



NEWSLETTER

CONSTRUCTION INFRASTRUCTURE UPDATES

THURSDAY, JUNE 02 - 04, 2026

[^ TOP](#)

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- ✓ [Centre Makes State Cost-Sharing Mandatory For New Ring Roads, Bypasses Under Urban Highway Decongestion Policy](#)
- ✓ [Maharashtra Approves Rs 12,442 Crore Road Upgrade Programme With AIIB And NDB Funding, First Phase To Modernise 1,500 km Network](#)
- ✓ [Mumbai Metro 4 Misses Another Deadline; Partial Gaimukh–Cadbury Operations Now Targeted For November](#)

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- ✓ [Maharashtra Approves Rs 6,429 Crore Rural Roads Programme To Build 3,500 Km Network Under MGSY Phase-3](#)
- ✓ [Telangana Pays Up To Rs 1.24 Crore Per Acre For Future City Expressway Land As Rising Prices Push Acquisition Costs Higher](#)

Centre Makes State Cost-Sharing Mandatory For New Ring Roads, Bypasses Under Urban Highway Decongestion Policy

Swarajya,
June 04, 2026



Ring Road Representative Image. (Source: X)

The Union Ministry of Road Transport and Highways has unveiled a new Urban Congestion Policy that requires state governments to share project costs if they seek the construction of

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ring roads and bypasses aimed at easing traffic on national highways passing through urban centres.

The policy comes amid increasing demands from states for dedicated highway corridors to divert long-distance and freight traffic away from congested city stretches.

Under the new framework, the Centre has made it clear that future urban decongestion projects on national highways will move forward only with financial participation from state governments.

According to the policy, all such projects must be developed as fully access-controlled corridors with a minimum four-lane configuration and closed tolling systems.

These corridors will be designed to support travel speeds of 100-120 kmph for both passenger and freight vehicles, improving traffic flow and reducing bottlenecks around urban areas.

To prevent unchecked construction along these routes, a 15-metre strip on either side of the corridors will be designated as a green zone where development will largely be restricted, except for essential public infrastructure and utility services.

The ministry has also prescribed minimum land acquisition requirements. Cities with populations above five lakh and state capitals will require a right of way of 60-75 metres, while district headquarters and cities with populations between one and five lakh will require 45-60 metres.

States can choose from four participation models. These include sharing 50 per cent of land acquisition costs, contributing 25 per cent of land costs along with reimbursement of GST and royalty components, providing land through pooling arrangements, or adopting a value-capture mechanism linked to future development gains around the corridor.

Under the value-capture model, states would share revenue generated through land-use changes, development charges, betterment levies and additional stamp duties within a two km influence zone along the bypass or ring road corridor.

[^ TOP](#)

Maharashtra Approves Rs 12,442 Crore Road Upgrade Programme With AIIB And NDB Funding, First Phase To Modernise 1,500 km Network

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Swarajya,
June 3, 2026

The Maharashtra Cabinet has approved the Maharashtra State Road Improvement Project, a Rs 12,442 crore programme backed by the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB), to modernise key road corridors across the state.

Under the approved framework, both institutions will provide funding of up to US \$1 billion each in two phases.

The first phase of the programme will focus on upgrading approximately 1,500 km of roads and is estimated to cost around US \$715 million, equivalent to nearly Rs 6,221 crore.

External funding of US \$500 million will be supplemented by a state contribution of US \$215 million.

The broader programme, covering both phases, is expected to involve investments of around Rs 12,442 crore for each funding stream and will be executed over a three-year period.

Authorities have identified high-priority “Growth Corridors” for intervention, particularly routes carrying heavy commercial traffic and serving industrial, agricultural and trade centres.

In the initial phase, around 750 km of road works will be undertaken through the Public Works Department using AIIB assistance, while another 750 km will be upgraded through NDB-supported projects.

All works are expected to be awarded through competitive EPC (Engineering, Procurement and Construction) contracts.

The state government expects the programme to improve road safety, strengthen logistics efficiency and lower transportation costs.

[^ TOP](#)

Maharashtra Approves Rs 6,429 Crore Rural Roads Programme To Build 3,500 Km Network Under MGSY Phase-3

Business Standard,
June 03, 2026

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The Maharashtra Cabinet has approved a major rural infrastructure programme under the third phase of the Mukhyamantri Gram Sadak Yojana (MGSY), sanctioning Rs 6,429 crore for the construction and upgradation of roads and bridges across the state.

