

Budget On Infrastructure Fy2019-fy2026

Dhruv - [Notebook Link](#)

Date: 28 Jan 2026

Questions

1. Summarize infrastructure emphasis in Union Budget speeches FY2019-FY2026 and exposed companies

Infrastructure Emphasis in Union Budget Speeches - Consolidated Analysis (FY2019-FY2026)

FISCAL YEAR	KEY INFRASTRUCTURE ALLOCATION/TARGET	STRATEGIC FRAMEWORK	MAJOR POLICY INSTRUMENT
FY2019	18,000 km railway doubling/third-fourth line works	Infrastructure as cornerstone of economic transformation	Railway modernization, urban transport expansion
FY2020	₹1.70 lakh crore for transport infrastructure	Infrastructure for "Ease of Living"	Over 100 lakh crore in 6,500+ projects
FY2021	₹103 lakh crore NIP with 6,500+ projects	National Infrastructure Pipeline (NIP) launched	Capital expenditure scaled up by 21%
FY2022	₹5.54 lakh crore capex (34.5% increase)	PM Gati Shakti Master Plan introduced	Development Financial Institution with ₹20,000 crore
FY2023	₹10 lakh crore capex (3.3% of GDP)	Amrit Kaal infrastructure-led growth strategy	₹13.7 lakh crore Effective Capital Expenditure
FY2024	₹11,111 crore (3.4% of GDP)	Viksit Bharat @ 2047 foundation	3 economic railway corridors (40,000 km tracks)
FY2025	₹11,111 crore sustained allocation	Public-private partnership imperative	₹1.5 lakh crore interest-free loans to states
FY2026	₹10.18 lakh crore capex (Revised FY25)	Reform-driven transformation approach	₹1 lakh crore Urban Challenge Fund

Key Insights

Evolution of Infrastructure Framing (FY2019-FY2026)

The Union Budget speeches from FY2019 to FY2026 demonstrate a systematic evolution in how infrastructure was positioned as a policy priority. Initially framed as a cornerstone of economic transformation in FY2019, infrastructure progressively became the primary driver of India's development strategy, culminating in the reform-centric approach of FY2026.

- FY2019-FY2020:** Infrastructure positioned as essential for economic transformation with emphasis on sectoral capacity building - railways received 18,000 km of doubling/third-fourth line works, while FY2020 allocated ₹1.70 lakh crore for transport infrastructure

- **FY2021-FY2022:** Introduction of institutional frameworks with the **National Infrastructure Pipeline of ₹103 lakh crore** and PM Gati Shakti Master Plan, accompanied by unprecedented capital expenditure growth of **34.5% to ₹5.54 lakh crore**
- **FY2023-FY2024:** Infrastructure-led growth strategy during Amrit Kaal with capital expenditure reaching **₹10 lakh crore (3.3% of GDP)** and further increased to **₹11,11,111 crore (3.4% of GDP)**
- **FY2025-FY2026:** Shift toward public-private partnership models with **₹1.5 lakh crore interest-free loans to states** and the **₹1 lakh crore Urban Challenge Fund requiring 50% private financing**

Capital Expenditure Trajectory and Multiplier Impact

The most striking feature across all budget speeches was the sustained emphasis on capital expenditure as the primary policy instrument for infrastructure development. The Economic Survey accompanying FY2023 budget highlighted that **capital expenditure registered YoY growth of over 60%, much higher than the long-term average growth of 13.5%**.

- Capital expenditure increased from approximately ₹4.12 lakh crore in FY2021 to **₹5.54 lakh crore in FY2022 (34% increase)**
- The trajectory continued with **₹10 lakh crore in FY2023**, representing a near three-fold increase from FY2020 levels
- FY2024 maintained momentum at **₹11,11,111 crore (3.4% of GDP)** with emphasis on execution quality
- The concept of "Effective Capital Expenditure" was introduced in FY2023, capturing **₹13.7 lakh crore (4.5% of GDP)** including grants-in-aid to states

Sectoral Infrastructure Priorities

Railways Infrastructure Transformation

Railways emerged as the single largest beneficiary of infrastructure capital allocation across the budget period, with a systematic focus on capacity enhancement, modernization, and safety improvements.

