

# NEWSLETTER

## CONSTRUCTION INFRASTRUCTURE UPDATES

### FRIDAY, JANUARY 29 - 30, 2026

**^ TOP**

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- ✚ [Economic Survey 2025–26: Rs 17 Lakh-Crore PPP Pipeline, Public InvIT Launch And Expanded Project Models Signal India's Next Infrastructure Push](#)
- ✚ [Land in cities become dead capital due to low FSI, unclear titles, says Economic Survey](#)
- ✚ [Highways, Railways, Ports And Aviation: Key Takeaways From The Economic Survey 2025-26 On India's Core Physical Infrastructure](#)
- ✚ [Chennai–Bengaluru Expressway Phase III: Three Packages Of The 106-Km Section To Be Completed By July 2026, One Package Remains Stalled](#)
- ✚ [Uttarakhand's Rishikesh–Karnaprayag Rail Project Hits 72 Per Cent Physical Progress, Over Rs 26,841 Crore Spent So Far](#)

## Centre Disburses Over Rs 1,156 Crore To Rural Bodies In Andhra Pradesh, Maharashtra And Tripura

Economic Survey 2025–26: Rs 17 Lakh-Crore PPP Pipeline, Public InvIT Launch And Expanded Project Models Signal India's Next Infrastructure Push  
The Financial Express,  
January 30, 2026



The Survey notes that the effectiveness of PPPs depends heavily on strong institutional mechanisms, predictable financial support and the use of standardised contractual frameworks. (Representative image from Unsplash)

Public–Private Partnerships (PPPs) continue to emerge as a cornerstone of India's infrastructure strategy, enabling governments to tap private sector capital, expertise and efficiency to bridge persistent infrastructure gaps.

The Economic Survey 2025–26 underlines that well-designed PPP frameworks are critical to improving service delivery across sectors such as roads, ports, power and urban infrastructure.

The Survey notes that the effectiveness of PPPs depends heavily on strong institutional mechanisms, predictable financial support and the use of standardised contractual frameworks.

On the global stage, India continues to rank among the top five destinations for private investment in infrastructure among low- and middle-income economies.

According to the World Bank's Private Participation in Infrastructure Report 2024, the country accounted for more than 90 per cent of South Asia's total private infrastructure investment.

Domestically, this momentum is reflected in a steady rise in project approvals by the Public–Private Partnership Appraisal Committee.

Following the Union Budget 2025–26, the government has drawn up a three-year PPP project pipeline comprising 852 projects across central ministries and States and Union Territories, with a combined value exceeding Rs 17 lakh crore.

In parallel, a dedicated PPP pipeline covering 13,400 km of projects worth an estimated Rs 8.3 lakh crore has been identified for development over the next three years, signalling a sustained push to crowd in private investment for India's next phase of infrastructure growth.

As part of the privatisation and asset monetisation roadmap, the first public Infrastructure Investment Trust (InvIT) is planned for launch in 2026, building on the Rs 1.52 lakh crore already mobilised through Toll-Operate-Transfer projects and private InvITs.

India currently deploys a wide range of PPP models, including management contracts such as Build-Operate-Transfer (BOT), Design-Build-Finance-Operate-Transfer (DBFOT), the Hybrid Annuity Model (HAM) and Toll-Operate-Transfer (TOT).

Within the BOT structure, projects are executed either under a toll-based model or an annuity-based model, with the key difference being how traffic risk is allocated between the public and private partners.

Instruments such as the Model Request for Qualification (RfQ), Model Request for Proposal (RfP) and Model Concession Agreements (MCAs) have helped bring greater transparency, consistency and investor confidence to project execution.

[^ TOP](#)

## Land in cities become dead capital due to low FSI, unclear titles, says Economic Survey

The Financial Express,  
January 30, 2026

Economic Survey 2025-26 said that land has become a "dead capital" in many cities due to a combination of restrictive land-use regulations, title insecurity, and fragmented markets, as well as speculative incentives.

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The survey said restrictive land-use norms in the form of development control regulations (DCR), such as low floor space index (FSI) or floor-area ratio (FAR), place a cap on the amount of built-up area per unit of land, constraining vertical development and forcing spatial expansion outward rather than upward.

FSI means permissible construction allowed on a plot of land.

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“This distortion raises land values and creates artificial scarcity in core urban areas,” the survey said.

It said compared to global cities like New York and Hong Kong, Indian cities have relatively lower FSI, with exceptions for denser areas such as central business districts.

