

₹100 lakh cr infra plan to roll out over 5 years

Capital expenditure expected from both government and private sector

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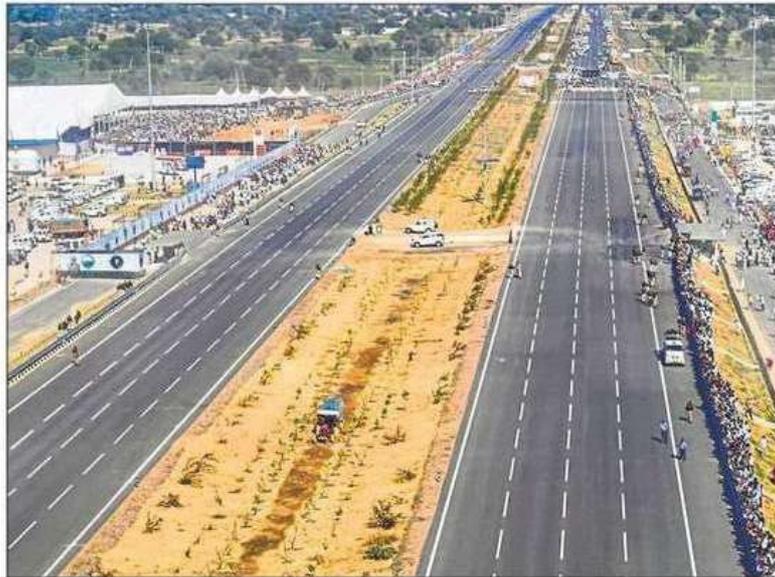
NEW DELHI: A grand plan to build India's infrastructure to a higher level is in the works, leveraging the vast amounts of money being pumped in by both the central and state governments, as well as the private sector, three people aware of the development said.

"The proposed blueprint will seek to build on the momentum gained in infrastructure creation and is expected to be a defining feature of the Modi administration's third term in office," one of the people cited above said.

This person said the capital expenditure (capex) for infrastructure is likely to touch ₹100 lakh crore in five years, which would be used to transform India's ports, airports, roads and other utilities.

The blueprint would include a ₹20-lakh crore master plan to develop 50,000 km of expressways, ₹2 lakh crore towards development of port infrastructure, and a ₹10-12 lakh crore plan to upgrade the railway network, among others.

The objective is to expand existing infrastructure as well as build new capacities, and create showcase projects that



The projects would be aimed at further economically integrating rural and urban areas, reducing travel time and logistics costs.

measure up with the best in the world, the first person cited above said.

Such projects would be aimed at further economically integrating rural and urban areas, reducing travel time and logistics costs, stimulating growth, and enhancing the standards of living over the next five years.

To be sure, infrastructure investments have been loaded in the recent past as well. For FY25, the Centre allocated ₹11.11 lakh crore for its own infrastructure capex and ₹3.9 lakh crore as grants to states for asset creation, according to data from the finance ministry.

Private sector capex is much more. In the nine years to FY23, private sector investments have remained around 36-40% of the gross fixed capital formation

(GFCF) in the economy, while that of central and state governments together accounted for 12-14%, per finance ministry data.

Detailed figures for FY24 are expected in January. In the coming fiscal, governments' share in capex is expected to go up, given a 17% annual increase in budget allocation.

Queries sent to the ministry of finance, NITI Aayog, Prime Minister's Office, and ministries of railways; road transport and highways; and ports, shipping and waterways remained unanswered till press time.

Road development will move away from plain vanilla highways to access-controlled expressways designed for high-speed traffic with controlled access and egress points. A ₹20-lakh crore master plan to

develop 50,000 km of these modern roads would be unveiled, with work on at least 25,000 km targeted for completion in the next five years, the second person cited above said.

The person added that the aim is to provide an expressway network at 100 km from any point in the country.

Also, projects would be relaunched under the built-operate-transfer (BoT) model to attract private investment in roads.

The NHAI (National Highways Authority of India) has prepared a pipeline of 53 projects spanning 5,214 km, which require investments of ₹2.1 lakh crore, to be developed on BoT.

The aim is to have at least a third of highways to be built by the private sector under this model, the second person cited above said.

A third person said that for shipping, the blueprint will emphasize the creation of world-class port infrastructure both in terms of size and facilities.

In addition, a mega ship-building policy would be unveiled together with a ₹25,000 crore maritime development fund.

For the railways, the country's largest transporter, the transformation would be towards improving speed, comfort and safety for both for passengers and goods. A plan to scale up the Vande Bharat scheme in all its formats is being put in place.