pakistan—while allowing limited Indian use of the western rivers.

J&K Chief Minister Omar Abdullah, who also holds the power portfolio, called the development a long-overdue breakthrough.

"The project was originally conceived in the 1980s, but it was shelved after some time. In 1996, Dr Farooq Abdullah attempted to revive it with the help of a Norwegian consortium but that effort didn't succeed. Later, during my previous tenure, we tried to initiate the project again, but it encountered certain hurdles," he said, recalling that it was later shelved during Mufti Mohammad Sayeed's tenure.

The estimated cost of the project is Rs 22,704.8 crore, to be developed in two stages.

Ramban MLA Arjun Singh Raju, who first announced the tendering move, hailed it as a "historic moment," adding, "Sawalkote power project is the biggest in the country. Once completed, it will benefit not just Jammu and Kashmir, but the entire nation."

He credited CM Abdullah for pushing through the deadlock and confirmed that key issues—including compensation for 13 affected villages, relocation of an Army transit camp, and forest land clearances—have now been resolved.

Earlier this month, the Forest Advisory Committee granted in-principle approval for the diversion of 847 hectares of forest land. Raju also noted that NHPC has received a relaxation on the previously contentious water cess.

After being handed to NHPC in 1985, the project was transferred to the Jammu & Kashmir State Power Development Corporation (JKSPDC) in 1997. Around Rs 430 crore was spent by JKSPDC on enabling infrastructure, but no core construction was initiated.

The project was finally revived in 2021 through a memorandum of understanding with NHPC to develop it under a build-own-operate-transfer (BOOT) model.

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Chennai Eyes Water Metro Inspired By Kochi Model; Plans 53-km Corridor Linking East Coast Road To Napier Bridge

Swarajya,
August 01, 2025

The Chennai Unified Metropolitan Transport Authority (CUMTA) is reportedly considering launching a water metro system to diversify city transit and promote tourism.

Inspired by Kochi's operational model, the plan is part of Chennai's broader Comprehensive Mobility Plan, The New Indian Express reported.

Route and Technical Scope

The proposed water-based corridor would span 53 kilometres, linking East Coast Road with Napier Bridge via Chennai's coastal and inland waterways.

Electric or hybrid ferries are under consideration, but a feasibility study is currently assessing navigability, cost-effectiveness, and environmental impact.

Past Challenges and Lessons Learned

Although water transport has been proposed in Chennai before, earlier efforts faltered due to encroachments, pollution, shallow riverbeds, and inconsistent water flow.

This includes an abandoned attempt to integrate segments of National Waterway 4 (NW-4) into a functional inland water transport system.

Need for System Integration and Restoration

Officials now emphasise the importance of integrating the project with existing metro and bus systems, alongside sustained river restoration and the use of low-draft vessels and suitable terminals.

The NW-4, spanning 1,078 km across Tamil Nadu, Andhra Pradesh, Telangana, and Puducherry, could see renewed focus under this urban mobility push.

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India's Clean Energy Push Gains Momentum As Deendayal Port Commissions 1 MW Green Hydrogen Plant In Kandla

Swarajya,
August 01, 2025

In a major leap towards India's clean energy transition, the Deendayal Port Authority (DPA), Kandla, on Thursday (30 July) commissioned the country's first 'Make-in-India' 1 Megawatt (MW) Green Hydrogen Plant.

The facility was inaugurated by Union Minister for Ports, Shipping & Waterways Sarbananda Sonowal, in the presence of Minister of State Shantanu Thakur, Secretary T K Ramachandran, DPA Chairman Sushil Kumar Singh, and senior officials from the Port and L&T.

According to the ministry, this milestone stands as a powerful symbol of India's green transformation under the visionary leadership of Hon'ble Prime Minister Narendra Modi and reinforces the nation's commitment to achieving Net Zero emissions.

The plant is part of a larger 10 MW Green Hydrogen project, whose foundation stone was laid by the Prime Minister during his visit to Bhuj on 26 May 2025.

With this commissioning, Deendayal Port Authority has become the first port in India to operationalise a Make-in-India megawatt-scale Green Hydrogen facility.

The plant is capable of producing approximately 140 metric tonnes of green hydrogen annually and is poised to play a crucial role in maritime decarbonisation and sustainable port operations, the ministry stated.

On the occasion, Sonowal praised the establishment of a fully Aatma-Nirbhar, future-ready hydrogen ecosystem built entirely by Indian engineers, and called it an inspiration for ports across the country to adopt eco-friendly and innovative technologies.

He also lauded DPA's continuous commitment to green initiatives, citing the earlier deployment of India's first Make-in-India all-electric Green Tug.

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Pune Metro Fast-Tracks PCMC–Nigdi Extension, Targets Completion Six Months Early
PTI,

August 01, 2025

Pune Metro authorities are working at a fast pace to complete the extended stretch of Phase One from PCMC station to Bhakti Shakti in Nigdi, aiming to open the line six months earlier than originally scheduled, Indian Express reported.

The 4.4 km elevated corridor, with new stations at Chinchwad, Akurdi, and Nigdi, had its foundation stone laid by Prime Minister Narendra Modi in March last year. However, construction only began in August 2024.

“The construction of the extension stretch from PCMC to Bhakti Shakti in Nigdi began in August last year, and the civil work is going in full swing. The deadline for completing work on the stretch is 36 months from the start of actual work, but we are planning to complete it in 30 months,” Hemant Sonawane, Executive Director, Pune Metro was quoted as saying by IE.

He added that administrative processes for installing escalators, lifts, and overhead cables have already been completed.

“We don’t want to waste time on completing the administrative process for the works related to the stretch, so it has been done well in advance,” Sonawane said.

The extension, costing an estimated Rs 1,048.22 crore, covers infrastructure for stations, intermodal integration, pedestrian bridges, environmental assessments, depots, and parking.

Currently, the 17.4 km Metro line between Swargate and PCMC is operational.

While the 5.5 km underground extension from Swargate to Katraj remains pending until 2029, another 15.7 km route from Vanaz to Ramwadi is already functional.

The corridor’s approved extensions toward Chandani Chowk and Wagholi, spanning 12.75 km with 13 new stations are set to complete within four years at a cost of Rs 3,636.24 crore.

Additionally, PMRDA’s 23 km Metro Line-3 from Hinjewadi to Shivajinagar District Court is slated to begin operations by March 2026.

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