

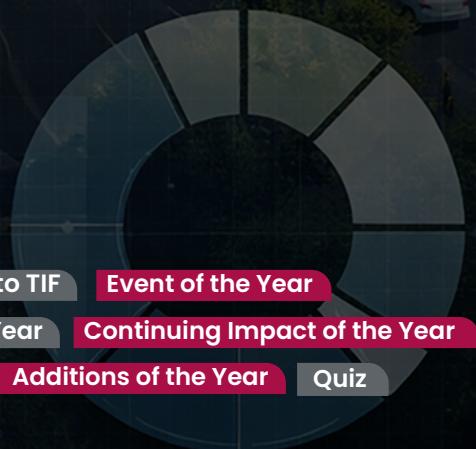


## Editor's Note

What can a small, but well intentioned think tank, dedicated to infrastructure, do in the face of seemingly insurmountable problems? It is not something The Infravision Foundation (TIF) dwells upon. It believes in innovative research on issues of national importance, dissemination in the appropriate quarters, and change on the ground. TIF believes in collaborating with the right partners to make a difference to infrastructure issues and of late has concentrated its attention on governance of urban public transport. It is a tantalisingly difficult arena but also one where change can have tremendous impact on the way we live, work, and yes, even breathe. Expect much more on this in 2026.

# Analysis and Action

December was a month for new beginnings. Dr Sandip Chakrabarti of IIM Ahmedabad completed a much awaited report on Land Value Capture for Urban and Regional Public Transport Infrastructure Financing. The report proposes a new strategy for financially sustainable development and operations. TIF's partnership with the Odisha Government took formal shape while its collaboration with NITI Aayog deepened. More on all three next month.



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In a new edition of INFRATALK, TIF Founder and Managing Trustee **Vinayak Chatterjee** made the point that the relative de-emphasis of Infrastructure in the 2025 Budget needs to be reversed. Chatterjee's long running monthly column in Business Standard also offered suggestions on certain required focus areas.

Toxic air, broken roads and unpicked rubbish. In a detailed article on the state of India's big cities, Nikhil Inamdar of BBC.com said India's big cities are becoming unliveable. He spoke to Chatterjee at length who explained to him why this was so. "The root cause is historical – our cities don't have a credible governance model," he said, adding that when India's Constitution was written, it spoke of the devolution of power to the central and state governments – but it did not imagine that our cities would grow to become so massive that they would need a separate governance structure. An attempt was made in 1992 to "finally allow cities to take charge of their own destinies" through the 74th amendment of the Constitution. Local bodies were granted constitutional status and urban governance was decentralised – but many of the provisions have never been fully implemented, said Chatterjee. "Vested interests don't allow bureaucrats and the higher levels of government to devolve power and empower local bodies." For more, click on the following link <https://www.bbc.com/news/articles/cp9kp2kx329o>

**Budget should reemphasise infrastructure**

Infrastructure spending must, once again, be viewed as the cornerstone for economic growth because of its high multiplier effect. Every 1% increase in infrastructure is believed to generate 4% of economic output. The reasons why public capital expenditure in infrastructure remains crucial. Thus the relative "de-emphasis" of infrastructure in the last budget should be reversed. This fiscal also needs to be a budget where private investors in greenfield infrastructure are still welcome.

The macroeconomic framework for determining infrastructure output is well-established. The underlying assumption in the budget is that framing out the Infrastructure Growth Fund (IGF) should be around 7 per cent of gross domestic product (GDP) as a national target, that roughly 4 per cent typically comes from the Union budget, while the remaining 3.5 per cent is contributed by states, private capital and other bodies of the resources (including public-sector undertakings). Using this framework, infra-outlays in the forthcoming budget should be 0.4 trillion, as per the table.

The next stage of growth requires stronger private participation. Aggressively reviving public-private participation (PPP) ecosystem is central to this shift. The ministry must now start demonstrating that the budget of urban communities, the Union government should stop funding any urban transportation projects and instead city fully implements the integrated UMTA (Unified Metropolitan Transport Authority).

Additionally, land-value capture (LVC) should be used as a regular financing instrument, thereby ensuring that some portion of local infrastructure funding comes through the developer level, developer fees, or corridor value capture. Long, appreciating, land values accrued through public expenditure have been proposed to be "captured" as a series set of fees by bureaucrats, and so on.

A dedicated budget for infrastructure (HSB), separate from railways, is essential because it represents a new class of infrastructure that cannot be managed within the framework of the conventional Railways setup. HSB demands its own approach to planning, financing, and management, while also requiring a different financial commitment. It can help accelerate regional connectivity, linking tier-II metropolitan centers to tier-III cities. The new corridors of growth should now replace the old roads and highways seen for decades as the highest amount of public funding. It should have a stand-alone allocation, with a dedicated railways setup, with fostering a modern institutional setup and distinct from the traditional Railways model. Upgrading the approach to infrastructure – the classification of infrastructure as a public good, not a cost. Thus, it justifies an infrastructure, which has already been given the same status. The revision of the classification of infrastructure and its planning with the DDA and needs to be specified. The addition of newer, professionally run sectors will spur growth.

