

# NEWSLETTER

CONSTRUCTION INFRASTRUCTURE UPDATES

FRIDAY, FEBRUARY 05 - 06, 2026

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Budget 2026: Infra boost may create \$175 billion investment opportunity over 7 years

The Economic Times,  
February 06, 2026

## **Synopsis**

*India's budget prioritizes infrastructure, signaling stability for long-term investors. Public capital expenditure is rising, creating a predictable environment. This focus is attracting global capital to sectors beyond roads and renewables. Opportunities are expanding into digital*

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*infrastructure, energy transition, and urban development. India's growth model, driven by domestic demand and sustained investment, offers a stable outlook for infrastructure projects.*

For long-term infrastructure investors - infrastructure funds, sovereign wealth funds, pension funds and insurers - the budget signals intent through continuity: stable macro, public capex up, risk-sharing improved and focus on bond markets. This predictability, not one-off measures, is what institutional capital likes to bank on.

Infrastructure being called out within the first kartavya (duty) is a loud and clear signal of the government's priorities. This should reaffirm the confidence of commercial investors across Canada, Australia, Singapore, the US and Japan, who have been active participants in India's infrastructure market.

India is not insulated from global volatility. Currency movements, inflation cycles, and execution challenges remain relevant risks. However, India's growth model, anchored in domestic consumption and sustained public investment, offers stability of demand growth that is increasingly scarce elsewhere. The Economic Survey projects potential growth of over 7% to be sustained over the medium term, underpinned by a multi-year commitment to capital expenditure driven by domestic demand for quality infrastructure.

The budget's clear and continued emphasis on infrastructure, with effective capital expenditure reaching an all-time high of 4.4% of GDP in the coming year, reflects a deliberate strategy to build long-duration assets critical to competitiveness and energy security. For private investors, consistency of policy intent, along with sustained demand, domestic funding and robust regulatory frameworks, makes a strong investment case.

India's infrastructure opportunity for private capital is growing beyond transportation (roads, ports & logistics, and airports) and renewable energy generation. While these sectors continue to attract private capital, a parallel build-out is underway in digital infrastructure and energy transition.

In addition, there are large emerging opportunities in urban infrastructure, including EV mobility, and social infrastructure, specifically relating to student and industrial housing.

We estimate incremental commercially attractive equity investment opportunities of \$175 billion over the next 7 years, with \$125 billion directed towards established infrastructure sectors and \$50 billion towards emerging generation. While these sectors continue to attract private capital, a parallel build-out is underway in digital infrastructure and energy transition.

In addition, there are large emerging opportunities in urban infrastructure, including EV mobility, and social infrastructure, specifically relating to student and industrial housing.

We estimate incremental commercially attractive equity investment opportunities of \$175 billion over the next 7 years, with \$125 billion directed towards established infrastructure sectors and \$50 billion towards emerging infrastructure spanning digital, energy transition, urban and social infrastructure. These opportunities span the full risk-return spectrum from large-scale development with construction risks offering private-equity-like returns, to operating concessions with traditional core infrastructure returns.

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India is emerging as a leading data centre market, with capacity expected to scale from ~1.5 GW today to 8 GW by 2030, as per the survey, driven by surging domestic data consumption. Data usage is accelerating with AI adoption and is projected to reach 50 GB per user per month by 2030, up from 28 GB in 2024, catalysing investment across data centres and last-mile digital networks.

The government's policy commitment to scaling this sector and attracting long-term investment is underscored by the announcement of a tax holiday for global service providers using Indian data centres. This will encourage investments in Indian data centres by both domestic and foreign investors.

The budget also anchors clean energy and energy security as core economic priorities, providing long-term policy visibility for investors backing transition assets. Targeted support for clean technology manufacturing, including solar PV cells, helps deepen domestic supply chains and widen the investable opportunity set.

### **Policy drivers creating scalable asset classes**

Policy frameworks have been progressively strengthened and are increasingly being extended to emerging sectors. Smart meters and EV concessions illustrate this shift. India has launched the world's largest smart meter programme, covering ~250 million meters, with nearly half already bid out in under five years. Electric bus concessions are also gaining momentum as a scalable, investable asset class. A dedicated rare earth corridor initiative supports the EV ecosystem's critical backend supply chain - a gradual but directional policy move that enhances the sector's long-term investment viability.

### **De-risking & financing mechanisms**

The proposed Infrastructure Risk Guarantee Fund - a prudently calibrated partial credit guarantee for lenders during the development and construction phases - is a notable step, aimed at reducing financing risk and thereby facilitating larger loans as well as the entry of newer financiers.

