CONSTRUCTION FEDERATION OF INDIA

NEWSLETTER

CONSTRUCTION INFRASTRUCTURE UPDATES

FRIDAY, FEBRUARY 20, 2026

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Infra sector outlook cautious as weak Q3 performance leads to 4% YoY contraction: Nuvama Research
The Economic Times,
February 20, 2026

Synopsis
According to the report, the aggregate top line of the top-14 listed infrastructure companies contracted 4 per cent year-on-year in the third quarter of FY26. Profitability also declined during the quarter, with the average EBITDA margin and adjusted profit after tax (PAT)

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margin falling around 40 basis points year-on-year to 10.1 per cent and 5.2 per cent, respectively.

The infrastructure sector outlook in the country remains cautious after weak performance in the third quarter of FY26, which led to a contraction in growth, according to a report by Nuvama Research.

The report highlighted that weakness continued during the quarter due to multiple challenges, including eroding executable order books, payment issues, elongated monsoons, and construction bans, which impacted project execution and revenue growth.

It stated, "Weakness continues in Q3FY26. Eroding executable order book, payment issues, elongated monsoons and construction bans led to a 4 per cent YoY contraction... While the FY27 Budget has promised higher allocation, we remain cautious on the overall infra space".

According to the report, the aggregate top line of the top-14 listed infrastructure companies contracted 4 per cent year-on-year in the third quarter of FY26. Profitability also declined during the quarter, with the average EBITDA margin and adjusted profit after tax (PAT) margin falling around 40 basis points year-on-year to 10.1 per cent and 5.2 per cent, respectively.

The report noted that most engineering, procurement, and construction (EPC) companies have lowered their revenue and margin guidance for FY26, reflecting continued uncertainty in the sector.

The railway segment also faced challenges during the quarter. Wagon manufacturers reported a decline in revenue, with top line decreasing 16 per cent year-on-year and 3 per cent quarter-on-quarter, mainly due to the resurfacing of wheelset availability issues.

The decline was attributed to a shrinking executable order book, ongoing payment delays, prolonged monsoon conditions, and construction bans in the National Capital Region (NCR), which affected project activity.

Within the sector, road EPC companies witnessed a sharper decline, with their top line falling 7 per cent year-on-year. However, the overall decline in the sector was partially offset by better performance from building construction companies and NBCC.

While the Union Budget for FY27 has promised higher allocation towards infrastructure development, the report maintained a cautious outlook on the sector due to ongoing execution challenges and operational constraints.

Overall, the report outlined that the infrastructure sector continues to face near-term pressure on growth and profitability, despite improved order inflows and higher government allocation plans, with execution challenges remaining a key concern.

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Centre Approves Rs 1,463.95 Crore For Six-Lane Greenfield Spur Linking Ambala–Chandigarh Section Of NH-205A With Zirakpur Bypass

Swarajya,
February 20, 2026

The Union government has approved Rs 1,463.95 crore for the construction of a six-lane, access-controlled greenfield spur in Punjab, aimed at strengthening regional connectivity under the Tricity Ring Road project.

The proposed corridor will form a key component of the Tricity Ring Road project and is expected to decongest major urban junctions across Mohali, Chandigarh and Panchkula by diverting through-traffic away from city centres.

Union Minister for Road Transport and Highways Nitin Gadkari, in a statement on X, said, “In Punjab, we have approved ₹1,463.95 crore for the construction of a 6-lane, access-controlled greenfield spur linking the Ambala–Chandigarh section of NH-205A with the Zirakpur Bypass.”

According to the minister, the project will ease heavy congestion on NH-44, NH-205A and NH-152.

It will also facilitate faster and seamless connectivity towards Himachal Pradesh, particularly the Shimla region, reducing travel time and strengthening regional economic integration.

The greenfield spur is designed as an access-controlled facility to ensure smoother vehicular movement and improve overall traffic management across the Tricity region.

