



INDIA'S GROWTH STORY: INFRASTRUCTURE, INCLUSION & EFFICIENCY

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PM Modi inaugurates Jewar airport; project spans 8x New York's Central Park size

Jewar airport launch is expected to ease Delhi traffic pressure, boost exports, and improve connectivity for western UP, with cargo hubs and future expansion plans already in place

Context:

- The **Union Cabinet** has approved the launch and implementation of the **Regional Connectivity Scheme – Modified UDAN** for a period of ten years, from **2026–27 to 2035–36**, with a total outlay of ₹28,840 crore.
- **Honble Prime Minister Narendra Modi** inaugurated the much-anticipated **Noida International Airport at Jewar in Uttar Pradesh**, marking a significant milestone in India's aviation and infrastructure expansion.



'New chapter of Viksit Bharat': PM Modi inaugurates Noida International Airport in Jewar, calls it catalyst for western UP

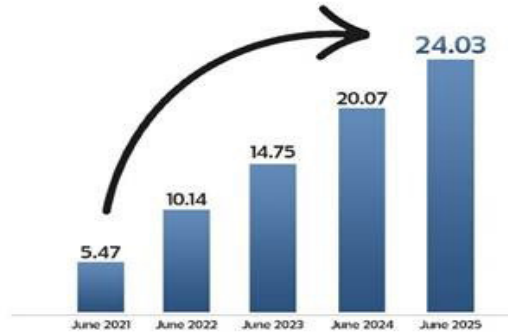
1. What are various key pillars of India's growth story?

- India is on track to become the **world's third-largest economy by 2030**, with a projected GDP of **\$7.3 trillion**, driven by strong **domestic demand**, **digital transformation**, and **infrastructure development**.
- This growth story is anchored by **rapid urbanization**, a **young workforce**, **formalization of the economy**, and a focus on **manufacturing and sustainable energy**, aiming to reach **upper-middle-income status**.



Pillars	About
Economic Scale	<ul style="list-style-type: none"> ● India is projected to surpass Germany to become the third-largest economy by 2028 or 2030. ● As of late 2025/early 2026, India is the world's fourth-largest economy by nominal GDP, having surpassed Japan with a GDP exceeding \$4.1 trillion.
Digital Economy	<ul style="list-style-type: none"> ● A massive transition towards a cashless economy is driven by UPI, with digital transactions growing at a 44% CAGR.

UPI Transactions Value Over the Years
(In ₹ Lakh Crore)



Source: National Payments Corporation of India (NPCI)

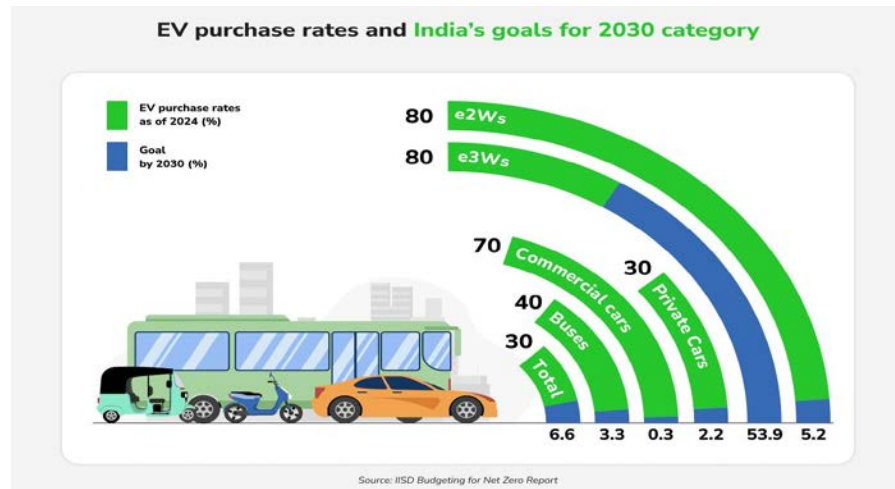
Infrastructure & Manufacturing

- Significant investments in **logistics** and a **push for domestic manufacturing (secondary sector)** are **accelerating growth**, aiming to turn India into a global logistics hub.



Sustainable Transition

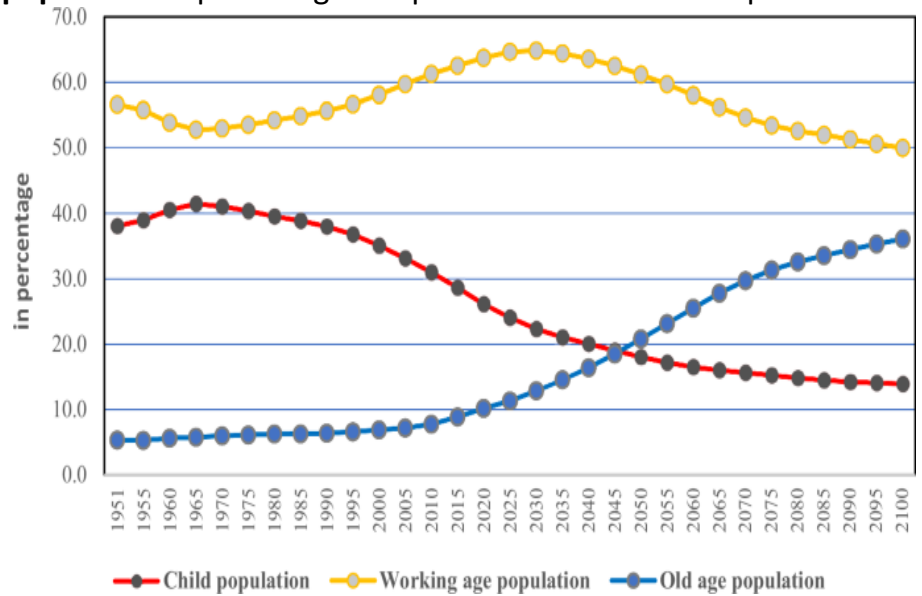
- The electric vehicle (EV) sector is projected to grow rapidly, with ambitious goals for **100%, two- and three-wheeler electrification by 2030**.



Source: ISD Budgeting for Net Zero Report

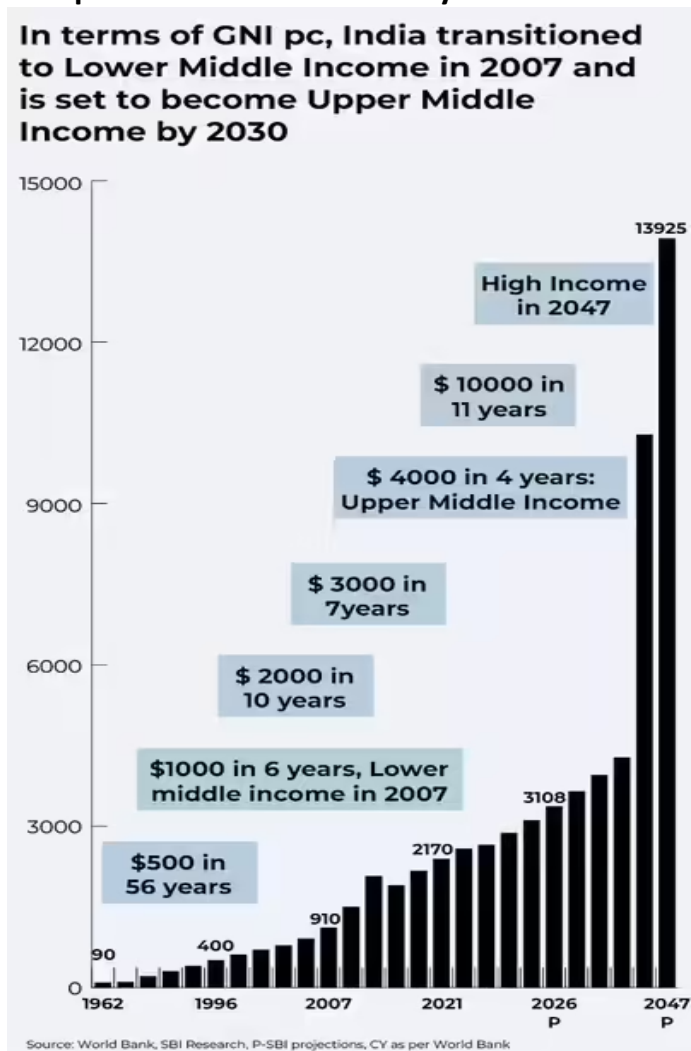
Demographic Dividend

- With a median age of around 28 years, a large working-age population is powering both production and consumption.



Rising Income Levels

- India is set to move into the upper-middle-income category, with per capita GNI expected to reach around by 2030.

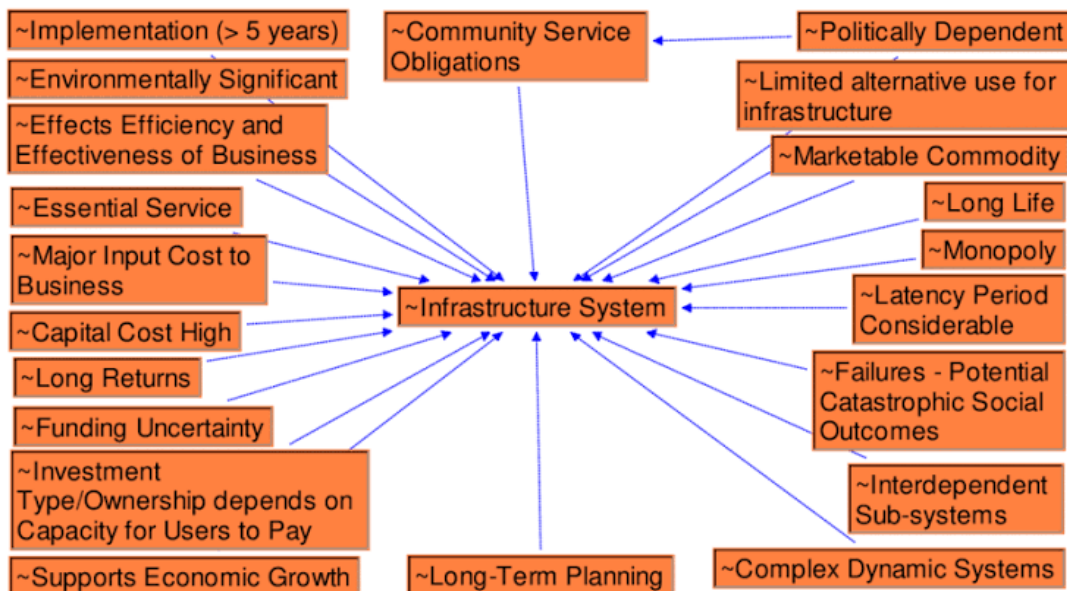


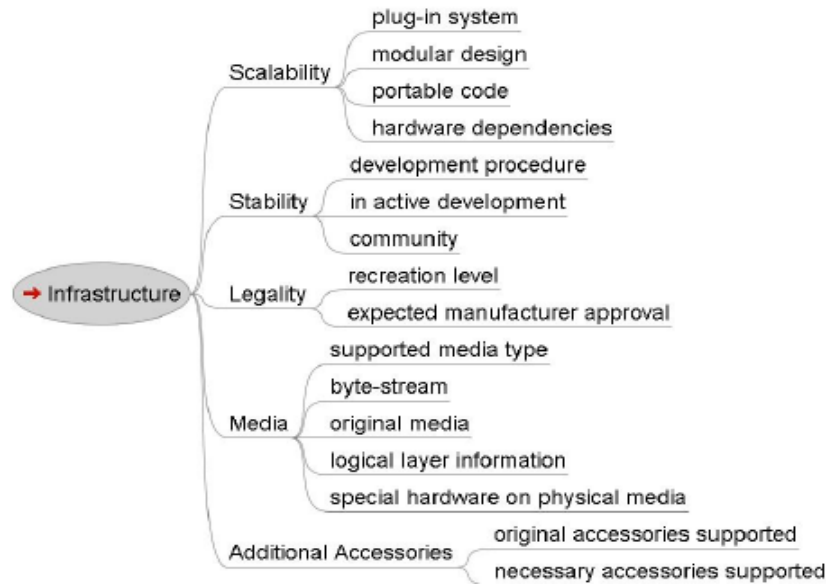
2. What is Infrastructure?