- FY2019 emphasized **18,000 km of doubling, third and fourth line works and 5,000 km of gauge conversion**
- FY2023 allocated **₹2.40 lakh crore capital outlay, about 9 times the FY2014 allocation**
- FY2024 announced **₹2,52,000 crore for capital expenditure** with three major economic railway corridors covering 40,000 km of new tracks
- The paradigm shifted from adding trains to **creating new capacity, getting new technology and prioritizing safety**
- Vande Bharat modernization included **conversion of 40,000 normal rail bogies to Vande Bharat standards**

Urban Infrastructure and Cities as Growth Hubs

Urban infrastructure evolved from housing-centric programs to comprehensive urban transformation strategies integrating transit, water, sanitation, and creative redevelopment.

- FY2020 emphasized **PM Awas Yojana Urban with 81 lakh houses sanctioned at ₹4.83 lakh crore investment**

- FY2023 introduced Urban Infrastructure Development Fund (UIDF) through priority sector lending shortfall
- FY2025 launched PM Awas Yojana Urban 2.0 for one crore families with ₹10 lakh crore investment
- FY2026 established the ₹1 lakh crore Urban Challenge Fund requiring 50% private financing for 100 cities
- Transit-Oriented Development plans announced for 14 large cities with populations above 30 lakh

Power Sector and Nuclear Energy Mission

Power sector infrastructure underwent transformative policy shifts, culminating in the landmark Nuclear Energy Mission announced in FY2026.

- FY2020 allocated ₹22,000 crore for Power and Renewable Energy sector
- FY2026 introduced comprehensive power sector reforms with 0.5% GSDP additional borrowing for states for distribution reforms
- Nuclear Energy Mission targets 100 GW nuclear capacity by 2047 with amendments to Atomic Energy Act
- Small Modular Reactors (SMR) R&D received ₹20,000 crore allocation with target of 5 SMRs operational by 2033
- National gas grid expansion from 16,200 km to 27,000 km announced in FY2020

Institutional Frameworks and Financing Mechanisms

The budget speeches progressively introduced sophisticated institutional mechanisms to mobilize resources and improve project execution efficiency.

- **National Infrastructure Pipeline (NIP):** Launched in FY2021 with ₹103 lakh crore across 6,500+ projects, expanded to 7,400 projects in FY2022
- **Development Financial Institution:** FY2022 announced DFI with ₹20,000 crore capitalization targeting ₹5 lakh crore lending portfolio
- **National Monetisation Pipeline:** Launched with ₹6.0 lakh crore aggregate potential from FY2022 to FY2025
- **PM GatiShakti National Master Plan:** Integrated framework driven by seven engines (roads, railways, airports, ports, mass transport, waterways, logistics)
- **NaBFID Credit Enhancement:** FY2026 introduced Partial Credit Enhancement Facility for corporate bonds

Regional and Border Infrastructure Development

Significant emphasis was placed on infrastructure development in border areas, North-Eastern region, and aspirational districts to ensure inclusive growth.

- Border Roads Organisation received ₹23,625 crore over FY21-FY25 for 4,595 km roads in forward areas
- PM-DevINE scheme allocated ₹6,600 crore for FY2023-26 for North-Eastern infrastructure
- Vibrant Villages Programme announced for northern border villages with sparse population
- Bihar received ₹11,500 crore for Kosi-Mechi intra-state link and 20 other schemes

- Parvatmala scheme introduced for Himachal Pradesh, Uttarakhand, J&K and North-East mountain connectivity

Water Infrastructure and Climate Resilience

Water infrastructure emerged as a critical priority with emphasis on both supply augmentation and flood management across multiple states.