“When the FSI is low, settlements are incentivised to expand horizontally, driving up average land cost and increasing infrastructure delivery costs per unit of housing or commercial space. This limits housing supply and raises prices relative to incomes,” it said.

NRI software engineer from Telangana found dead in Florida after sudden cardiac arrest  
However the survey said without infrastructure augmentation, the increase in FSI and FAR could result in unproductive outcomes though it would leave to more built up area per unit of land.

“Amenities such as mass transit, water, and sanitation, among others, must be key factors in the decision-making process. In the absence of adequate amenities, a rise in density will result in traffic gridlocks, water shortages and overwhelmed sanitation systems, it said.

The survey said land also remains unproductive due to unclear land titles compounded by fragmentation and opaque records. “Secure, transferable property rights are essential for land to function as capital. They allow land to be used as collateral, traded in formal markets, and redeveloped efficiently,” it said.

### **Securing Property Rights**

Land tenure and security encompass securing and transferring rights related to land and natural resources. This includes titling, resolving land disputes, land acquisition, and managing informal settlements, it said.

The central government has undertaken multiple initiatives to address these obstacles. Under the aegis of the Digital India Land Records Modernisation Programme (DILRMP), the government introduced the Unique Land Parcel Identification Number (ULPIN) or Bhu-Aadhaar, as well as the National Generic Document Registration System (NGDRS), it said

State governments have also introduced digital systems to address these issues.

These include, inter alia, the Telangana government’s single digital platform, where the revenue, stamps, and registration departments are integrated with the Bhu Bharati portal<sup>13</sup>, and the Karnataka government’s transition towards issuing digital land records under its ambitious Bhu Suraksha scheme<sup>14</sup>, it said.

Experts like Gulam Zia. Senior executive director at Knight Frank are not in favour of higher FSI. “Top seven cities including Mumbai already have FSI of 5 to 6. Cities such as Hyderabad don’t have any restriction on FSI,” Zia said.

He added that higher FSI leads to higher cost of development as the building goes taller. “In Mumbai cost of construction is Rs 10,000 to Rs 12,000 per sq ft while in many cities it is Rs 2,000 per sq ft.” However, Zia said land titling and digitization when it happens, will be the big bang reform in real estate after Rera Act.

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[^ TOP](#)

## Highways, Railways, Ports And Aviation: Key Takeaways From The Economic Survey 2025-26 On India's Core Physical Infrastructure

Swarajya,  
January 30, 2026

India's core physical infrastructure has recorded sustained expansion over the past decade, with the Economic Survey 2025–26 highlighting major gains in roads, railways, ports, civil aviation and inland waterways, driven by high public capital expenditure, institutional reforms and rising private participation.

The Survey underlines that infrastructure investment has increasingly shifted from pure capacity creation to logistics efficiency, multimodal integration and quality enhancement.

In the roads and highways sector, the National Highway network expanded from 91,287 Km in FY14 to 146,572 Km by December 2025, marking an increase of around 60 per cent.

Operational high-speed corridors grew nearly tenfold to 5,364 Km over the same period.

For FY26, the government has targeted construction of 10,000 Km of highways, of which 4,938 Km had been completed by 31 December 2025.

Capital expenditure on roads and highways rose from Rs 0.53 lakh crore in FY15 to Rs 3.06 lakh crore in FY26, reflecting a nearly six-fold increase.

Rural road connectivity has also reached near-universal coverage under the Pradhan Mantri Gram Sadak Yojana, with 99.7 per cent of eligible habitations connected as of December 2025.

The Survey notes additional momentum from PMGSY-IV, which aims to connect 25,000 unconnected habitations by constructing or upgrading 62,500 Km of roads during FY25–FY29, supported by GIS-based planning and the PM GatiShakti framework.

Indian Railways continued its capacity expansion and modernisation drive, with the rail network extending to 69,439 route Km as of March 2025 and electrification reaching 99.1 per cent of the network by October 2025.

Capital expenditure on railways has been maintained at historically high levels in FY26 to accelerate new lines, doubling, multi-tracking and safety upgrades.

Dedicated Freight Corridors have seen significant progress, with 2,741 Km, representing over 96 per cent of the network, commissioned by October 2025, easing congestion and reducing freight transit times.

The civil aviation sector has emerged as a major connectivity driver, with the number of airports increasing from 74 in 2014 to 164 in 2025.

Indian airports handled 412 million passengers in FY25, while total passenger capacity at operational airports has been expanded to approximately 575 million passengers per annum through modernisation projects.

Air cargo volumes also rose steadily, supported by policy initiatives such as UDAN, greenfield airport development and digital platforms like DigiYatra.