- **Infrastructure refers to all such activities, services, and facilities needed to provide different kinds of services in an economy.**
- It is the support system for the **economic and social development of the country.**
- Infrastructure is crucial for a **country's economic development.**
- The infrastructure of a country is the **framework that helps it develop economically and socially.**
- The **infrastructure facilities** are crucial for the development of **agriculture, industry, and now, increasingly, the services sector.**
- Social development also depends on the **development of the infrastructure.**
- Since **India's economic reforms in 1991**, the government has placed a significant emphasis on **infrastructure development.**



3. What are various characteristics of Infrastructure?





The basic characteristics of Infrastructure are as follows:

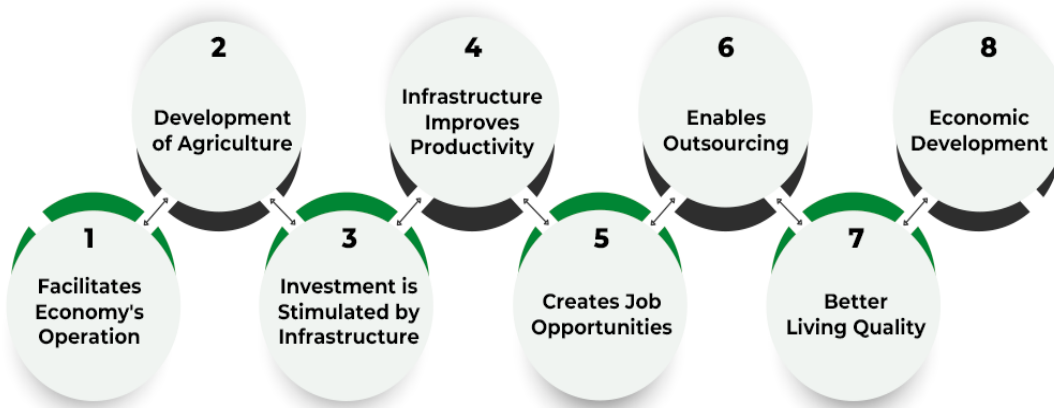
- The **primary sectors of industrial and agricultural output**, as well as **local and international trade and commerce**, are supported by infrastructure.
- Infrastructure services include:
 - **Roads, railways, ports, airports, oils and gas pipelines, telecommunication facilities, power stations, etc.**
 - **Health system including hospitals.**
 - **Education system involving schools and colleges.**
 - **Sanitary system embracing clean drinking water facilities.**
 - **A monetary system involving banks, insurance, and other financial organizations.**
- Some of these **services directly affect how the production system functions**, while others benefit the **economy indirectly by fostering the social sector**.

Other characteristics	About
High Sunk/Upfront Costs	<ul style="list-style-type: none"> ● Infrastructure projects require immense initial capital investment (e.g., dams, highways, power plants), making them difficult to replicate and often requiring government involvement.
Natural Monopoly	<ul style="list-style-type: none"> ● Due to high fixed costs and economies of scale, it is often more efficient for a single firm to provide the service (e.g., water pipes, railway tracks) rather than multiple competitors.
Non-Tradability of Output	<ul style="list-style-type: none"> ● Infrastructure services are typically consumed where they are produced (e.g., a power grid, bridge, or sewage system cannot be traded across borders).
Long Gestation Period	<ul style="list-style-type: none"> ● Infrastructure projects take a long time to build and often require years or decades to generate investment returns.

Externalities	<ul style="list-style-type: none"> Infrastructure creates significant social and economic benefits beyond its immediate users, such as connecting markets and improving productivity.
Non-rivalrous/Public Utility	<ul style="list-style-type: none"> Often, one user's consumption does not reduce the availability of the infrastructure for another user (up to a congestion limit).
Stable/Non-Cyclical Returns	<ul style="list-style-type: none"> As an investment, infrastructure offers steady, predictable, and long-term cash flows that are less sensitive to economic cycles.

4. What is the importance of Infrastructure?

Importance of Infrastructure



The Importance of Infrastructure Development for Economic Growth

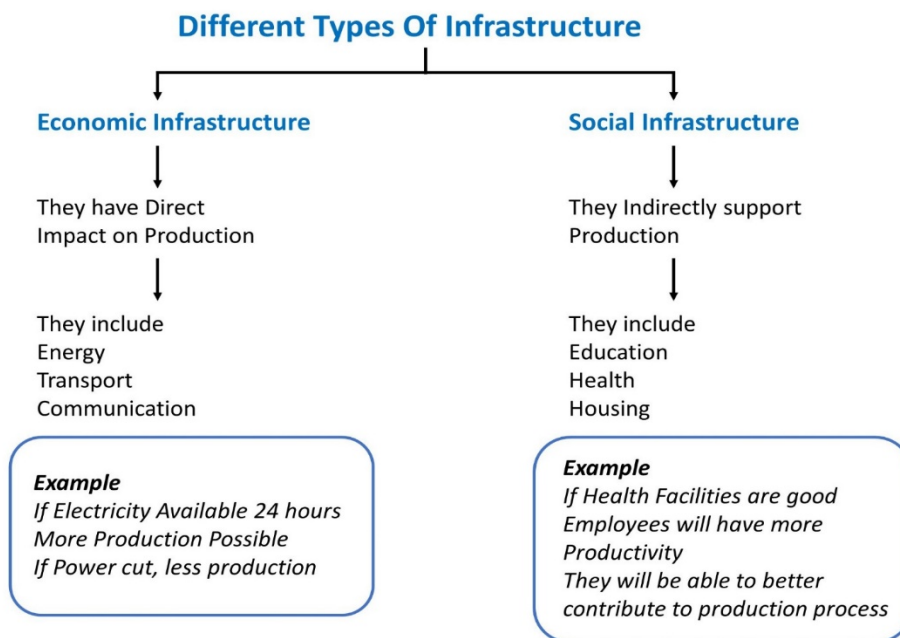
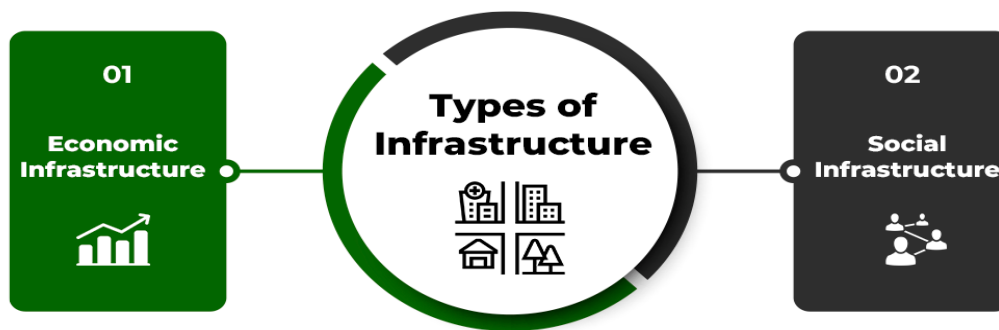


Importance of Infrastructure	Description
Facilitates Economy's Operation	<ul style="list-style-type: none"> The presence of infrastructure facilities is necessary for the effective functioning of an economy. Infrastructure facilities are crucial for the development of the agricultural, industrial, and service sectors.

<p>Development of Agriculture</p>	<ul style="list-style-type: none"> ● The development of modern agriculture is dependent on the availability of infrastructure for the rapid and large-scale transportation of seeds, herbicides, fertilizers, and other agricultural inputs. ● Additionally, in order for agriculture to function on a large scale, banking and insurance institutions are required.
<p>Investment is Stimulated by Infrastructure</p>	<ul style="list-style-type: none"> ● Investment is promoted by infrastructure. For instance, a well-developed transportation system would undoubtedly encourage investment in all economic sectors. ● Because it enables effective transportation of products and services across the different areas of the nation.
<p>Infrastructure Improves Productivity</p>	<ul style="list-style-type: none"> ● Social infrastructure includes institutions for learning and health care. ● These organizations provide healthcare, skill development, and education which are necessary conditions to improve productivity. ● This implies an increase in efficiency and, as a result, an increase in productivity. ● The growing process is consequently accelerated.
<p>Creates Job Opportunities</p>	<ul style="list-style-type: none"> ● Infrastructure has a role in job creation. ● Many people find work in infrastructure projects, including the building and upkeep of roads, power plants, electricity, etc. ● After the creation of a solid infrastructure, many more individuals are able to find jobs in industry and trade.
<p>Enables Outsourcing</p>	<ul style="list-style-type: none"> ● A nation that has developed infrastructure can profit from work that is outsourced. ● Due to its strong infrastructure and IT support system, India is becoming a popular location for BPOs, KPOs, call centres, and other similar businesses.
<p>Better Living Quality</p>	<ul style="list-style-type: none"> ● Better life quality is a result of well-developed infrastructure. ● The morbidity from major waterborne diseases and the severity of the sickness are both significantly decreased by improvements in water supply and sanitation. ● Access to healthcare depends on the state of the transportation and communication networks. ● However, air pollution and transportation-related safety risks might have an impact on morbidity, especially in densely populated areas.








<p>Economic Development</p>	<ul style="list-style-type: none"> ● Infrastructure development and economic development are interlinked. ● Infrastructure helps in contributing to the economic development of a country by increasing the productivity of factors of production and by improving the quality of life of the people. ● The creation and extension of irrigation infrastructure are essential for agriculture. ● The growth of power and electricity generation, transportation, and communication is necessary for the advancement of industries.
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5. What are major types of Infrastructure?



Economic Infrastructure:

- It includes the **infrastructure associated with energy, transportation, and communication.**
- Under this, promoting activities like the **production and trade of goods and services is essential.**
- Besides, **economic infrastructure has a direct positive impact on the process of production and distribution in an economy.**
- **Economic Infrastructure provides direct support to the economic system.**

SERVICE	SUPPORTING INFRASTRUCTURES
 Transportation	Roads, bridges, tunnels, rail tracks, ports, harbors, airports, distribution centers.
 Water supply	Dams, reservoirs, pipes, treatment plants.
 Water disposal	Sewers, used water treatment plants.
 Irrigation	Dams, reservoirs, canals, sprinkling systems.
 Waste disposal	Landfills, incinerators, recycling facilities, compost units.
 Telecommunications	Telephone exchanges, telephone and cable lines, oceanic cables, cellular towers, fiber optic cables, web servers.
 Power	Power plants, transmission & distribution lines, pipelines.