The 2025-27 Budget must once again signal that infrastructure remains the foremost priority of the Indian growth model.

The author is an infrastructure expert. He is also the founder & managing trustee of The Infravision Foundation. Research inputs from Prayag Joshi



**INFRATALK**  
**VINAYAK CHATTERJEE**

## TIF CEO Expands Outreach

TIF CEO **Jagan Shah** participated in the India Management Research Conference 2025 at IIM-A, joining a panel discussion titled 'Low Emissions Development Strategies (LEDS) for Urban Resilience'. He spoke about how an urbanizing India can transition to a low-emission, resilient, green, and inclusive development pathway.



Highlighting the work done by TIF on low carbon development and the current work on urban transportation and mobility, Shah presented a keynote and joined a panel discussion at the Urban Transportation Conclave organised by FICCI. He emphasised the importance of integrated transport governance to provide "transportation as a service".



In a recent article by Manoj Sharma in the Hindustan Times, Shah cautioned against the growing tendency to equate larger municipal boundaries with economic progress. Expanding city limits without strengthening institutional capacity, finances, and governance systems only scales dysfunction, not development. Cities must invest in governance, resilience, and people-centric planning before pursuing scale. Urban growth is not a race for size. It is a choice about how well cities are planned, managed, and governed.

Read the piece here:

<https://theinfravisionfoundation.org/assets/pdf/uth-dehli.pdf>

# TIF Family At Work

TIF Trustee **Kiran Karnik** wrote a thoughtful article on the need to invest in small cities in the monthly magazine, Civil Society. At the macro level, he writes, policymakers now need to decide: looking ahead, should greater investments go into trying to increase the efficiency of big cities or should a substantial part be reallocated to improving the attractiveness of small towns? Small, selective investments in smaller cities, semi-urban areas, and 'Tier 3' cities can vastly and quickly improve their efficiency and quality of life, he adds. "One can foresee a reverse migration in future: from cities to rural areas and small towns." For more, click on the following link <https://civilsocietyonline.com/column/looking-ahead/invest-in-small-towns/>

In a timely piece in Business Standard, **Dr Soumya Kanti Ghosh**, Group Chief Economic Advisor at SBI; Member, PM's Economic Advisory Council; and TIF Distinguished Fellow shows that the IMF's recent relabelling of India's de-facto exchange-rate arrangement (from "stabilised" to "crawl-like") does not reflect a material break in policy. Across regimes, the rupee's average annual depreciation has been remarkably steady at 4.2–4.3% and the Reserve Bank of India has intervened both to buy and sell dollars as needed.

## Tuning into TIF

### The Infravision Conversations tackled topics that were both newsy and newsmaking. A quick scroll.

**Executive Director of Centre for Science and Environment Anumita Roychowdhury** spoke about vehicular pollution being one of the primary causes of Delhi choking on itself. "Judicial action and public campaigns have driven progress before, but problems like rising private vehicle ownership at 7.2 lakh new units every year, is now offsetting previously made gains," she said while suggesting solutions to curtail pollution. For the full episode, please see <https://www.youtube.com/watch?v=YV7VYaCB7Yw>

**Conservation architect Abha Narain Lambah** spoke about heritage conservation and its potential to rejuvenate cities. She made the point that heritage conservation in India is entirely focused on monuments, neglecting the immediate environment of the monument and the city it belongs to. For the full episode, please see: <https://www.youtube.com/watch?v=7oiHaLYOpfM>

**MD, Kochi Metro Rail Limited (KMRL) and Kochi Water Metro, Loknath Behera**, spoke of the success of the water metro in Kochi, and said in two and a half years, it had undertaken 5.5 million journeys. He also spoke of how cashless ticketing, QR/WhatsApp passes and digital integration with feeder services was improving reliability and ridership, especially on islands and short last-mile trips. For the full episode, please see <https://www.youtube.com/watch?v=3y7U8G23O9M>





# As TIF looks forward to an eventful 2026, a quick look back at the **Highlights of 2025**

## Event of the year

The InfraPandit Awards where industry met academia and The Infravision Foundation joined hands with L&T to identify and award two PhD scholars for their breakthrough research in clean energy and urban sanitation. Dr Shubham Jain, won the first prize, Uttam Award, getting Rs 5 lakh, and Dr Paresh Chhajed won the second prize, Mahaan Award, getting Rs 3 lakh.

## Validation of the year

Prime Minister Narendra Modi set the stage for establishing an apex Transport Planning Authority when he chaired a meeting of cabinet ministers and secretaries responsible for transport-related ministries, which will be tasked with detailed planning for the entire transportation ecosystem. For The Infravision Foundation, it was a ringing endorsement of the work it has focused on in 2025, developing a comprehensive and unified transport governance model and unlocking value in 20 metropolitan growth hubs in India.

