

Railway Station Redevelopment

**Railway station redevelopment
picks up pace; business opportunities
worth more than Rs. 30,000 crore
likely over the next two years**

December 2024





[Click to see full report](#)

Opportunity emerges for construction /EPC players focused on building redevelopment space, on the back of Government focus on station redevelopment.

Lower competition compared to road contracts to support profitability margins for EPC players having exposure to station development projects.



- The overall railways capital outlay has been on an increasing trend over the years with the same reaching Rs. 2.65 lakh crore in FY2025 BE. Although the YoY growth is modest at 2%, it has expanded by 80% in the last five years, indicating the Government's focus on the railway sector. Further, the growth enables the ministry meet the sizeable targets under the National Infrastructure Pipeline (NIP).



- With almost 95% of the railway tracks electrified, safety-related enhancements along with station modernisation are the next key focus area for the Railways. Allocation for customer amenities (for station redevelopment works) has increased by more than 8 times from Rs. 1,903 crore in FY2020 to Rs. 15,511 crore in FY2025 BE. The same is also reflected in the increase in project awards and execution.



- A total of 1318 stations are being considered for redevelopment under the Amrit Bharat Station Scheme. Foundation stones have been laid for 553 stations and another 765 are pending redevelopment, which provides sizeable opportunity for players in the construction segment. Earlier, the Government was expecting private participation in the station development project, but given the muted response, the projects are now awarded under the Engineering, Procurement and Construction (EPC) mode.



- The competition in the station redevelopment space is in line with other Railway EPC projects reflected in a median discount of 5% against 4% in redevelopment space in FY2024. This provides an alternative for the EPC players focused on building projects for state government departments or road players where the competition has been at elevated levels (road EPC projects median discount was at 24% in FY2024).



- The overall opportunity in station redevelopment for the EPC players is expected to be more than Rs. 30,000 crore over the next two years. Of these, the estimated cost of redevelopment of major stations under the Rail Land Development Authority (RLDA) phase I is likely to be around Rs. 17,000 crore.

1 Key Trends in Budgetary Allocations



2 Overview of Railway Station Redevelopment



3 Railways Monetisation Progress



4 Insight into India's Sole PPP Station Development Project



5 Trends in ICRA Credit Ratings in Construction Sector



6 Sector Outlook





ICRA Analytical Contact Details

Name	Designation	Email	Contact Number
Ashish Modani	Group Head	ashish.modani@icraindia.com	022- 6606 9912
Suprio Banerjee	Co-Group Head	supriob@icraindia.com	022-6114 3443
Vinay Kumar G	Sector Head	vinay.g@icraindia.com	040- 6939 6424
M Rajashekar Reddy	Assistant Vice President	m.rajashekarreddy@icraindia.com	040- 6939 6423





ICRA

Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Neha Agarwal	Head – Research Sales	neha.agarwal@icraindia.com	022-61693338
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – Corporate Sector - West & East	vinita.baid@icraindia.com	033-71501131
Shivam Bhatia	Head Business Development – Corporate Sector - North & South	shivam.bhatia@icraindia.com	0124-4545803
Naznin Prodhani	Head – Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860





© Copyright, 2024 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



ICRA

Thank You!