© GTS

Social Infrastructure:

- It includes the **infrastructure associated with education, health, and housing.**
- It entails offering **all services that enhance the quality of human resources.**
- Social infrastructure does **not have a direct influence on the economic system.**
- Social Infrastructure **indirectly impacts the economy by achieving some social objectives.**

Social Infrastructure

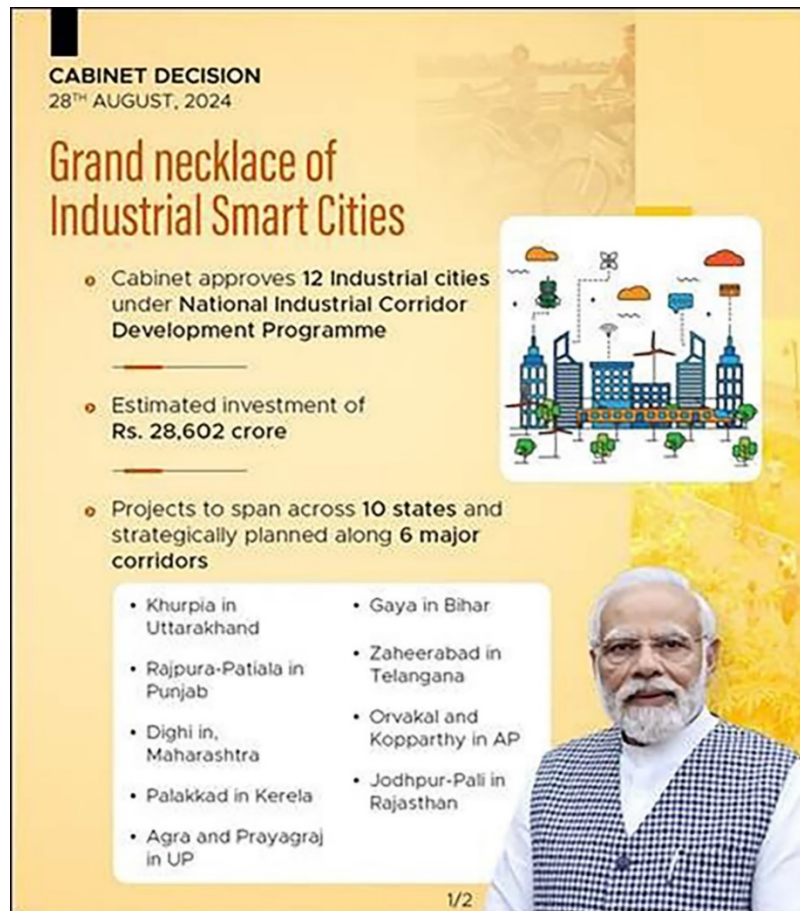
Foundational services that create conditions for a high quality of life for a nation, region or city.

<h3 style="margin: 0;">Overview</h3> <ul style="list-style-type: none"> ● Services that contribute to quality of life that are generally accessible to the public. ● Often owned by governments or communities. ● Includes areas such as healthcare, education, housing, culture, sports, recreation, public space and safety. 	<h3 style="margin: 0;">Examples</h3> <ol style="list-style-type: none"> 1. Hospitals 2. Public Space 3. Universities & Schools 4. Museums 5. Libraries 6. Sports Fields 7. Childcare Services 8. Courts
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6. Mention major Indian mega projects that are redefining infrastructure in 2026?

Various Projects	Description
NICDC Industrial Corridors and Smart Cities	<ul style="list-style-type: none"> ● The government is spearheading one of India's most ambitious infrastructure transformations through the development of industrial corridors and smart cities.

- This project is being implemented by the **National Industrial Corridor Development Corporation (NICDC)**, which is currently overseeing **11 industrial corridor projects encompassing over 32 development nodes across the country.**
- These corridors aim to strengthen India's position as a **global manufacturing and investment destination** by providing **state-of-the-art infrastructure, seamless logistics and robust connectivity.**
- The government has also allocated over **₹28,602 crores for 12 smart city projects⁴ under NICDC**, with future-ready, globally competitive industrial ecosystem.

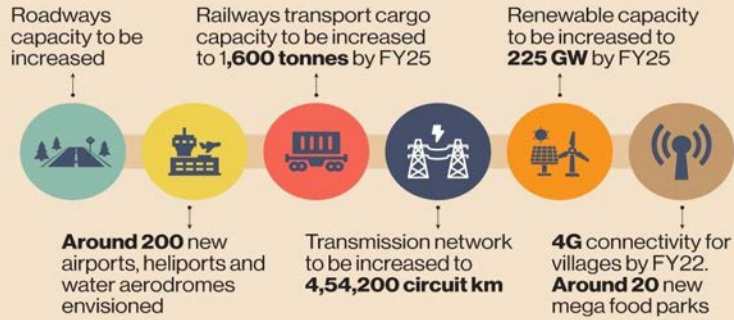


- These cities will act as economic engines that **facilitate job creation, technology transfer, and encourage MSME growth, and high-value production.**

PM Gati Shakti Master Plan

- The **PM Gati Shakti National Master Plan** was launched in **2021** to enable efficient **infrastructure development in India.**
- It is a dedicated platform featuring **44 central ministries and departments** as well as **36 states and Union Territories,⁷ all on a single digital interface**, facilitating seamless coordination between **ministries and reducing project delays.**

GATI SHAKTI MASTER PLAN



A Giant Stride in India's \$5 Trillion Economy Goal

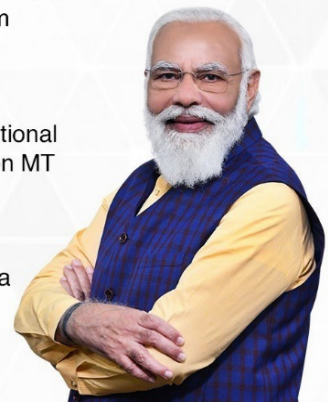
Gati Shakti National Master Plan

Multimodal Connectivity Infrastructure to various Economic Zones




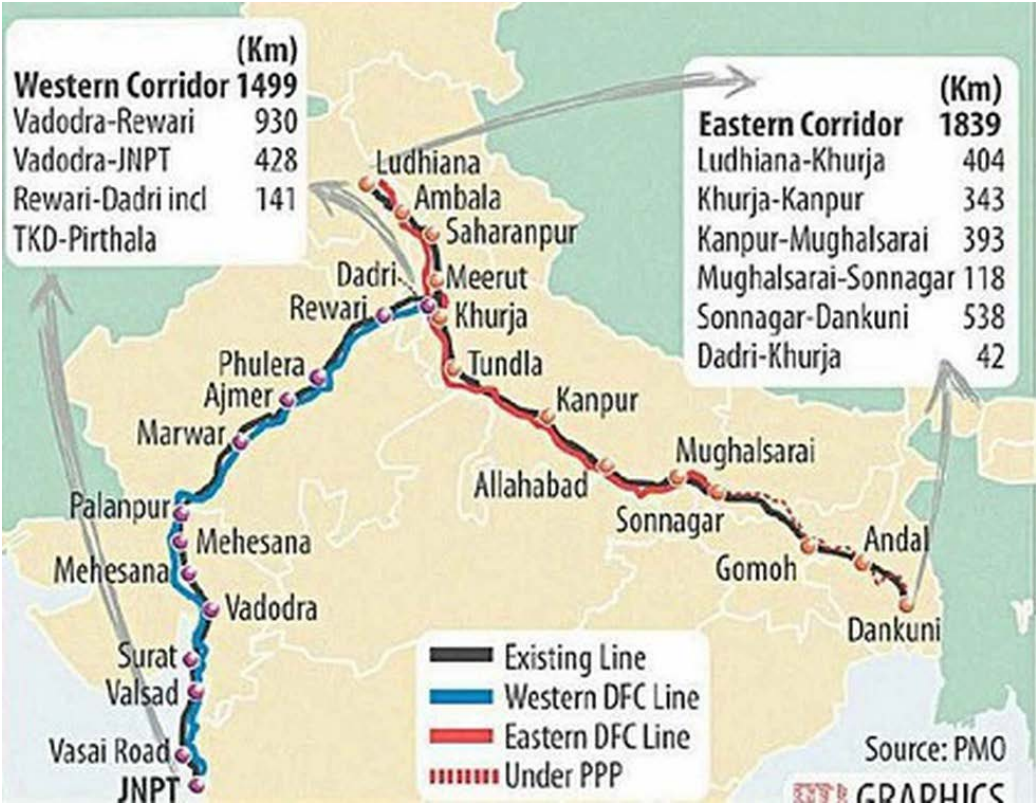
Targets upto 2024-25 for Ministry of Shipping

-  Increase in Cargo capacity at the Ports to 1,759 MMTPA from 1,282 MMTPA in 2020
-  Cargo movement on all National Waterways will be 95 million MT from 74 million MT in 2020
-  Cargo movement on Ganga to be increased from 9 to 29 million MT



- In less than three years, **data layers** from over **1,650 sources** across ministries has been integrated into **Gati Shakti**, creating sops and **improving coordination** between **eight infrastructure ministries** and **15 social sector ministries**.
- Its most notable achievement is its role in the **planning and execution of pan-India infrastructure projects**, enabling optimised alignment of roads, rail, ports and utilities.
- **Gati Shakti is helping India create seamless multi-modal transport network** in India by reducing **redundancies** and **maximising synergies**, resulting in **greater openness, reliability, and efficiency**.

<p>Bharatmala Pariyojana Project</p>	<ul style="list-style-type: none"> ● The Bharatmala Pariyojana was launched in 2017. ● It is one of India's largest road development programmes, with Phase-I (2017-2022) of the project developing 34,800 km of national highways.  <ul style="list-style-type: none"> ● The project aims to facilitate freight movement and enhance road connectivity in the country. ● As of 2024, the National Highways Authority of India (NHAI) has invested ₹4.72 lakh crore into the project, and 19,826 km have already been constructed. ● The programme is designed to work in tandem with projects involving economic corridors, logistics parks, and border connectivity. ● The Bharatmala Pariyojana is also designed to create direct and indirect jobs nationwide.
<p>Digital Highways Initiative</p>	<ul style="list-style-type: none"> ● The National Highways Authority of India (NHAI) is constructing Digital Highways with dedicated spaces for fibre optics infrastructure. ● The initiative involves implementing approximately 10,000 km of optic fibre cable infrastructure along the National Highways to provide better internet connectivity in rural areas and simplify the rollout of new age 5G/6G technologies across the country. ● For the pilot project, the NHAI has identified 1,367 km along the Delhi-Mumbai expressway and 512 km on the Hyderabad-Bengaluru corridor, which will feature a three-meter-wide utility corridor to lay fibre optic cables.