The project aims to strengthen connectivity in rural areas through the development of approximately 3,500 km of roads and associated bridge infrastructure.

Funding for the initiative will be supported by the Asian Infrastructure Investment Bank (AIIB), which will extend a loan of around \$500 million, equivalent to nearly Rs 4,500 crore.

The remaining Rs 1,929 crore, representing 30 per cent of the project cost, will be contributed by the state government.

Authorities said the programme will focus on upgrading rural roads and other district-level routes, with the final scope of works to be determined through detailed project reports.

The approved road length and infrastructure components may be adjusted based on technical assessments and project costs.

The state has also decided to separately undertake an additional 2,500 km of road works using its own financial resources, over and above the AIIB-supported programme.

As part of the financial framework, separate accounts will be maintained for the externally funded portion and the state's contribution. Until AIIB funds are disbursed, project expenditure will be met through state resources.

The AIIB loan will be repaid over a 25-year period, including a five-year moratorium.

Better road infrastructure is expected to facilitate the movement of agricultural produce, improve access to schools and healthcare facilities, strengthen market linkages and contribute to broader rural development across Maharashtra.

The programme represents one of the state's largest recent investments in rural transport infrastructure.

[^ TOP](#)

Mumbai Metro 4 Misses Another Deadline; Partial Gaimukh–Cadbury Operations Now Targeted For November

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Business Standard,
June 02, 2026

The opening of Mumbai Metro Line 4 and its extension, Metro 4A, has been pushed back once again, with the Mumbai Metropolitan Region Development Authority (MMRDA) now aiming to begin partial operations between Gaimukh and Cadbury Junction in November 2026.

The revised timeline comes after a series of missed deadlines this year. The corridor was originally expected to open in stages, with services on a section of the route planned for January and further expansion by March.

However, project setbacks and construction disruptions have forced authorities to revise their schedule.

According to a Times of India report, the fatal accident in February involving the collapse of a parapet slab in Mulund delayed several critical activities linked to pre-commissioning works and safety certification.

The incident reportedly pushed the project back by nearly two months. With the monsoon season now underway, further delays are anticipated before the line can be readied for operational clearances.

Officials estimate that construction on the proposed operational stretch is close to 90 per cent complete.

Although the permanent Mogharpada depot may not be ready by the launch date, temporary maintenance arrangements are being planned to support train operations.

Trial runs on the route began last year, and several trainsets remain stationed on the elevated tracks awaiting commercial deployment.

[^ TOP](#)

Telangana Pays Up To Rs 1.24 Crore Per Acre For Future City Expressway Land As Rising Prices Push Acquisition Costs Higher

The Hindu Business Line,
June 02, 2026

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Rising land values around Hyderabad have pushed the Telangana government to offer record compensation for land needed for the proposed greenfield expressway linking the upcoming Future City region.

According to a TOI report, farmers in Kongara Kalan and Kongara Khurd villages near the Outer Ring Road (ORR) in Rangareddy district received compensation of up to Rs 1.24 crore per acre, making it among the highest payouts made by the state for a public infrastructure project.

The acquisition forms part of the proposed 300-foot-wide greenfield expressway linking Raviryal, Meerkhanpet and Amangal, a key transport corridor intended to support Future City and emerging industrial zones in the region. The project is estimated to cost around Rs 4,600 crore and is being executed in two phases.

“The market rate is between Rs 8 crore and Rs 10 crore per acre in Kongara Kalan and Kongara Khurd, abutting the ORR. Govt decided to pay Rs 1.24 crore per acre after negotiating with the farmers. As many as 15 acres were taken over in these two areas,” a senior Rangareddy district administration official was quoted as saying by TOI.

The government has already acquired 447 acres for the first phase and is in the process of securing another 558 acres for the second phase. The corridor passes through Maheshwaram, Ibrahimpatnam, Kandukur, Kadthal and Amangal mandals.

Nearly 300 acres along the route comprise forest land, while another 200 acres belong to the Telangana State Industrial Infrastructure Corporation (TGIIC).

Officials estimate that compensation payments alone for the expressway will exceed Rs 250 crore. However, the rising payouts have raised concerns that landowners in other project zones could seek similar rates, potentially increasing acquisition costs across future infrastructure projects.

To avoid delays and litigation, the state has increasingly focused on negotiations and alternative mechanisms such as land pooling and transferable development rights (TDRs), particularly for urban projects including the Musi Riverfront Development, road widening works and other public infrastructure initiatives.

[^ TOP](#)

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