Ports and shipping witnessed strong capacity creation and efficiency improvements under the Maritime India Vision 2030 and Maritime Amrit Kaal Vision 2047.

The number of public-private partnership projects at major ports increased from 37 in FY15 to 87 in FY25, with total project value rising by 377 per cent.

As of FY25, 57 operational PPP projects have added around 660 MTPA of port capacity.

The Survey projects that PPP and captive operators will handle about 80 per cent of cargo at major ports by 2030, supported by a pipeline of new projects.

Inland Water Transport has also gained traction, with 32 National Waterways operational across 5,155 Km as of November 2025.

Cargo movement through inland waterways rose sharply from 18 MMT in 2013–14 to 146 MMT in 2024–25, while passenger movement increased to 7.6 crore.

Key initiatives such as the Jal Marg Vikas Project, digital navigation platforms and urban water transport models like the Kochi Water Metro are strengthening multimodal logistics and sustainable mobility.

The Economic Survey 2025–26 notes that sustained public capital expenditure, supported by private participation and integrated planning under PM GatiShakti, has strengthened core physical infrastructure, with increasing emphasis on logistics efficiency, multimodal integration and system-level development.

[^ TOP](#)

**Chennai–Bengaluru Expressway Phase III: Three Packages Of The 106-Km Section To Be Completed By July 2026, One Package Remains Stalled**

Swarajya,  
January 30, 2026





*Bengaluru-Chennai Expressway (File Photo)*

Phase III of the Chennai–Bengaluru Expressway, spanning 106 Km across Tamil Nadu and Andhra Pradesh, is nearing completion, though work on one package has stalled due to financial constraints faced by the concessionaire, the government informed Parliament on Thursday (29 January).

In a written reply to a question in the Lok Sabha, Union Road Transport and Highways Minister Nitin Gadkari said Phase III of the expressway was taken up under the Hybrid Annuity Model across four packages, covering 94 Km in Tamil Nadu and 12 Km in Andhra Pradesh.

Of the four packages, construction is progressing in three packages covering 80.2 Km, with physical progress reported at around 90 per cent.

These stretches are expected to be completed by July 2026.

Work on the remaining 25.5 Km package, however, has remained halted since May 2025 due to the concessionaire's financial difficulties.

The process to substitute the concessionaire is currently underway.

"Out of total 4 packages, work is in progress in 3 packages (80.2 Km) with physical progress around 90% and likely to be completed by July 2026. Work in the remaining package (25.5 Km) has stopped since May 2025 due to financial constraints of the Concessionaire. Substituting the Concessionaire is under process," Gadkari said.

The minister acknowledged that the project had faced delays during the initial phase due to land acquisition hurdles, shifting of utilities—particularly Extra High Tension power lines—railway clearances and forest approvals.

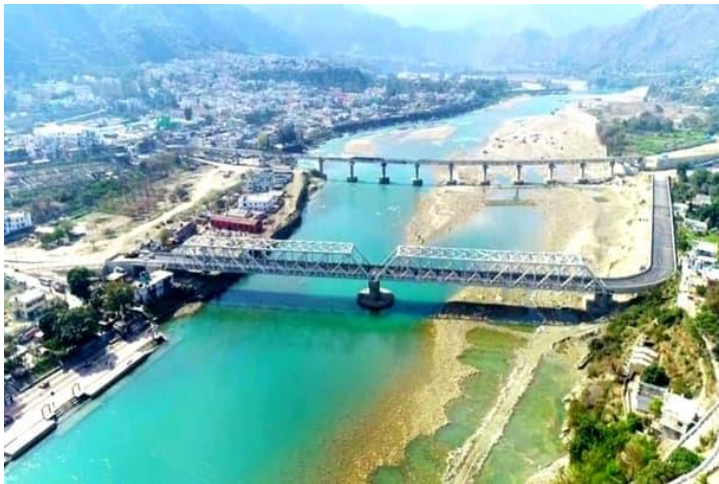
"All these issues have since been resolved and as on date, no such issue is pending," Gadkari added.

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[^ TOP](#)

## Uttarakhand's Rishikesh–Karnaprayag Rail Project Hits 72 Per Cent Physical Progress, Over Rs 26,841 Crore Spent So Far

Swarajya,  
January 30, 2026



*Once fully operational, the Rishikesh-Karnaprayag rail line will transform travel to the Char Dham (Ministry of railways, X)*

In a major milestone for Uttarakhand's most significant transport infrastructure initiative, the Rishikesh–Karnaprayag new rail line project has achieved 72 per cent physical progress.