	<ul style="list-style-type: none"> • In the future, these cables are also expected to support technologies such as connected vehicles, real-time traffic updates and digital tolling systems. 																						
<p>Western Dedicated Freight Corridor</p>	<ul style="list-style-type: none"> • A part of the Indian Railways Dedicated Freight Corridor project, the Western Dedicated Freight Corridor (WDFC) stretches over 1,506 km from Dadri in Uttar Pradesh to Jawaharlal Nehru Port Terminal in Maharashtra.  <table border="1" data-bbox="457 487 755 718"> <thead> <tr> <th colspan="2">Western Corridor (Km)</th> </tr> </thead> <tbody> <tr> <td>Vadodra-Rewari</td> <td>930</td> </tr> <tr> <td>Vadodra-JNPT</td> <td>428</td> </tr> <tr> <td>Rewari-Dadri incl TKD-Pirthala</td> <td>141</td> </tr> </tbody> </table> <table border="1" data-bbox="1140 529 1464 844"> <thead> <tr> <th colspan="2">Eastern Corridor (Km)</th> </tr> </thead> <tbody> <tr> <td>Ludhiana-Khurja</td> <td>404</td> </tr> <tr> <td>Khurja-Kanpur</td> <td>343</td> </tr> <tr> <td>Kanpur-Mughalsarai</td> <td>393</td> </tr> <tr> <td>Mughalsarai-Sonnagar</td> <td>118</td> </tr> <tr> <td>Sonnagar-Dankuni</td> <td>538</td> </tr> <tr> <td>Dadri-Khurja</td> <td>42</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • The WDFC is a freight-only railway line designed to transport goods. • It aims to improve connectivity and decongest the passenger train network by limiting freight trains to their own railway lines. • The project is 96.4% operational as of May 2025. 	Western Corridor (Km)		Vadodra-Rewari	930	Vadodra-JNPT	428	Rewari-Dadri incl TKD-Pirthala	141	Eastern Corridor (Km)		Ludhiana-Khurja	404	Khurja-Kanpur	343	Kanpur-Mughalsarai	393	Mughalsarai-Sonnagar	118	Sonnagar-Dankuni	538	Dadri-Khurja	42
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<p>Delhi-Mumbai Expressway</p>	<ul style="list-style-type: none"> • The Delhi-Mumbai Expressway is one of India's most important national highways. • Stretching halfway across the country, the 1,386 km eight-lane highway is meant to connect India's economic and political centres. • The project is expected to be completed by October 2025, reducing the travel time between Delhi and Mumbai by nearly 50%. 																						

TRAVEL TIME TO BE CUT TO HALF



Airport projects

- **India's aviation sector** has witnessed rapid development in recent years, driven by policy reforms and strategic initiatives such as the **UDAN scheme**, through which **625 UDAN routes** have been operationalized, connecting **90 airports (including 2 water aerodromes, and 15 heliports)** across India, and the **Bharatiya Vayuyan Adhiniyam 2024**.

Cabinet approves

Regional Connectivity Scheme – Modified **UDAN**



FY 2026–27 to FY 2035–36
Total Outlay: ₹28,840 crore

Major Components



100 Airports Development – Upgrading unserved airstrips to boost regional connectivity



200 Modern Helipads – ₹3,661 crore investment over 8 years (₹15 crore each)



Operation & Maintenance Support – **₹2,577 crore for around 441 aerodromes** (3-year support with capped annual costs)



Viability Gap Funding support – **₹10,043 crore** over 10 years to support airline operators

CABINET DECISION: 25-03-2026



- These efforts are reshaping civil aviation in India by **enhancing regional connectivity and modernising regulatory frameworks.**
- As part of this broader push—and in response to the rising demand from India's two largest urban hubs—**two landmark projects have taken shape: the Noida International Airport (NIA) in Jewar and the Navi Mumbai International Airport (NMI).**
- Both are poised to be pivotal in meeting future air traffic demand and establishing India as a **global aviation hub.**
- The **NIA is overseeing validation flights and will be operational by the end of 2025.**
- The **NMI, on the other hand, is scheduled to commence commercial operations in August 2025.**

<p>High Speed Rail Projects</p>	<ul style="list-style-type: none"> ● India's High-Speed Rail (HSR) projects represent a bold leap toward modernising the country's transport infrastructure and enhancing regional connectivity. ● Managed by the National High-Speed Rail Corporation Limited (NHSRCL), this project aims to revamp India's railway lines and create bullet train corridors in the country. ● The first HSR project is 508 km long and is currently under construction between Mumbai and Ahmedabad. ● Once completed, the corridor will support train speeds exceeding 320 km/h—more than twice the speed of India's conventional trains.

SPEED RAIL'S HALTING RIDE

Dec 2015 | MoU signed between India and Japan to implement project, based on Japan's Shinkansen trains

Sept 2017 | Bhoomi puja conducted by PM Narendra Modi and his Japanese counterpart Shinzo Abe in Ahmedabad

June 2018 | Civil works begin

Nov 2019 | CM puts project on hold, pending review

Max Speed 350kmph

Journey Time 3 hours | Between Mumbai and Ahmedabad, stopping at all stations
2 hours | Non-stop journey

Seating Capacity Around 750 passengers
It can rise to 1,250, once more coaches are added

EQUITY RATIO
50:25:25
Maha ₹5,000cr
Centre ₹10,000cr
Gui ₹5,000cr

FIRM'S PAID-UP CAPITAL
As of March 31, 2019
Total | ₹2,455cr
Centre's contribution | ₹2,350cr
Gujarat | ₹105cr
Maharashtra | Nil

Project Cost ₹1.1 L cr

DEADLINE!
Aug 15, 2022 | Date set by National High Speed Rail Corporation (NHSRC) for bullet train's trial run on 50km of route between Bilimora and Surat

CORRIDOR ALIGNMENT
92% elevated
6% underground
2% at grade (ground-level)

21km tunnel, of which 7km will be below the creek

Stations 11
SABARMATI (Ahmedabad), Anand/Nadiad, Vadodara, Bharuch, Surat, Bilimora, Vapi, Borsar, Virar, Thane, BKC (Mumbai)

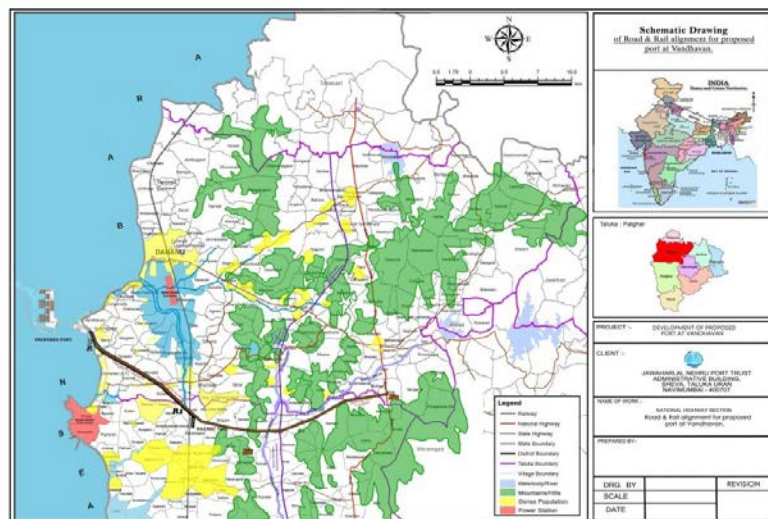
ROLLING STOCK
Train: Shinkansen, E-5 Series

- > The train with a longer nose is billed as more comfortable and faster
- > Longer nose prevents 'tunnel boom' or noise when a train enters a tunnel
- > It vibrates less because of full active suspension; body tilting system ensures smoother ride at curvatures

- The project is being developed through a **strategic collaboration between the governments of India and Japan**, with the **Mumbai-Ahmedabad corridor** involving an investment of over **₹1.08 lakh crore**.
- The **HSR project will eventually be expanded** to other parts of India, with feasibility being **researched between Delhi-Ahmedabad, Delhi-Varanasi, and Varanasi-Howrah**.³⁰

Vadhavan Port

- The recently approved **Vadhavan Port Project** is a major **strategic deep-water port**.



19th June, 2024
CABINET DECISION

Major Port at Vadhavan, Maharashtra



- ▶ Cabinet approves 'Development of an all-Weather Greenfield deepdraft Major Port at Vadhavan in Maharashtra'

- ▶ The total project cost, including the land acquisition component is Rs.76,220 Crore

- ▶ Will create a cumulative capacity of 298 million metric tons (MMT) per annum

- ▶ Potential of 10 lakh direct and indirect employment opportunities



- With an outlay of ₹76,200 crore, the Ministry of Ports, Shipping and Waterways aims to complete the project by 2030.
- The port will have depths greater than 20 metres, allowing it to cater to large shipping types, including ultra-large container vessels.
- It makes global transshipment and long-range trade routes much easier to handle.
- The port will also leverage the PM Gati Shakti Master Plan platform and work with other logistics networks, such as intended freight corridors, expressways and waterways.

7. What is the status of Financial Inclusion in the country?

Financial Inclusion is defined as the availability of affordable financial products and services to meet the needs of individuals and businesses in a responsible and sustainable way.

It supports entrepreneurship, business growth, empowers women and support in managing risks too which leads to strengthening of economic activities, boost in productivity and economic growth.

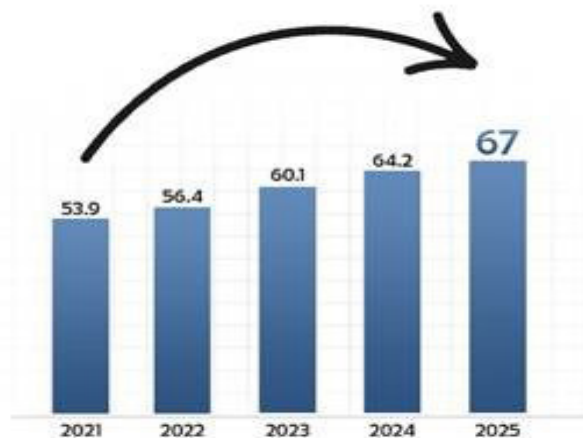
Methodology of Financial Inclusion Index



Source: RBI

- The Reserve Bank of India released Financial Inclusion Index (FI-Index) for the year ending March 2025 which stands at 67.0 in comparison to 64.2 in March 2024.
- The FI-Index was launched in 2021 with the aim of capturing the financial inclusion across the country while representing different sectors such as banking, investment, insurance, postal and pension too.
- With the boost in the index, the growth was witnessed across all three sub-indices of Access, Usage and Quality.
- Improvement in the FI-Index in FY2025 is a reflection of enhancement in usage and quality dimensions, which indicates strengthening of financial inclusion and financial literacy initiatives.
- Furthermore, since 2021, it has increased by 24.3 per cent, which highlights the continuous dedication of government to include every citizen in the growing digital financial infrastructure of the country.

Financial Inclusion Index



Source: RBI

8. What are various Strategies for Financial Inclusion in India?

- To achieve the **vision of banking for all and reap** the benefit of multiplier effect in **economic output, poverty and income inequality**, the government has introduced multiple strategies focusing on **supply & demand side infrastructure and financial literacy**.
- The **National Strategy for Financial Inclusion 2019-2024 (NSFI)** and **National Strategy for Financial Education 2020-2025 (NSFE)** provide a road map for a **coordinated approach towards financial inclusion, financial literacy, and consumer protection**.