The budget also encourages bigger cities to seek market-based financing by offering a ₹100 crore incentive for municipal bond offerings of ₹1,000 crore or more. Nudging urban bodies in this direction is a smart way to gradually open them up to a range of alternate financing instruments, which are critical for financing India's urban infrastructure needs. India's proven capital recycling channels - InvITs and REITs - receive another push through plans to monetise CPSE real estate via dedicated REITs.

India is offering an environment where risk is priced, shared, and managed, backed by modern financing channels, strong regulatory framework and a pipeline of commercially attractive infrastructure opportunities, enabling deployment of capital at scale to create large businesses that deliver superior returns.

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India's Mega Infrastructure Push: NPG Reviews Seven Key Road Projects To Strengthen Multimodal Connectivity Under PM GatiShakti

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Swarajya,  
February 06, 2026

The 108th meeting of the Network Planning Group (NPG) was convened on Wednesday (4 February) to evaluate infrastructure projects in the country.

The meeting focused on enhancing multimodal connectivity and logistics efficiency in alignment with the PM GatiShakti National Master Plan (PMGS NMP).

The NPG evaluated seven road projects for their conformity to the PM GatiShakti principles of integrated multimodal infrastructure, last-mile connectivity to economic and social nodes and 'Whole of Government' approach.

### **Key Projects Evaluated**

#### **Six Laning Of Salem–Kumarapalayam NH-544 (Tamil Nadu)**

The Ministry of Road Transport & Highways (MoRTH) has proposed the development of a six-lane corridor from Salem to Kumarapalayam, covering a total length of 102.035 Km along the high-volume Kochi–Coimbatore–Bengaluru freight and passenger corridor.

The project includes “continuous service roads in built-up and industrial stretches... upgradation of junctions, interchanges, and grade separators,” along with the construction and widening of bridges, flyovers, Road-over-Bridges, and culverts to meet future traffic demand.

It is expected to enhance access to industrial clusters, logistics hubs, Special Economic Zones, railway terminals, Inland Container Depots, and logistics parks while supporting efficient freight movement through improved road–rail–air–port linkages.

#### **Amaravati Outer Ring Road (Andhra Pradesh)**

The road ministry has proposed the development of the 189.93 Km Amaravati Outer Ring Road (ORR) as a greenfield project “to decongest urban areas and improve regional connectivity across the Amaravati capital region, including Vijayawada, Guntur, and Tenali.”

The ORR will divert through-traffic away from city centers, provide dedicated interchanges for seamless access to Vijayawada Airport, and allow for future rapid transit corridor integration.

Envisioned as a key multimodal logistics corridor, it will integrate with National Waterway-4 and connect major ports such as Machilipatnam and Krishnapatnam, and is expected to reduce travel time by 30–40 per cent, lower fuel consumption, and cut vehicular emissions.

#### **Rafiabad–Kupwara–Tangdhar Road (Jammu & Kashmir)**

A 62.10 Km two-lane road from Rafiabad to Tangdhar has been proposed to enhance “strategic and regional connectivity in border areas.”

The corridor will link Kupwara, Chowkibal, Tangdhar, and Teetwal while improving access to villages along the Line of Control (LoC).

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The project is expected to strengthen defence logistics by ensuring reliable movement for security forces and essential supplies.

It will also improve access to healthcare, education, and essential services while supporting tourism, horticulture, and local livelihoods.

#### **Leh Bypass-1 (Ladakh)**

The ministry has proposed the construction of the 48.108 Km Leh Bypass-1, connecting NH-01 (Srinagar–Leh) with NH-03 (Leh–Manali).

The greenfield corridor aims at diverting through-traffic away from congested stretches of Leh city, improving transport efficiency, and enhancing connectivity for goods, passengers, and remote areas.

The project will directly link NH-01, NH-03, and Leh Airport, with improved connectivity to the Phyang and Leh industrial estates expected to reduce travel time and transportation costs while generating economic opportunities for nearby villages.

#### **Chitrakoot–Majhgawan–Satna Corridor (Madhya Pradesh & Uttar Pradesh)**

The proposal involves upgrading the 77.102 Km Chitrakoot–Satna corridor from a two-lane road to a four-lane divided carriageway to strengthen regional and inter-state connectivity, enhance freight movement, reduce travel time and vehicle operating costs.

The upgradation will improve multimodal connectivity through better access to airports, rail networks, and logistics facilities while supporting heavy industrial traffic from major cement plants in the Satna region.

#### **Rourkela–Sithiyo Greenfield Highway (Odisha & Jharkhand)**

A 156.10 Km four-lane access-controlled greenfield highway from Rourkela to Sithiyo has been proposed to connect PM GatiShakti economic nodes, including a seafood cluster and a Special Economic Zone.

The corridor will connect with major national and international routes such as NH-53, NH-19, the Raipur–Dhanbad corridor, the Golden Quadrilateral, and the Asian Highway network, and is expected to significantly enhance mobility, improve logistics efficiency, and strengthen connectivity between Odisha, Jharkhand, and neighbouring states.