"As part of the Tricity Ring Road project, the corridor will decongest key urban junctions across Mohali, Chandigarh, and Panchkula by diverting through-traffic. It will ease heavy congestion on NH-44, NH-205A, and NH-152, while enabling faster, seamless connectivity towards Himachal Pradesh, particularly the Shimla region—reducing travel time and strengthening regional economic integration," the minister said.

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Chennai Budget 2026: Ropeway At Marina Beach, Bus Terminus Redevelopment And ‘Digital Twin’ Project Announced

PTI,
February 20, 2026

Chennai Corporation has unveiled a series of urban infrastructure initiatives in its latest budget, including a ropeway facility along Marina Beach, redevelopment of key bus termini and the rollout of a ‘Digital Twin’ model for the city.

Presenting the budget on Wednesday (18 February), Mayor R Priya announced that a ropeway car service will be introduced between the Lighthouse and the Anna Memorial at Marina Beach.

The project, aimed at enhancing tourism and improving visitor mobility along the beachfront, will be implemented under a public-private partnership (PPP) model following a feasibility assessment.

In another significant move, the Corporation will redevelop nine bus termini — George Town, Kathivakkam, Thoraipakkam, Pallikkaranai, Ramapuram, Sri Nagar, Nanganallur, NGO Colony (Adambakkam) and Madipakkam, at an estimated cost of Rs 110 crore.

These upgrades, also under the PPP framework, are intended to modernise public transport infrastructure and improve commuter facilities across the city.

A major technology-driven reform announced in the budget is the introduction of a ‘Digital Twin’ project for Chennai.

The initiative, along with an Urban Data Observatory and Asset Management Software, is designed to strengthen planning and response mechanisms for flood risks and traffic congestion.

An official from the Special Projects department explained that while the existing Integrated Command and Control Centre (ICCC) monitors vulnerable locations, the new system will consolidate surveillance inputs across departments.

The Digital Twin project will initially be piloted across a five-square-km area in Nungambakkam, covering College Road, Greams Road and Anna Salai.

Additionally, the Corporation has earmarked Rs 45 crore for an ‘Urban Greening’ initiative along the Buckingham Canal, incorporating pedestrian pathways, cycling tracks, Miyawaki forests, recreational spaces and seating amenities.

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Noida Authority Clears Rs 250 Crore Citywide Road Resurfacing Plan To Fix 150 Km Stretch Before Monsoon

The Hindu Business Line,
February 20, 2026

After months of mounting complaints over cratered carriageways, broken edges and hazardous stretches, Noida’s road network is poised for an extensive facelift.

The Noida Authority has approved a Rs 250 crore overhaul to resurface nearly 150 km of roads across the city, with a deadline set for April.

According to the Times of India report, tenders will be issued circle-wise, allowing multiple agencies to begin work simultaneously once contracts are finalised.

The move comes shortly after the Authority dissolved its traffic cell, redistributing responsibilities among work circles to streamline execution.

The worst-hit areas fall under work circles 1 to 5, including sectors 11, 22, 75 and 76, where commuters have repeatedly reported deep potholes, uneven surfaces and crumbling margins.

These stretches will be prioritised. The repair process will involve milling the damaged bitumen surface and laying a new wearing course. In places where the sub-base has deteriorated, strengthening measures will precede resurfacing.

The project extends beyond road surfaces. Damaged footpaths will be rebuilt and road dividers repainted, addressing pedestrian safety concerns where broken pavements have forced residents onto busy roads.

Authorities aim to complete the bulk of repairs before the monsoon to prevent further deterioration.

Road work had remained largely suspended between October and January due to pollution-related restrictions under the Graded Response Action Plan (GRAP) in the National Capital Region.

With construction resuming, the Central Pollution Control Board has directed civic bodies to enforce dust-control measures, including mechanical sweeping and water sprinkling.

"We are preparing estimates and issuing tenders so contractors can be engaged quickly. Engineers have been directed to repair or resurface all roads where required by the end of April," a senior official was quoted as saying, adding that payments would be linked to quality checks and phased completion.

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