Strategies	Description
<p>National Strategy for Financial Inclusion (2019-2024)</p>	<ul style="list-style-type: none"> ● National Strategy for Financial Inclusion was launched in 2019 to address the inherent barriers to access the financial services and products, with the following objectives: ● Universal access to financial services: <ul style="list-style-type: none"> ○ The objective is to provide access to a formal financial service provider to every village within a distance of 5km radius and the onboarding process should be hassle free, digital and less use of paper. ● Providing basic bouquet of financial services: <ul style="list-style-type: none"> ○ Every adult who is willing and eligible needs to be provided with a basic bouquet of financial services that include a Basic Savings Bank Deposit Account, credit, a micro life and non-life insurance product, a pension product and a suitable investment product. ○ Pradhan Mantri Jan Dhan Yojna (PMJDY) was part of such objective. ● Access to livelihood and skill development: <ul style="list-style-type: none"> ○ If a citizen is eligible and willing to undertake a skill development program, such information should be provided to them, hence supporting them in engaging economic activity and income generation. ● Financial literacy and education: <ul style="list-style-type: none"> ○ Module which are easy to understand should be created with audio visual content for target audience, so that the knowledge of financial products could be shared. ● Customer protection and grievance redressal: <ul style="list-style-type: none"> ○ Customers shall be made aware of the recourses available for resolution of their grievances.
<p>National Strategy for Financial Education (NSFE) (2020-2025)</p>	<ul style="list-style-type: none"> ● Financial literacy empowers the users to make sound financial decisions which result in financial well-being of the individuals. ● In India, the stakeholders which involves, Central and State government, financial sector regulators, financial institutions, civil societies, academia, educational institutions, all are involved in spreading financial literacy.

- **National Strategy for Financial Education focuses on ensuring that the work of different stakeholders is aligned and progressive.**

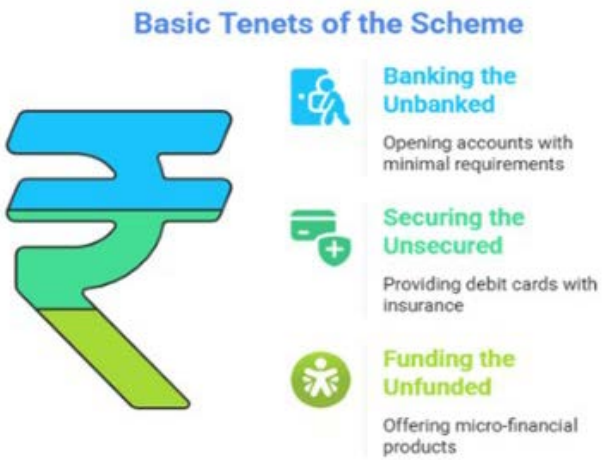


- **In order to achieve the Strategic Objectives, the NSFE laid down “5-C Approach” which includes development of relevant Content (including Curriculum in schools, colleges and training establishments), developing Capacity among the intermediaries involved in providing financial services, leveraging on the positive effect of Community-led model for financial literacy through appropriate Communication strategy and enhancing Collaboration among various stakeholders.**

9. Mention Key Initiatives for Financial Inclusion in India?

- **The vision of government is to extend the financial services to the underserved and unserved population.**
- **To widen the financial participation of citizens in the country, government launched several initiatives extended in different sectors and segments of the population.**

Key Initiatives	Description
Pradhan Mantri Jan Dhan Yojana (PMJDY)	<ul style="list-style-type: none"> ● It is not a scheme but a revolution for making India financially inclusive. ● Under the scheme the citizen gets the access to basic savings & deposit accounts, remittance, credit, insurance, pension in an affordable manner.

	<div style="text-align: center;"> <p>Basic Tenets of the Scheme</p>  </div> <ul style="list-style-type: none"> ● Benefits provided under PMJDY are <ul style="list-style-type: none"> ○ One basic saving bank account ○ No minimum balance requirement, ○ Rupay debit card ○ Accident insurance cover of 1 Lakh ○ Overdraft facility of ₹10,000 to eligible account holders ● The success of scheme resulted in over 55.98 crore beneficiaries (as on 4 August 2025) where over 55 per cent accounts are held by women. ● For financial awareness several campaigns were launched to reach last mile beneficiaries. ● Centre for Financial Literacy was initiated by RBI with an objective to adopt community led innovative and participatory approaches for financial inclusion. ● A network of 13.55 lakh Bank Mitras was created to connect eligible people with banking services. ● 107 Digital Banking Units (DBUs) have been set-up by Banks (as on December 2024) where these units offer facilities like opening of saving bank accounts, passbook printing, transfer of funds, loan applications, etc.
<p>Pradhan Mantri Suraksha Bima Yojana (PMSBY)</p>	<ul style="list-style-type: none"> ● Launched on 9th May 2015, the Pradhan Mantri Suraksha Bima Yojana has now completed a decade of providing accidental death and disability coverage specially for poor and unprivileged. ● The Pradhan Mantri Suraksha Bima Yojana (PMSBY) has demonstrated significant success in providing accident insurance coverage across the nation.

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) Enrolments

	June 2015 - May 2024	June 2024 - Apr 2025
Enrolment	20.17 Cr.	11.87 Cr. (including Renewals)
Female Beneficiaries	8.64 Cr.	6.74 Cr.
Rural Beneficiaries	11.91 Cr.	8.76 Cr.
Urban Beneficiaries	4.35 Cr.	3.11 Cr.

Source: Ministry of finance

- As of **March 19, 2025**, the scheme has achieved a **cumulative enrolment of 50.54 crore** individuals, showcasing its extensive reach.
- The **scheme provides one year cover for accidental death and disability** cover for death or disability on account of an accident with a premium of **₹20/- annually, which is renewed annually.**
- On death, the nominee **receives ₹2 lakhs.**

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

- **Pradhan Mantri Jeevan Bima Yojana** is an insurance scheme which offers life insurance cover for death due to **any reason providing affordable insurance to broader population including poor and rural population.**
- With the **premium of ₹436/- annually per subscriber, the scheme offers the life cover of ₹2 lakhs.**
- This means that in ten years, **over 23 crore Indians have been covered, and more than 9 lakh families** have received timely financial support after the loss of a loved one.

Atal Pension Yojna (APY)

- Under the scheme of **Atal Pension Yojana, monthly pension is provided to the people so that they can continue living a dignified life in old age.**

Celebrating
8 Years of Atal Pension Yojana

Ensuring a guaranteed pension

ELIGIBILITY

Any citizen between the age group of **18 to 40 years** with a valid Bank / Post Office savings account and not an Income-tax payer

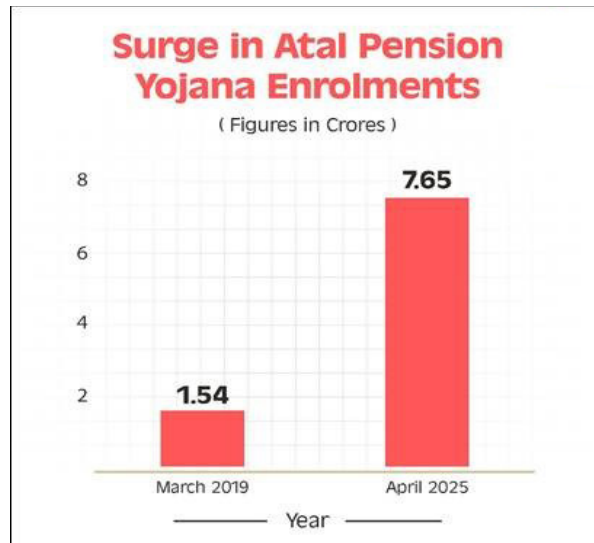
FEATURES

Minimum guaranteed pension of **₹1000, ₹2000, ₹3000, ₹4000 and ₹5000 per month from the age of 60**

Amount of pension and individual's age are the deciding factor for contribution amount

Flexible payment option - Monthly, Quarterly or Half-yearly

Upon the death of subscriber, after 60 years spouse will get same pension after demise of both, subscriber and the spouse, the pension corpus accumulated till 60 years would be returned to the nominee



- The scheme aimed at workers in the **unorganised sector, who often lack formal pension coverage.**
- To join the scheme, the age should be between **18 and 40 years** and a **savings bank account is required.**
- Under the **APY, guaranteed minimum pension of ₹1,000/- or 2,000/- or 3,000/- or 4,000 or 5,000/- per month** will be given at the age of **60 years depending on the contributions by the subscribers.**
- As of **April 2025, APY has accumulated over 7.65 crore subscribers, mobilised a total corpus of ₹45,974.67 crore,** and recorded increasing participation from women, who now comprise about **48% of all subscribers.**

Pradhan Mantri MUDRA Yojana (PMMY)

- The **Pradhan Mantri MUDRA Yojana (PMMY), launched on 8th April 2015 is a flagship scheme of Government of India.**
- The scheme facilitates loan up to **₹20 lakhs to income generating small and micro enterprises engaged in the manufacturing, trading or service sectors** including activities allied to agriculture such as **poultry, dairy, beekeeping, etc.**

PM Mudra Yojana

MUDRA Mission
To create an inclusive, sustainable and value based entrepreneurial culture, in collaboration with our partner institutions in achieving economic success and financial security.

MUDRA Vision
To be an integrated financial and support services provider par excellence, benchmarked with global best practices and standards, for the bottom of the pyramid universe for their comprehensive economic and social development.

MUDRA Purpose
Our basic purpose is to attain development in an inclusive and sustainable manner by supporting and promoting partner institutions and creating an ecosystem of growth for micro enterprises sector.

	<ul style="list-style-type: none"> ● This government initiative to support MSMEs’ access to credit is aptly described as a scheme dedicated to “Funding the Unfunded”. ● The availability of credit for MSMEs has seen consistent growth, driven by advancements in technology and data-driven lending practices. ● As on 4 August 2025, total of 53.85 crore loans was sanctioned and ₹35.13 lakh crore amount was sanctioned, with a major focus on women and minority borrowers, and new entrepreneurs. ● The newly announced loan category, Tarun Plus, is designed specifically for those who have previously availed and successfully repaid loans under the Tarun category, allowing them to access funding between ₹10 lakh and ₹20 lakh. ● Additionally, the Credit Guarantee Fund for Micro Units (CGFMU) provides guarantee coverage for these enhanced loans, further reinforcing the government’s commitment to nurturing a robust entrepreneurial ecosystem in India. 								
<p>Stand Up India Scheme (SUI)</p>	<ul style="list-style-type: none"> ● Stand up India Scheme was launched on 5th April 2016 to promote entrepreneurship at grassroot level focusing on economic empowerment and job creation for energetic, enthusiastic, and aspiring SC, ST and women entrepreneurs to help them in starting a greenfield enterprise in manufacturing, services or the trading sector and activities allied to agriculture. <div data-bbox="537 1087 1377 1833" data-label="Figure"> <p>Progress Under Stand-Up India</p> <table border="1"> <tr> <td>Accounts Sanctioned</td> <td>Amount Sanctioned</td> </tr> <tr> <td>2.69 Lakh</td> <td>Rs. 61,020.41 Crore</td> </tr> <tr> <td>Amount Disbursed</td> <td>Women Accounts</td> </tr> <tr> <td>Rs. 35,745.20 Crore</td> <td>2.01 Lakh</td> </tr> </table> <p><small>(As on 17.03.25 since launch of scheme)</small></p> </div>	Accounts Sanctioned	Amount Sanctioned	2.69 Lakh	Rs. 61,020.41 Crore	Amount Disbursed	Women Accounts	Rs. 35,745.20 Crore	2.01 Lakh
Accounts Sanctioned	Amount Sanctioned								
2.69 Lakh	Rs. 61,020.41 Crore								
Amount Disbursed	Women Accounts								
Rs. 35,745.20 Crore	2.01 Lakh								



Eligibility

- ✓ SC/ST and/or women entrepreneurs above 18 years of age.
- ✓ Borrower should not be a defaulter with any bank/financial institution.