#### **Kanhauli–Sherpur Stretch, Patna Ring Road (Bihar)**

The construction of a 9.98 Km six-lane greenfield highway from Kanhauli to Sherpur is part of the Patna Ring Road project and will connect NH-30 and NH-922, helping decongest traffic in Patna and surrounding areas.

The corridor will enhance multimodal connectivity through improved access to railway stations, the upcoming Bihta Airport, and the proposed Kanhauli Bus Terminal, while strengthening linkage to industrial and logistics hubs in the Bihta region.

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## Mumbai Port Marina Project Back On Track, Attracts Bids From Adani, L&T And Infrastructure Majors

Swarajya,  
February 06, 2026

Artistic Impression of the proposed 'Viksit Bharat Mumbai Marina' being developed by Mumbai Port Authority to promote world-class maritime tourism infrastructure.

The Mumbai Port Authority (MbPA) has moved forward with its Marina Project, with five leading companies responding to a global tender issued in 2025.

The bidder list includes major infrastructure players such as the Adani Group, Larsen & Toubro, RKEC Projects, SCC Infrastructure, and Vishwa Samudra Engineering Pvt Ltd.

The marina, estimated to cost Rs 877 crore, is scheduled for completion by January 2029. The port authority will commit Rs 470 crore to the project, while the remaining investment will be made by a private operator responsible for developing the onshore facilities.

Planned across a 12-hectare sea stretch, the facility is designed to berth 424 yachts of different sizes.

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## Ahmedabad Civic Body Proposes Rs 17,018 Crore Budget Targeting Mobility, Climate Projects And Sports Infrastructure

Swarajya,  
February 05, 2026

The Ahmedabad Municipal Corporation presented its highest-ever draft budget on Wednesday (4 February), totalling Rs 17,018 crore for the financial year 2026-27.

With a focus on major infrastructure, mobility, environmental sustainability, and sports facilities linked to preparations for the 2030 Commonwealth Games, the budget marks a significant milestone for the city.

This is the first budget after Ahmedabad's selection as the host city for the Centenary Edition of the Commonwealth Games 2030, positioning the civic body to transform the city's infrastructure ahead of the international sporting event.

The draft estimates revenue expenditure at Rs 7,150 crore and capital expenditure at Rs 9,868 crore.

Municipal Commissioner Banchhanidhi Pani stated that no new taxes had been proposed, offering relief to residents.

The two per cent annual tax increment was already incorporated into the budget two years ago and would continue automatically without any fresh increase, he clarified.

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A significant Rs 8,247 crore, representing 84 per cent of the total capital budget, has been allocated towards sustainable and climate-resilient projects.

Urban transport infrastructure forms the backbone of the proposed spending.

The AMC has allocated Rs 1,000 crore for elevated corridors connecting Bopal Ring Road to Ghuma and Nehrunagar, Shivranjani and Satellite Ramdevnagar to ISKCON.

Additional allocations include Rs 660 crore for the North-South corridor from Nana Chiloda to Sanathal, Rs 600 crore for SG Highway iconic development, Rs 865 crore for precinct development, and Rs 700 crore for road development covering around 200 km.

The civic body plans to introduce 3,000 electric buses under AMTS and BRTS, significantly expanding public transport.

Sports infrastructure has received substantial attention in preparation for the Commonwealth Games.

The draft budget proposes substantial investments in sports and social infrastructure, with an allocation of Rs 430.84 crore for overall sports city development, including Rs 211.88 crore for the construction of 11 new sports complexes across the city, and Rs 110.96 crore for supporting facilities such as five gyms, three swimming pools and 35 playgrounds.

Four multimodal transport hubs at strategic highway-linked locations have been proposed with an allocation of Rs 980 crore, along with a major bus port on the Outer Ring Road at Rs 630 crore.

Environmental initiatives feature prominently, with green and recreational projects along the riverfront including Rs 56 crore for a tropical forest project, Rs 50 crore for a musical fountain and Rs 12 crore for the development of the longest linear garden.

Flood mitigation projects have been allocated Rs 472.71 crore, along with provisions for lakefront development, lake redevelopment and interlinking projects.

The civic body has also earmarked Rs 1 crore for a Water Metro feasibility study, exploring water-based transport options along the Sabarmati.

Social sector allocations demonstrate the budget's comprehensive scope.

The AMC has earmarked Rs 105 crore for four new community health centres and the upgradation of three existing facilities, while housing for all initiatives aim to make Ahmedabad a slum-free city with over 50,000 new affordable housing units.

Construction of 36 new municipal schools, 100 new anganwadis, and four major Community Health Centres underscores the civic body's commitment to social infrastructure alongside its Commonwealth Games preparations.

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