- Jal Jeevan Mission received ₹11,500 crore in FY2021 with total approval of ₹3.60 lakh crore
- FY2026 extended the Mission until 2028 with enhanced focus on quality of infrastructure and O&M
- Urban water and sanitation projects announced for 100 large cities through multilateral development banks
- Flood management infrastructure for Bihar, Assam, Himachal Pradesh, Uttarakhand, and Sikkim received dedicated allocations
- Coalition for Disaster Resilient Infrastructure (CDRI) launched in September 2019 with secretariat in Delhi

Private Sector Participation and PPP Models

The budget speeches demonstrated progressive recognition that public capital alone cannot meet infrastructure requirements, leading to innovative financing mechanisms.

- FY2021 emphasized Viability Gap funding for hospitals in PPP mode in Aspirational Districts
- Asset monetization through InvITs and REITs garnered cumulative resources exceeding ₹24,000 crore by FY2020
- FY2025 emphasized investment through viability gap funding and enabling policies
- FY2026 Urban Challenge Fund requires at least 50% cost funded from bonds, bank loans, and PPPs
- Investment timeline for Sovereign Wealth Funds and Pension Funds extended to March 31, 2030

Digital and Innovation Infrastructure

Digital infrastructure progressively gained prominence, culminating in comprehensive research and innovation frameworks in FY2026.

- FY2023 introduced Data Centres and Energy Storage Systems in harmonized infrastructure list
- National Geospatial Mission announced in FY2026 to develop foundational geospatial infrastructure and data
- Research, Development and Innovation Scheme with ₹1 lakh crore outlay over 6 years covering quantum computing, AI, biotechnology
- Deep Ocean Mission launched with ₹4,000 crore outlay over five years in FY2021
- Centre of Excellence in AI for education with ₹500 crore outlay announced in FY2026

Companies Most Exposed to Infrastructure Policy Direction

The comprehensive infrastructure policy framework from FY2019 to FY2026 created direct exposure for companies across multiple sectors, with varying degrees of alignment to government priorities.

Tier 1 - Comprehensive Multi-Sectoral Exposure

- **Larsen & Toubro Limited:** Most comprehensively exposed across urban infrastructure (Urban Challenge Fund), power sector (transmission reforms, nuclear energy), water infrastructure (Jal Jeevan Mission), transportation (railways, roads, metro), and border infrastructure (BRO projects)
- **Nuclear Power Corporation of India Limited:** Direct beneficiary of Nuclear Energy Mission targeting 100 GW by 2047 with ₹20,000 crore SMR R&D allocation
- **Power Grid Corporation of India Limited:** Positioned for intra-state transmission capacity augmentation with states receiving 0.5% GSDP additional borrowing
- **NaBFID:** Critical financing intermediary through Partial Credit

Disclaimer

1. Thurro AI leverages Artificial Intelligence to generate summaries, insights, and analysis based on publicly available data and source documents. While we aim for accuracy and reliability, the use of AI may result in occasional errors, omissions, or misinterpretations. Users are advised to independently verify any critical information before relying on it.

2. No Investment Advice: The information provided by Thurro, including all summaries, analytics, and outputs, is for informational purposes only. It does not constitute investment advice, financial guidance, or a recommendation to buy, sell, or hold any security. Thurro does not provide personalized advice and does not act as a financial advisor.

3. User Responsibility: All decisions made using Thurro's data or outputs are solely the responsibility of the user. Thurro shall not be held liable for any losses or damages arising from actions taken based on the information provided.

4. Source Data Integrity: All data used by Thurro is sourced from publicly available documents, filings, and third-party databases. While we endeavor to use reliable sources, Thurro does not independently audit or guarantee the accuracy or completeness of these sources.

5. Evolving Outputs: As Thurro's models and datasets are updated over time, outputs may change. Users should consider the timestamp and context of any insight or analysis and not rely on it as static or definitive.