Nature of Loan

- ✓ Composite loan between Rs. 10 lakh and Rs. 1 crore through Scheduled Commercial Banks (SCBs).

Purpose of Loan

- ✓ To set up a new enterprise in manufacturing, services, agri-allied activities, or trading by SC/ST/women entrepreneurs.

Size of Loan

- ✓ Covers 85% of the project cost (term loan + working capital).
- ✓ If borrower's contribution + scheme support > 15% of project cost, this rule doesn't apply.

Interest Rate

- ✓ Lowest applicable bank rate for the category (not exceeding base rate + 3% + tenor premium).

Security

- ✓ Primary security required, plus collateral or Credit Guarantee Fund Scheme for Stand-Up India Loans (CGFSIL) as per bank's decision.

Repayment

- ✓ Loan repayable within 7 years with up to 18 months moratorium period.

Working Capital

- ✓ Up to Rs. 10 lakh: Overdraft with a Rupay debit card.
- ✓ Above Rs. 10 lakh: Cash Credit limit.

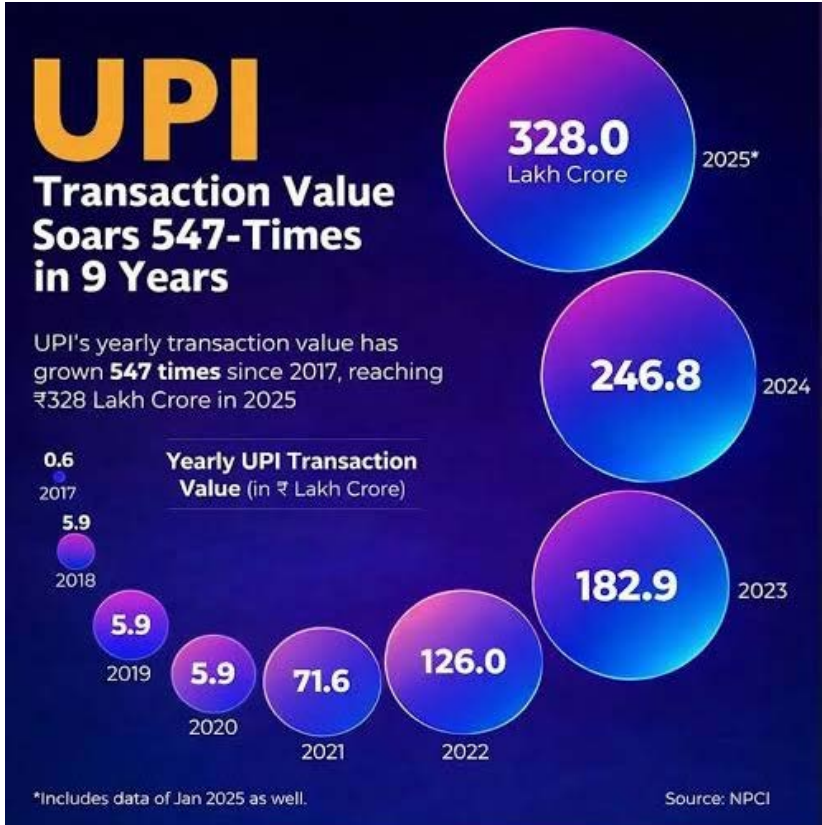
Margin Money

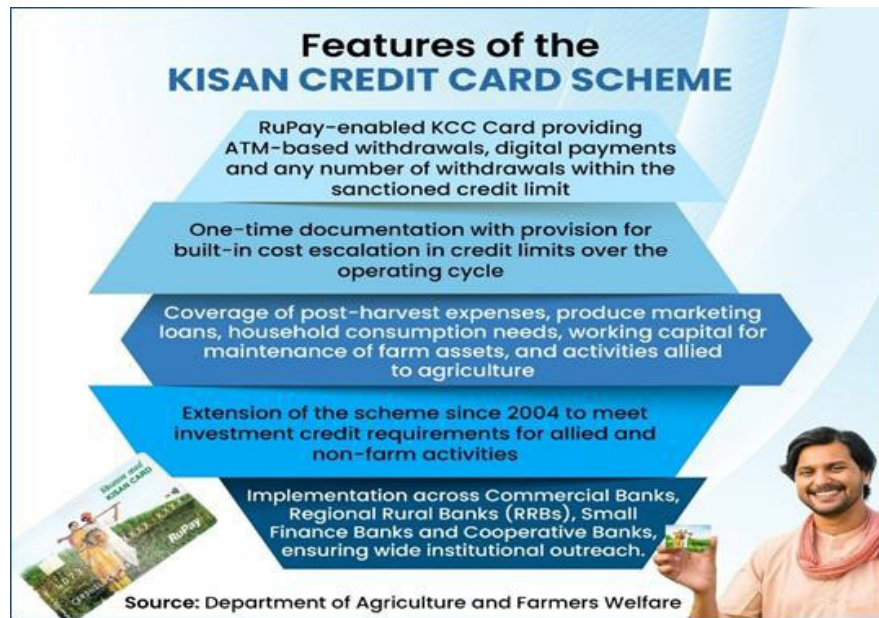
- ✓ Up to 15% margin money, with support from central/state schemes.
- ✓ Minimum 10% of project cost must be the borrower's own contribution.

- The **Stand-Up India Scheme has shown remarkable growth over the years**, with the total amount sanctioned to an impressive **₹61,020.41 crore by 17th March 2025**, since its launch.
- This reflects a **substantial increase, highlighting the scheme's expanding impact in empowering entrepreneurs across the country.**

Unified Payments Interface (UPI)

- Launched in **2016 by the National Payments Corporation of India (NPCI)**, UPI has revolutionized the **nation's payment ecosystem by integrating multiple bank accounts into a single mobile application.**
- This system enables **seamless fund transfers, merchant payments, and peer-to-peer transactions**, offering users flexibility through **scheduled payment requests.**
- In June **2025 alone, it handled over ₹24.03 lakh crore in payments.**
- This was spread across **18.39 billion transactions.**

	 <p>UPI Transaction Value Soars 547-Times in 9 Years</p> <p>UPI's yearly transaction value has grown 547 times since 2017, reaching ₹328 Lakh Crore in 2025</p> <p>Yearly UPI Transaction Value (in ₹ Lakh Crore)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Value (₹ Lakh Crore)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>0.6</td> </tr> <tr> <td>2018</td> <td>5.9</td> </tr> <tr> <td>2019</td> <td>5.9</td> </tr> <tr> <td>2020</td> <td>5.9</td> </tr> <tr> <td>2021</td> <td>71.6</td> </tr> <tr> <td>2022</td> <td>126.0</td> </tr> <tr> <td>2023</td> <td>182.9</td> </tr> <tr> <td>2024</td> <td>246.8</td> </tr> <tr> <td>2025*</td> <td>328.0</td> </tr> </tbody> </table> <p>*Includes data of Jan 2025 as well. Source: NPCI</p> <ul style="list-style-type: none"> ● UPI accounts for 85 per cent of all digital transactions in India. ● Its impact goes beyond national borders, powering nearly 50 per cent of global real-time digital payments. ● By making payments quick and accessible, UPI has become a powerful tool for financial inclusion. 	Year	Value (₹ Lakh Crore)	2017	0.6	2018	5.9	2019	5.9	2020	5.9	2021	71.6	2022	126.0	2023	182.9	2024	246.8	2025*	328.0
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<p>Mahila Sammridhhi Yojana (MSY)</p>	<ul style="list-style-type: none"> ● Mahila Sammridhhi Yojana (MSY) is a scheme aimed to benefit women from socially and economically weak backgrounds. ● The scheme provides training to a group of 20 women in a suitable craft activity and then formed into a SHG (Self help group). ● The group is then provided with a loan of upto ₹1,40,000 and the repayment timeline of 3.5 years. ● Till March, 2025 the scheme has disbursed ₹72,859 lakhs to women beneficiaries in all over India. 																				
<p>Kisan Credit Card (KCC)</p>	<ul style="list-style-type: none"> ● Kisan Credit Card (KCC) is a banking product that provides farmers with timely and affordable credit for purchasing agricultural inputs, meeting short term credit requirements, post-harvest expenses, produce marketing loan, consumption requirement for farmer household, working capital for maintenance of farm and investment credit requirement for agriculture and allied activities. 																				



- The amount under **operative Kisan Credit Card (KCC) accounts** has more than doubled from ₹4.26 lakh crore in **March 2014** to **₹10.05 lakh crore** in **December 2024** benefitting **7.72 crore** farmers.
- This indicates **significant increase in quantum of affordable working capital loans** provided to the farmers for agriculture and allied activities.
- This is reflection of **credit deepening in agriculture** and **reduced dependency on non-institutional credit**.

10. What is Nationwide Campaign for Financial Inclusion?

Financial Inclusion Saturation Campaign (July 2025)

Category	Scheme	Count
Account Opening	PMJDY	6,65,190
Re verification of KYC	PMJDY	4,73,383
Nomination Updates	Other Saving Accounts	5,65,051
	PMJDY	2,81,188
Social Security Scheme Enrolment	Other Accounts	2,65,617
	PMJJBY	7,46,129
Claims Settled	PMSBY	12,36,548
	APY	2,82,905
	PMJJBY and PMSBY	6,538

Source: Ministry of finance

- The **Department of Financial services, Ministry of Finance** recently launched a **3 months campaign for Saturation of Financial Inclusion schemes** at **Gram Panchayat and Urban Local Bodies** which started from **July, 2025** and will continue till **September, 2025** so that every **unbanked citizen** could be included.

- The campaign covers the **re-KYC of due savings accounts**, opening of new bank accounts, enrolment under **Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)**, **Pradhan Mantri Suraksha Bima Yojana (PMSBY)** and **Atal Pension Yojna (APY)**.
- To focus on the **financial education**, the campaign also provides awareness on the **digital fraud prevention**, **grievance redressal** and **access to unclaimed deposits**.
- Based on the report of **Ministry of Finance**, the **one-month report** of the campaign shows success.
- **99,753 camps** were held in the month of July, where around **6.65 lakhs accounts** were opened under **Pradhan Mantri Jan Dhan Yojana (PMJDY)** and over **10 lakhs re-verification of KYC** was done.

