

# **NEWSLETTER**

## CONSTRUCTION INFRASTRUCTURE UPDATES

### TUESDAY, FEBRUARY 09 - 10, 2026

[^ TOP](#)

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-  [National highway developers flag stringent timelines](#)
-  [Highway Developers Seek PM Modi's Intervention Over Tight PPP Deadlines And Curbs On Arbitration In Mega Road Projects](#)
-  [NHAI Clears Rs 3,500 Crore Dehradun–Mussoorie Highway With Twin Tunnels, Travel Time To Drop To 30 Minutes: Report](#)
-  [Build-own-transfer to be priority for highway projects in FY27: Nitin Gadkari](#)
-  [Centre To Slow State Highway-To-NH Conversions, Shifts Focus To Economy-Driven Expressways And Freight Corridors](#)
-  [India Pushes Chenab Hydropower With Rs 5,129 Crore Sawalkot Project Tender After Indus Waters Treaty Suspension](#)

■ [L&T To Scale Data Centre Capacity To 32 MW By March; Rs 1,000 Crore Investment Drives Digital And Clean Energy Push](#)

■ [CM Stalin Writes To PM Modi Urging Release Of Pending Railway Funds, Restart Of Key Tamil Nadu Projects](#)

■ [Land Acquisition Delays Stall Key Punjab Rail Projects Worth Rs 21,926 Crore, Centre Flags State's Role](#)

National highway developers flag stringent timelines

The Economic Times,  
February 9, 2026

**Synopsis**

*Highway developers have urged PM Modi to review construction timelines for public-private partnership projects. They argue that current deadlines are too short for quality and durability. The National Highways Builders Federation highlighted a recent greenfield project with a two-year construction period. They seek reasonable periods based on project size and complexity to ensure successful national highway development.*



*Citing the example of a recently invited greenfield, access-controlled BOT project of more than 200 km, the NHBF said a construction period of only two years had been stipulated. (Representative image)*

National highway developers have flagged the issue of stringent construction timelines being imposed on public-private-partnership (PPP) projects and sought the intervention of Prime Minister Narendra Modi, saying reasonable construction periods are a critical enabler for achieving quality, durability and long-term asset performance in the country.

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"We seek your guidance on certain aspects of highway PPP project structuring which may merit review to ensure timely execution, quality outcomes and sustained private sector participation in the national highway programme," the National Highways Builders Federation (NHBF) said in a letter to the PM dated February 6.

The letter, a copy of which was seen by ET, called for fixing construction periods that are commensurate with project size, complexity and execution orders, particularly for large greenfield and access-controlled corridors.

PPP projects in the road sector include the build-operate-transfer (BOT) and hybrid annuity model (HAM) projects, which have now become the preferred modes as the government eyes greater participation of the private sector in building world-class highway infrastructure in the country, in line with the vision of a *Viksit Bharat*, or transitioning India to a developed country, by 2047.

Citing the example of a recently invited greenfield, access-controlled BOT project of more than 200 km, the NHBF said a construction period of only two years had been stipulated.

"Considering the scale of such projects and the scope of activities involved, the industry apprehends that such timelines may pose significant execution challenges, even with best efforts," the letter said.

The NHBF argued that activities required for road construction such as land acquisition, utility shifting, major and minor structures, interchanges, safety provisions and stringent quality standards require time and any haste in such activities might compromise the quality of construction.

Further, it raised the issue of the recent amendment to the dispute resolution provisions in BOT and HAM concession agreements, wherein arbitration for disputes above Rs 10 crore had been restricted, saying the provision required a revisit at the highest level so that dispute resolution mechanisms remain proportionate to project scale and financing requirement.

"The combined effect of tight construction timelines and constrained dispute resolution options may, in some cases, increase project risk, affect bid participation and financial closure, and inadvertently, undermine the objective of achieving timely, high quality infrastructure delivery," the NHBF said.

**^ TOP**

**Highway Developers Seek PM Modi's Intervention Over Tight PPP Deadlines And Curbs On Arbitration In Mega Road Projects**

PTI,  
February 10, 2026



*The Bengaluru-Mysuru highway (NH 275, formerly SH 17) (Sunnya343/Wikimedia Commons)*

The country's leading association of highway developers has written to Prime Minister Narendra Modi seeking a review of tighter construction schedules and recent changes to dispute resolution norms in public-private partnership (PPP) road projects, according to a report by TOI.

The National Highways Builders Federation (NHBF) has flagged concerns over the financial viability and practical execution of large-scale contracts under the current framework.

In its communication, the federation pointed to a recently issued tender for a 200-km greenfield highway project structured on a PPP model, where the construction period has been capped at two years.