## Research Paper of the year

Ramakrishnan TS's work for TIF on High Speed Rail, flagging certain corridors to be built on priority, created a lot of buzz in policy and media circles alike. Its argument, that HSR was a necessity, not a luxury, and would unlock the kind of value that the Golden Quadrilateral did in the 2000s, was much discussed at a CII conference, in a detailed interview of TIF founder and managing trustee Vinayak Chatterjee in Civil Society, and an in-depth article in Infrastructure Today.

## Collaboration of the year

TIF CEO Jagan Shah signed an MoU with Anna Roy, Special Adviser, NITI Aayog, to work on urban mobility for small towns, of particular interest to the Government.

## Endorsement of the year

The Supreme Court passed a critical judgment on road safety, giving credence to The Infravision Foundation's work on Vision Zero in collaboration with IIT Delhi and TIF Founder Vinayak Chatterjee's decades-long advocacy of a national transport safety authority. The apex court's directives in the S. Rajasekaran case mark a vital step towards efficient transport governance that prioritises safety, accountability, and sustainability on India's roads. The bench, comprising Justice J.B. Pardiwala and Justice K.V. Viswanathan, has ordered the establishment of a single, empowered national agency to oversee road safety initiatives across the country.

## Continuing Impact of the year

How does a think tank evaluate its impact? Sometimes it is just a shift in the conversation. Earlier in the year, a detailed article in Bloomberg echoed the findings of TIF's recent report authored by Geetam Tiwari and Deepa Jain of IIT Delhi on A Framework for Selecting an Appropriate Urban Public Transport System in Indian Cities. Many metros are struggling, said the Bloomberg article authored by Mihir Mishra and quoting TIF's study. "Mumbai's ridership is about 30 per cent of its original target, and Bengaluru's is 6 per cent. Other than New Delhi and Kolkata, actual ridership in metros across India is less than 20 per cent of desired levels."

## Big Idea of the year

It was undoubtedly the Urban Challenge Fund. TIF Founder Vinayak Chatterjee wrote at length about it in Business Standard, appreciating its potential for game changing public private partnerships, while TIF CEO Jagan Shah expounded on it in a well received Infravision Conversation online.

## Appointments of the year

# As head of the CII Committee on Infrastructure, TIF Founder and Managing Trustee Vinayak Chatterjee powered the idea of the Unified Metropolitan Transport Authority, while TIF Co-founder and Managing Trustee Rumjhumi Chatterjee promoted inclusiveness at the workplace and beyond with her appointment as CII's chairperson of the Centre for Women Leadership for 2025-26.

# TIF CEO Jagan Shah was appointed to the board of directors of the Institute for Transportation & Development Policy. Shah joins an esteemed group of urban development, mobility, and sustainability experts and advocates on the ITDP Board, including Ellen Lou (Skidmore, Owings & Merrill); Janette Sadik-Khan (Bloomberg Associates); Jules Flynn (Zoomo); Bob Hambrecht (Alltropo Partners); Justine Lee (ClimateHaven); Philipp Rode (LSE Cities); Gerhard Menckhoff (formerly World Bank Group); Heather Thompson (ITDP CEO); and Michael Replogle (ITDP Founder). ITDP is a global nonprofit that works with cities around the world to design and implement high-quality transport systems and policy solutions that make cities more liveable, equitable and sustainable.

#TIF Distinguished Fellow and Group Chief Economic Adviser State Bank of India Dr Soumya Kanti Ghosh was appointed as a member of the Prime Minister's Economic Advisory Council. #TIF Advisor Arun Nanda was appointed as a Trustee on the global board of Science Based Targets Initiative (SBTi). SBTi is a corporate climate action organization that enables companies and financial institutions worldwide to play their part in combating the climate crisis.

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## QUIZ: Test your 2025 Infra Power

1. What is the name of the Navi Mumbai International Airport that was inaugurated in October?
2. Which is the world's largest solar park, inaugurated in 2025?
3. Google's largest campus outside of its U.S. headquarters is in Hyderabad's Gachibowli financial district. When will it be operational?
4. The Ministry of Ports, Shipping and Waterways aims to complete which major strategic deep-water port by 2030?
5. How much did the government allocate for infrastructure projects in the budget for 2024-25?

1. Lokneta D.B. Patil Navi Mumbai International Airport. The name honours the late local farmer-leader D.B. Patil, who fought for compensation for families whose land was acquired for the project.
2. Kavada Renewable Energy Park in Kutch, Gujarat.
3. Early 2026
4. Vadra Port in Dahanu, Maharashtra
5. Rs 11.1 lakh crore



**Editor: Kaveree Bamzai**

Find me @9810707314,  
Email: [Kaveree.bamzai@theinfravisionfoundation.org](mailto:Kaveree.bamzai@theinfravisionfoundation.org);

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