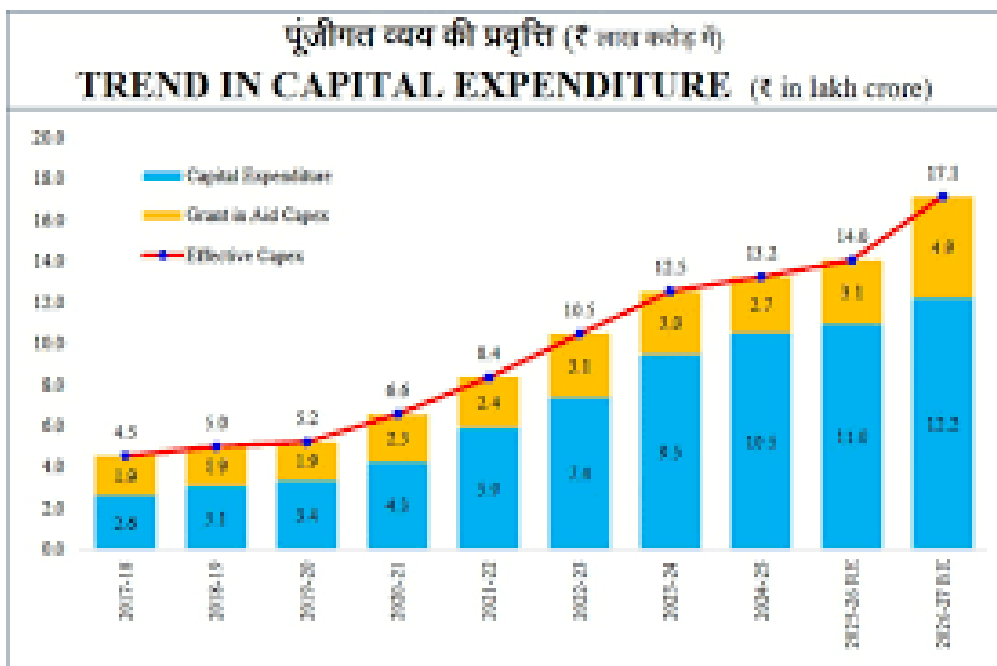
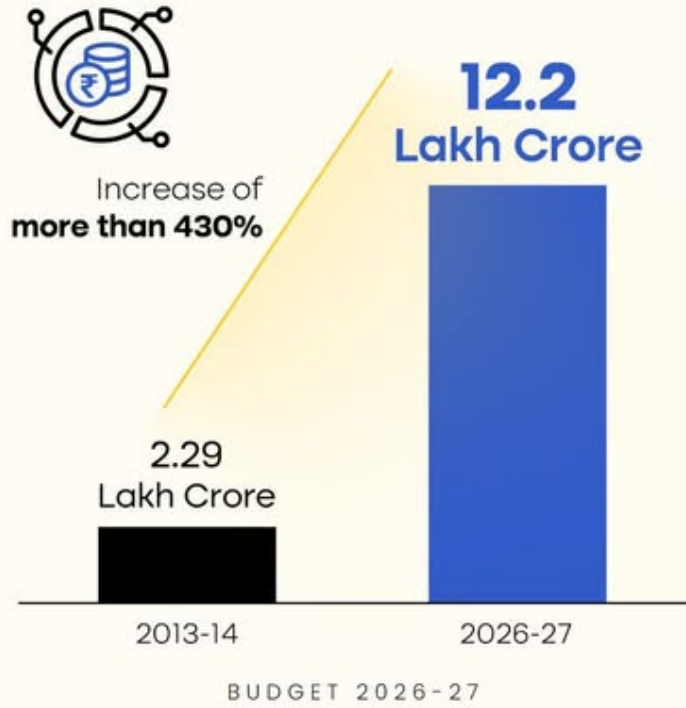
11. What are key initiatives for infrastructure in Budget 2026?








Budget of Big Dreams:

Capex Soars to a Massive ₹12.2 Lakh Crore!

Capital Expenditure Budget:



Key Initiatives	Description																
<p>Sustained Public Capital Expenditure</p>	<ul style="list-style-type: none"> • The Government has increased public capital expenditure to Rs. 12.2 lakh crore for FY 2026–27, reinforcing the infrastructure-led growth strategy that has defined recent budgets. • The emphasis has shifted from basic asset expansion to improving connectivity efficiency, reducing logistics costs, and building economic corridors. • This ensures that infrastructure spending generates multiplier effects across manufacturing, trade, and urban development. • Such a sustained capex pipeline provides long-term visibility for developers, engineering, procurement and construction contractors, private equity funds, and infrastructure lenders 																
<p>Transport Corridors as Engines of Regional Growth</p>	<ul style="list-style-type: none"> • A major highlight is the proposal to develop seven high-speed rail corridors linking key economic regions, including Mumbai–Pune, Hyderabad–Bengaluru, Chennai–Bengaluru, Delhi–Varanasi and Varanasi–Siliguri. <div data-bbox="581 865 1352 1514" data-label="Figure"> <p>BUDGET 2026-27 Development of 7 High-Speed Rail Corridors As Growth Connectors Between Cities</p> <table border="1"> <tr> <td>Mumbai to Pune</td> <td>01</td> <td>04</td> <td>Hyderabad to Chennai</td> </tr> <tr> <td>Pune to Hyderabad</td> <td>02</td> <td>05</td> <td>Chennai to Bengaluru</td> </tr> <tr> <td>Hyderabad to Bengaluru</td> <td>03</td> <td>06</td> <td>Delhi to Varanasi</td> </tr> <tr> <td></td> <td></td> <td>07</td> <td>Varanasi to Siliguri</td> </tr> </table> <p>Source - Ministry of Railways</p> </div> <ul style="list-style-type: none"> • These corridors are conceptualised not merely as transport projects but as growth connectors designed to support regional industrial clusters and urban expansion. • From a financing perspective, such large-scale transport infrastructure requires blended funding models combining sovereign support, multilateral financing, and long-term structured debt. • The projects are also expected to stimulate transit-oriented development and land value capture mechanisms. • New freight corridors linking mineral-rich and industrial regions to ports strengthen India’s logistics backbone and reduce freight costs. 	Mumbai to Pune	01	04	Hyderabad to Chennai	Pune to Hyderabad	02	05	Chennai to Bengaluru	Hyderabad to Bengaluru	03	06	Delhi to Varanasi			07	Varanasi to Siliguri
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<p>Inland Waterways and Coastal Shipping – A New Infrastructure Vertical</p>	<ul style="list-style-type: none"> • The Budget elevates waterways into the mainstream logistics framework. <ul style="list-style-type: none"> • The Government plans to operationalise 20 new National Waterways over the next five years. <div data-bbox="690 315 1315 1239" style="background-color: #1a3d54; color: white; padding: 10px; margin: 10px 0;"> <p style="text-align: center; font-weight: bold; font-size: 1.2em;">COASTAL SHIPPING PLAN</p> <div style="display: flex; flex-direction: column; gap: 10px;"> <div style="display: flex; align-items: center;">  <div> <p style="font-weight: bold; font-size: 0.9em;">DETAILED ASSESSMENT</p> <p style="font-size: 0.8em;">of existing coastal shipping routes and inland waterway connections, identifying operational gaps and infrastructure needs</p> </div> </div> <div style="display: flex; align-items: center;">  <div> <p style="font-weight: bold; font-size: 0.9em;">FORECASTING TRAFFIC</p> <p style="font-size: 0.8em;">volumes over the long term to ensure capacity meets growing demand</p> </div> </div> <div style="display: flex; align-items: center;">  <div> <p style="font-weight: bold; font-size: 0.9em;">BEST PRACTICES</p> <p style="font-size: 0.8em;">and operational improvements to make coastal shipping a cost-efficient and competitive transport mode</p> </div> </div> <div style="display: flex; align-items: center;">  <div> <p style="font-weight: bold; font-size: 0.9em;">EXPLORING NEW ROUTES</p> <p style="font-size: 0.8em;">and fostering synergy between coastal and inland waterways as part of India's multimodal transport vision</p> </div> </div> <div style="display: flex; align-items: center;">  <div> <p style="font-weight: bold; font-size: 0.9em;">GROWTH OF COASTAL FLEET</p> <p style="font-size: 0.8em;">Promoting the growth of an Indian-owned and operated coastal fleet, critical for national security and commercial competitiveness</p> </div> </div> </div> </div> <ul style="list-style-type: none"> • Regional training institutes will be established as centres of excellence, and ship repair ecosystems catering to inland waterways will be developed in Varanasi and Patna. • In addition, a Coastal Cargo Promotion Scheme will encourage a shift of freight from road and rail to waterways and coastal shipping. • Public-private partnership models are likely to be adopted for river terminals, logistics hubs, and port-linked infrastructure, supported by annuity or hybrid revenue frameworks.
<p>Urban Infrastructure and City Economic Regions</p>	<ul style="list-style-type: none"> • The Budget introduces a structured approach to urban growth through the development of City Economic Regions (CERs) in Tier-II and Tier-III cities. • These regions will receive reform-linked funding aimed at modernising urban infrastructure, industrial clusters, logistics systems, and public services.

What Are City Economic Regions?

City Economic Regions (CERs)

Clusters of cities planned to grow as economic engines with integrated transport, jobs, and infrastructure.

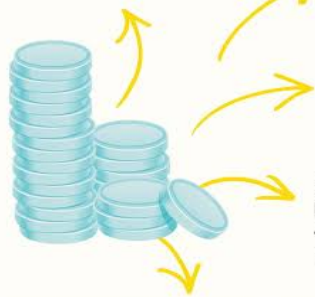
Purpose: Reduce pressure on megacities and spread growth across regions.

How Bengaluru can strategically leverage

City Economic Region (CER) Funding

Develop **Neighbourhood Improvement Plans** to guide infrastructure before peripheral densification begins.

Embed **watershed-based stormwater and flood resilience** in all CER projects.



Notify **differentiated Development Control Regulations (DCRs)** to direct growth into planned, high-capacity corridors.

Prioritize safe, high-quality **pedestrian networks** around key landmarks like markets, schools, etc.

Implement **Tender S.U.R.E. roads** with integrated underground utilities in expansion areas.

- This approach encourages municipal bond issuance, **structured urban PPP models, and land monetisation strategies**, thereby strengthening the **role of capital markets in urban infrastructure financing**.