"Considering the scale of such projects and the scope of activities involving land availability, utility shifting, major and minor structures, interchanges, safety provisions and stringent quality standards, the industry apprehends that such timelines may pose significant execution challenges, even best efforts," NHBF said in the letter.

**^TOP**

**NHAI Clears Rs 3,500 Crore Dehradun–Mussoorie Highway With Twin Tunnels, Travel Time To Drop To 30 Minutes: Report**  
**PTI,**  
**February 9, 2026**



*The Dehradun - Mussoorie Highway in Uttarakhand*

The National Highways Authority of India (NHAI) has approved a new 42 km highway connecting Dehradun and Mussoorie, a project expected to cut travel time between the two towns from up to 90 minutes to just half an hour.

The proposed two-lane corridor, estimated at Rs 3,500 crore, will begin at Jhajhra in Dehradun and extend to Gandhi Chowk in Mussoorie, offering a direct alternative to the existing 34 km hill road that frequently chokes with tourist traffic, according to a *TOI report*.

A defining feature of the project is the construction of two tunnels to ease movement through the fragile Himalayan terrain. One 2.9 km tunnel is planned beneath the George Everest peak, while another 2 km tunnel will come up ahead of the Everest House stretch.

These underground passages are intended to bypass steep gradients, sharp bends and landslide-prone sections that currently slow vehicles.

[^TOP](#)

**Build-own-transfer to be priority for highway projects in FY27: Nitin Gadkari**

The Economic Times,  
February 10, 2026

### **Synopsis**

*The government plans to boost highway construction via public-private partnerships, prioritizing the build-own-transfer model and asset monetization. With a significant budget increase for the Ministry of Road Transport and Highways, India aims to strengthen its infrastructure to become the world's third-largest economy. Existing highways will also be monetized to further this goal.*

The government will enhance highway construction through public-private partnerships in 2026-27, prioritising the build-own-transfer model for projects and asset monetisation, according to road transport and highways minister Nitin Gadkari.

The budget has earmarked ₹2.94 lakh crore for the ministry of road transport and highways, up from ₹2.72 lakh crore in 2025-26. Of this, the capital allocation to National Highways Authority of India (NHAI) stands at ₹1.87 lakh crore, up from ₹1.70 lakh crore in 2025-26.

"Build-own-transfer will be our first priority. Where that is not possible, we will go for the hybrid annuity model," Gadkari said, adding that existing highways will also be monetised through toll-operate-transfer bundles and infrastructure investment trusts.

India's national highway network has expanded by about 61% since 2014 to 146,560 km, as of end of December 2025, according to official estimates.

"We want to become the world's third-largest economy and infrastructure creation is the priority," Gadkari said, adding that model concession agreements for PPP-BOT projects have been revamped to improve investor participation.

The minister also flagged the rapid shift in India's automobile sector toward decarbonisation, noting that electric vehicles are gaining traction as lithium-ion battery costs fall to about \$55 per kilowatt hour from \$150 earlier.

Addressing speculation around a blanket ban on internal combustion engine vehicles in the national capital, Gadkari said no such decision has been taken, though electric vehicles are becoming more viable for consumers.

He said a formal proposal on corporate average fuel efficiency norms for smaller ICE vehicles is yet to be moved, and any decision will be taken after building consensus.

Speaking at the 'Advantage Vidarbha' investment summit in Nagpur, Gadkari said the government is investing about ₹40,000 crore in a highway that will connect Gadchiroli to Visakhapatnam, creating a new export corridor on the east coast. The project will allow easier exports from eastern Maharashtra through ports in Andhra Pradesh, he said.

[\*\*^ TOP\*\*](#)

## Centre To Slow State Highway-To-NH Conversions, Shifts Focus To Economy-Driven Expressways And Freight Corridors

PTI,

February 9, 2026



*An infra project (Representative Image)*

The Union government has decided to move away from the routine conversion of state highways (SHs) into national highways (NHs), opting instead for an “economy-centric” infrastructure model that prioritises freight efficiency and industrial connectivity.

The policy shift was discussed during a recent high-level review of the highways sector chaired by Prime Minister Narendra Modi.

Officials indicated that the transport ministry has been asked to design a framework by the end of July that reduces the need to reclassify state highways as NHs.

Over the past eleven years, nearly 55,000 km of state highways were converted into national highways, expanding the NH network from about 91,300 km in 2014 to roughly 1.46 lakh km today, an increase of around 60 per cent.