According to the monthly project monitoring flash report of the Ministry of Statistics and Programme Implementation (MoSPI) for the month of October, the strategic rail line project has now crossed 72 per cent physical progress.

Further, around Rs 26,841 crore, out of the total estimated Rs 38,953 crore project cost, has been spent so far on the 125-km broad-gauge corridor, which is designed to provide all-weather connectivity to the Garhwal Himalayas and strengthen access to the border regions.

The project involves some of the most complex engineering work undertaken by Indian Railways in recent years.

Over 85 per cent of the alignment consists of tunnels, with multiple bridges, escape passages, and safety systems being constructed along the Alaknanda valley.

Once completed, the railway line will directly connect Rishikesh with key towns such as Devprayag, Srinagar, Rudraprayag and Karnaprayag, reducing travel time and improving access to pilgrimage centres and strategic locations.

According to the Ministry of Railwayss, tunnel work on over 201 km out of the total scope of 213 km has been completed, and the construction of 12 new stations is in progress.

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Rail Vikas Nigam Limited (RVNL) has adjusted the timeline for the Rishikesh–Karnaprayag railway line, extending the expected arrival of the first train to Karnaprayag to December 2028, according to a Jagran report.

The earlier target had aimed for completion by the end of 2026, but officials say the revised schedule better reflects the scale and challenges of the Himalayan project.

The line, regarded as a strategic lifeline for Uttarakhand, will integrate several Garhwal districts into the broader national rail network. Engineers are accelerating work across the route particularly in tunnelling, which forms the backbone of the 126 km alignment.

Although the overall project is now slated for completion in 2028, RVNL is working toward a December 2026 goal for breakthroughs in the last remaining tunnel sections.

[^ TOP](#)

## Centre Disburses Over Rs 1,156 Crore To Rural Bodies In Andhra Pradesh, Maharashtra And Tripura

Swarajya,  
January 30, 2026

The Centre has released more than Rs 1,156 crores under the Fifteenth Finance Commission grants for rural local bodies in Andhra Pradesh, Maharashtra and Tripura.

The funds will strengthen Panchayati Raj Institutions across the three states, enabling them to address location-specific developmental needs at the grassroots level.

The Ministry of Panchayati Raj and the Ministry of Jal Shakti recommend the release of XV Finance Commission grants to states for rural local bodies, which are then released by the Ministry of Finance.

The allocated grants are recommended and released in two instalments in a financial year.

This mechanism ensures a consistent flow of financial resources to enable effective planning and execution of development projects at the village, block and district levels.

The untied grants will be utilised by Panchayati Raj Institutions for location-specific felt needs, under the 29 subjects enshrined in the Eleventh Schedule of the Constitution, except for salaries and other establishment costs.

These subjects range from agriculture, rural housing and drinking water supply to primary education, health and sanitation.

The tied grants can be used for the basic services of sanitation and maintenance of ODF status, including management and treatment of household waste, human excreta and faecal sludge management, as well as supply of drinking water, rainwater harvesting and water recycling.

In Andhra Pradesh an amount of Rs 410.76 crore has been released as the second instalment of Untied Grants for FY 2025–26.

The funds will benefit 13,092 eligible Gram Panchayats, 650 eligible Block Panchayats and all 13 eligible District Panchayats in the State.

In Maharashtra, the Union Government has released Rs 714.32 crore under the second instalment of XV FC Untied Grants for FY 2025–26.

These grants will cover 26,407 eligible Gram Panchayats, 15 eligible Block Panchayats and 2 eligible Zilla Parishads across the State.

For Tripura, Rs 30.6 crore has been released as the second instalment of Untied Grants for FY 2025–26.

The release covers all 606 eligible Gram Panchayats, all 35 eligible Block Panchayats, all 8 eligible Zilla Parishads, all 587 eligible Village Committees, all 40 eligible Block Advisory Committees and 1 eligible TTAADC Headquarters.

In addition, Rs 85 lakh of the withheld portion of the first instalment of Untied Grant for FY 2025–26 has also been released to 1 additional eligible TTAADC Headquarters.

The total grants to local bodies under the Fifteenth Finance Commission amount to Rs 4.36 lakh crore, including Rs 2.4 lakh crore for rural local bodies.

The grants to local bodies are made available to all three tiers of panchayat — village, block and district.

The devolution of these grants empowers local self-government institutions, enabling them to address their development needs more effectively and drive sustainable rural transformation.

[\*\*^TOP\*\*](#)