<p>De-Risking Public-Private Partnerships</p>	<ul style="list-style-type: none"> ● One of the most significant measures is the proposed Infrastructure Risk Guarantee Fund, which will provide partial credit guarantees during the development and construction phases of projects. ● Construction risk has historically limited private participation and increased borrowing costs. ● By introducing a credit enhancement mechanism, the Government aims to improve project bankability, lower financing costs, and enable refinancing through capital markets. ● This marks an important step toward aligning India’s PPP framework with mature international project finance standards.
<p>Strengthening Infrastructure Finance Institutions</p>	<ul style="list-style-type: none"> ● The proposed restructuring of Power Finance Corporation and REC Limited reflects a policy move to scale and streamline public sector infrastructure lenders. ● A stronger institutional base is expected to support larger project financing transactions, standardised documentation, and improved refinancing options, particularly in the power and energy sectors.
<p>Banking Sector Reform and Long-Term Lending</p>	<ul style="list-style-type: none"> ● The announcement of a High-Level Committee on Banking for Viksit Bharat indicates that further reforms are under consideration to align the banking system with India’s long-term growth requirements. ● Infrastructure projects require financing tenors of 15 to 30 years. ● Regulatory adjustments, improved appraisal frameworks, and better risk-sharing mechanisms may emerge from this review, strengthening the capacity of banks to support large infrastructure exposures.
<p>Supply Chain Finance and Securitisation</p>	<ul style="list-style-type: none"> ● The integration of the Government e-Marketplace with the Trade Receivables Discounting System (TReDS), together with the proposal to structure TReDS receivables as asset-backed securities, effectively transforms trade receivables into standardised and tradable financial assets. ● This reform enhances liquidity for MSMEs, improves cash flow stability for Engineering, Procurement and Construction (EPC) contractors, and encourages greater participation by capital market investors in structured finance.
<p>Construction and Infrastructure Equipment Manufacturing</p>	<ul style="list-style-type: none"> ● A dedicated scheme for the enhancement of construction and infrastructure equipment manufacturing aims to strengthen domestic production of high-value machinery such as tunnel-boring equipment, lifts, and firefighting systems. ● This reduces import dependence, lowers project costs, and improves execution capacity in large infrastructure projects.

<p>Municipal Finance and Capital Market Participation</p>	<ul style="list-style-type: none"> ● Incentives for higher-value municipal bond issuances demonstrate a clear shift toward market-based funding for urban infrastructure. ● Cities will increasingly rely on bond markets supported by structured repayment mechanisms and credit enhancement tools, reducing dependence on budgetary transfers.
<p>Strategic Realignment in External Connectivity</p>	<ul style="list-style-type: none"> ● A notable geopolitical signal in the Budget is the absence of any allocation for the Chabahar Port project. ● In recent years, annual outlays of around Rs. 100 crores (with Rs. 400 crores in revised estimates last year) were customary. ● The zero allocation reflects emerging uncertainty in India’s external connectivity strategy amid strained India–Iran relations and questions surrounding the continuation of the US sanctions waiver. ● This development may affect India’s long-term trade access ambitions through the International North-South Transport Corridor, which was envisioned as a strategic alternative to traditional maritime routes and a key instrument for regional trade integration. ● From an infrastructure finance perspective, the move indicates a temporary prioritisation of domestic connectivity over geopolitically sensitive overseas assets.
<p>Continued Highway-Led Expansion and Financial Consolidation</p>	<ul style="list-style-type: none"> ● Domestic transport infrastructure, in contrast, continues to receive strong fiscal backing. ● The Ministry of Road Transport and Highways has been allocated Rs. 3.09 lakh crore for FY 2026–27, an increase of approximately 8% over the previous year. ● The allocation to the National Highways Authority of India rises to Rs. 1.87 lakh crore, reinforcing the Government’s emphasis on highway expansion, corridor efficiency, and last-mile connectivity. ● Importantly, this expansion is being pursued alongside a calibrated reduction of NHAI’s debt burden, suggesting a policy shift toward balancing asset creation with financial sustainability in the roads sector. ● The approach reflects a maturing infrastructure model where growth is aligned with balance sheet discipline.

12. What is Regional Connectivity Scheme – Modified UDAN scheme?

- In a major step towards strengthening regional air connectivity and widening the reach of affordable aviation, the **Union Cabinet under the transformative leadership of Hon’ble Prime Minister Sh. Narendra Modi Ji today approved the launch and implementation of the Regional Connectivity Scheme – Modified UDAN**.
- The scheme will be implemented **over a 10-year period from FY 2026–27 to FY 2035–36, with a total outlay of ₹28,840 crore** through budgetary support from the Government of India.

- The approval of **Modified UDAN** marks an important new phase in India’s civil aviation journey.
- The **Modified UDAN Scheme** has been designed as a comprehensive and forward-looking intervention that addresses both infrastructure and **operational challenges in regional aviation**.
- It recognises that **expanding connectivity requires not only new routes**, but also stronger airport infrastructure, reliable operational support, **better last-mile access, and a viable ecosystem for airline operators serving smaller markets**.

<p>Development of Aerodromes</p>	<ul style="list-style-type: none"> ● A central pillar of the scheme is the development of aerodromes. ● Under Modified UDAN, 100 airports will be developed from existing unserved airstrips to enhance regional connectivity and support the expansion of aviation infrastructure across the country. ● This component aligns with the vision of Viksit Bharat 2047, which places strong emphasis on modern infrastructure, improved accessibility and the creation of a globally competitive aviation ecosystem. ● A total outlay of ₹12,159 crore has been proposed for this purpose over the next eight years.
<p>Operation and Maintenance Support</p>	<ul style="list-style-type: none"> ● Recognising that the viability of smaller aerodromes depends not only on their creation but also on their continued functioning, the scheme provides for Operation and Maintenance support. ● Many RCS-only aerodromes face high recurring costs alongside limited revenue streams in their initial years of operation. ● To address this challenge, Modified UDAN proposes O&M support for three years, capped at ₹3.06 crore per annum per airport and ₹0.90 crore per annum per heliport or water aerodrome. ● This component is estimated at ₹2,577 crore and is expected to support around 441 aerodromes.
<p>Development of Modern Helipads</p>	<ul style="list-style-type: none"> ● To improve access in regions where conventional airport infrastructure may not always be feasible, the scheme proposes the development of 200 modern helipads in hilly, remote, island and aspirational regions. ● These areas often face distinct connectivity constraints, particularly where speed and accessibility are critical for healthcare access, emergency response and public service delivery. ● With an estimated cost of ₹15 crore per helipad, the total projected outlay for this component is ₹3,661 crore over the next eight years.
<p>Viability Gap Funding for Airlines</p>	<ul style="list-style-type: none"> ● To support airline operators and encourage sustained route development, the scheme continues the provision of Viability Gap Funding.

	<ul style="list-style-type: none"> • Under Modified UDAN, ₹10,043 crore has been proposed towards VGF over a 10-year period. • Airlines will receive funding support for five years, with a tapered funding mechanism from the third year onward, while exclusivity of operations will continue to be limited to three years. • This structure is intended to provide longer-term support for market development while encouraging progressive commercial sustainability.
<p>Atmanirbhar Bharat and Indigenous Aviation Capacity</p>	<ul style="list-style-type: none"> • The scheme also incorporates an important Atmanirbhar Bharat dimension by supporting the acquisition of indigenous aviation assets required for operations in remote and difficult terrain. • In order to address the shortage of small fixed-wing aircraft and helicopters suited to such routes, it has been proposed to procure two HAL Dhruv helicopters for Pawan Hans and two HAL Dornier aircraft for Alliance Air. • This step is expected to strengthen regional operations while promoting the indigenous aerospace sector and advancing domestic manufacturing capability in aviation.

Cabinet approves

Regional Connectivity Scheme – Modified UDAN

FY 2026–27 to FY 2035–36
Total Outlay: ₹28,840 crore

Major Components

-  **100 Airports** Development – Upgrading unserved airstrips to boost regional connectivity
-  **200 Modern Helipads** – ₹3,661 crore investment over 8 years (₹15 crore each)
-  **Operation & Maintenance Support – ₹2,577 crore for around 441 aerodromes** (3-year support with capped annual costs)
-  **Viability Gap Funding support – ₹10,043 crore** over 10 years to support airline operators



CABINET DECISION: 25-03-2026



1/2

13. What is the relevance of the topic for UPSC CSE?**● For Prelims:**

- Infrastructure, Power, Coal, Petroleum, Cement, Railways, Ports, Civil Aviation, Roads, Telecommunications, National Highways (NH), Bio-toilets, Aviation Market, Regional Connectivity Scheme (RCS) – UDAN, Smart Cities Mission (SCM), Swachh Bharat Mission-Urban 2.0, Metro Network, Jal Jeevan Mission, National Monetisation Plan, Urban Challenge Fund, Alternative Investment Funds (AIFs), Infrastructure Project Development Fund (IIPDF), SWAMIH Fund, PM SVANidhi.

● For Mains:

- Infrastructure push in the Union Budget 2025-26. Status of infrastructure in India.

Some previous years prelims questions.

Q1. In India, the term “Public Key Infrastructure” is used in the context of (2020)

- (a) Digital security infrastructure
- (b) Food security infrastructure
- (c) Health care and education infrastructure
- (d) Telecommunication and transportation infrastructure

Ans:(a)

Q2. With reference to ‘National Investment and Infrastructure Fund’, which of the following are statements is/are correct? (2017)

1. It is an organ of NITI Aayog.
2. It has a corpus of `4,00,000 crore at present.

Select the correct answer using the code given below:

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans:(d)

Some previous years mains questions.

Q1. Examine the (pattern) and trend of public expenditure on social services in the post-reforms period in India. To what extent this has been in consonance with achieving the objective of inclusive growth? (Answer in 150 words)(2024-10Marks)

Q2. What is the technology being employed for electronic toll collection on highways? What are its advantages and limitations? What are the proposed changes that will make this process seamless? Would this transition carry any potential hazards? (2024-10Marks)

Some questions from this year and previous years interview transcripts.

Board Suman Sharma mam:

- We have been seeing that there is a huge infrastructure boost going on in India such as ports, railways, roadways and other infrastructure projects are going on.
- How is the government able to finance all these projects?

Board Anuradha Prasad mam:

- How will you solve the infrastructure related problem in education sector?

Board Sujata Chaturvedi mam:

- As a DM who is also a doctor - three steps to mainstream Health Infrastructure.

Board Anuradha Prasad mam:

- Why infrastructure is important in India?

Board Sanjay Verma sir:

- You have taught kids online, did they have the infrastructure?
- Where did you arrange the funds from?

Board B.B. Swain Sir:

- Tell me is why India should host Olympics and are we ready infrastructure wise for it?

Some questions for QUIZ

Q1. The Financial Inclusion Index in India is released by:

- (a) NITI Aayog
- (b) Ministry of Finance
- (c) Reserve Bank of India
- (d) SEBI

Ans:(c)

Some questions for POLL.

Q1. Do digital and smart technologies enhance infrastructure efficiency in India?

- (a) YES
- (b) No
- (c) Can't say.

Q2. Are public funds being utilized efficiently in infrastructure development?

- (a) YES
- (b) No
- (c) Can't say.

- Q3. Has India improved efficiency in infrastructure project execution in recent years?
- (a) YES
 - (b) No
 - (c) Can't say.
- Q4. Do schemes like UDAN effectively make services accessible to the common citizen?
- (a) YES
 - (b) No
 - (c) Can't say.
- Q5. Has infrastructure growth in India been inclusive of rural and remote areas?
- (a) YES
 - (b) No
 - (c) Can't say.
- Q6. Is infrastructure development in India environmentally sustainable?
- (a) YES
 - (b) No
 - (c) Can't say.
- Q7. Are large projects like expressways and airports delivering long-term economic benefits?
- (a) YES
 - (b) No
 - (c) Can't say.
- Q8. Has India's recent infrastructure push significantly improved connectivity across regions?
- (a) YES
 - (b) No
 - (c) Can't say.