[\*\*^ TOP\*\*](#)

## India Pushes Chenab Hydropower With Rs 5,129 Crore Sawalkot Project Tender After Indus Waters Treaty Suspension

PTI,  
February 9, 2026



*Baglihar dam on Chenab river. (File Photo) (Representative Image)*

National Hydroelectric Power Corporation has floated a tender worth Rs 5,129 crore for major civil works at the Sawalkot Hydroelectric Project in Ramban district.

Planned on the Chenab river, the Sawalkot project is designed to generate 1,856 MW of electricity and is among the largest hydroelectric ventures in the region.

The development is being viewed as part of New Delhi's broader strategy to optimise the utilisation of waters allocated to India under the Indus framework.

The Government of India Navratna enterprise invited online e-tenders on 5 February for the construction of diversion tunnels, adits, coffer dams, access tunnels, roads, and associated dam works at various locations across the project site.

The 1,856 MW run-of-river hydropower plant will be developed on the Chenab River near Sidhu village in Ramban district, approximately 120 kilometres from Jammu and 130 kilometres from Srinagar.

The project is being implemented in two phases with a combined investment estimated at Rs 22,704.8 crore, with the first stage generating 1,406 MW and the second stage adding another 450 MW.

NHPC plans year-round construction activity, with full work during non-monsoon months and 50 per cent progress during monsoon periods for surface works.

The underground works will continue throughout the year, with the full project expected to take approximately nine years to complete.

The tender comes after India suspended the Indus Waters Treaty proceedings following the Pahalgam attack, giving the Centre greater freedom to fast-track hydropower projects on western rivers.

The Forest Advisory Committee had earlier granted in-principle approval to divert 847 hectares of forest land for the project's construction.

Local residents of Ramban district believe the execution of the Sawalkot Hydroelectric Project will significantly boost employment opportunities, infrastructure development, and economic activity in Ramban and adjoining areas once construction gains momentum.

The project, first conceived in the 1980s, is expected to become the largest hydroelectric installation in Jammu and Kashmir upon completion.

[^ TOP](#)

## L&T To Scale Data Centre Capacity To 32 MW By March; Rs 1,000 Crore Investment Drives Digital And Clean Energy Push

Swarajya,  
February 9, 2026

Infrastructure heavyweight Larsen & Toubro (L&T) is accelerating its push into digital infrastructure, with plans to commission an additional 18 MW of data centre capacity by the end of the current financial year.

Once operational, the expansion will lift its total installed capacity to 32 MW.

Providing an update during the company's third-quarter earnings call, a senior official said, "As of now, we have almost 32 MW of capacity of Data Center, out of which 14 megawatts is up and running, another 18 megawatts will get commissioned by the end of this fiscal year,"

Highlighting the scale of investment, he added, "The total capex investment in the data centre is roughly in the range of Rs 1,000-odd crores,"

[^ TOP](#)

## CM Stalin Writes To PM Modi Urging Release Of Pending Railway Funds, Restart Of Key Tamil Nadu Projects

Swarajya,  
February 9, 2026

Tamil Nadu Chief Minister M K Stalin has written to Prime Minister Narendra Modi seeking immediate intervention to speed up long-pending railway projects in the state, citing delays in fund release and partial allocations by the Ministry of Railways.

In his letter, Stalin flagged that several sanctioned railway works are progressing slowly due to "delays in releasing funds by the Ministry of Railways" and the practice of disbursing money in instalments rather than in full. He warned that this approach has disrupted project timelines and created avoidable uncertainty.

According to an official release, the Tamil Nadu government has already granted administrative approval for the acquisition of 2,500.61 hectares of land for various centrally sponsored railway projects. However, funds have not yet been released for 931.52 hectares, stalling further progress.

“The delays in releasing funds and the piecemeal allocation... have hindered the progress of railway projects in Tamil Nadu,” Stalin wrote, adding that the situation has led to a state of “prolonged uncertainty” for affected landowners awaiting compensation.

[\*\*^ TOP\*\*](#)

## Land Acquisition Delays Stall Key Punjab Rail Projects Worth Rs 21,926 Crore, Centre Flags State’s Role

Swarajya,  
February 9, 2026

Four major railway projects in Punjab have run into delays owing to pending land acquisition, Railway Minister Ashwini Vaishnaw told the Rajya Sabha, stressing that faster progress hinges on support from the state government.

Responding to a query from Rajya Sabha MP Satnam Singh Sandhu, Vaishnaw said the Centre remains committed to expanding rail infrastructure but flagged bottlenecks at the state level.

He noted that while the Union government is fully prepared to plan, approve and execute projects, on-ground implementation depends heavily on timely land acquisition and statutory clearances.

Delays in these processes, he said, have slowed work on several important schemes in Punjab.

[\*\*^ TOP\*\*](#)