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**Inevitable Catalyst of India**

**NOVEMBER 2025**



# INFRASTRUCTURE:

## An Inevitable Catalyst for India



## INFRASTRUCTURE: AN INEVITABLE CATALYST FOR INDIA

Infrastructure continues to be the foundation of India's economic progress. Roads, ports, power networks, industrial corridors, and digital grids form the physical and financial framework on which growth depends. As the country advances toward its USD 5.0 tn economic goal (2027), infrastructure development has become both a catalyst and a constraint — driving demand on one hand while testing the capacity of the financial system to fund projects at scale.

The Union Budget for FY 2025-26 reaffirmed the government's emphasis on investment-led growth. The Centre allocated Rs. 11.2 tn, roughly 3.1% of GDP<sup>1</sup>, toward capital expenditure. The sustained increase reflects a deliberate shift in fiscal strategy: from short-term stimulus to long-horizon asset creation. Over the past decade, the government's capital spending has risen nearly fivefold, underpinning major programmes across transport, energy, and urban infrastructure.

To complement this central push, states have been encouraged to expand their own capital outlays through interest-free 50-year loans<sup>2</sup> amounting to Rs. 1.5 tn in FY 2025-26<sup>3</sup>. This framework is intended to accelerate reforms and strengthen the states' role in implementing projects under the National Infrastructure Pipeline (NIP). The National Infrastructure Pipeline (NIP) is a Government of India initiative covering the period FY2019–25. It was created as a consolidated pipeline of infrastructure projects across sectors to provide better visibility of upcoming investments and improve project preparation and coordination. As part of the government's follow-on measures for the next phase of infrastructure development, the Union Government subsequently announced the second Asset Monetisation Plan aims to mobilise Rs. 10 trillion.

Alongside budgetary spending, the government has proposed to launch the Asset Monetisation Plan 2.0 (2025-30), targeting the recycling of Rs. 10.0 tn<sup>4</sup> worth of operational public assets. Private investment has mirrored this momentum. According to the Ministry of Statistics and Programme Implementation (MoSPI), private corporate intended capital expenditure rose to Rs. 6.56 tn in FY 2024-25<sup>5</sup>, up 66 % from FY 2021-22. Manufacturing, logistics, renewable energy, and data infrastructure have led this cycle, supported by the Production-Linked Incentive (PLI) schemes and continued policy clarity in industrial corridors and energy transition projects.

Despite strong investment intent, funding flows show mixed trends. As per Moody's Investors Service, infrastructure credit contracted by around 0.8% between April 2024 and April 2025<sup>6</sup> as lenders turned cautious amid project-execution delays and elongated cash-flow cycles. The moderation in bank lending highlights ongoing risk aversion within the financial system, even as the project pipeline expands.

Institutional mechanisms are gradually evolving to close this gap. InvITs and REITs have emerged as effective vehicles for asset recycling, collectively mobilising over Rs. 1.7 tn<sup>7</sup> since inception. Their success has encouraged greater participation from insurers, pension funds, and foreign investors seeking stable, yield-based infrastructure exposure. The Securities and Exchange Board of India (SEBI) has further eased participation norms, lowering the minimum subscription size and simplifying disclosures to deepen this market.

Market-based financing is also gaining traction. Infrastructure-linked bond issuances have increased in volume, aided by SEBI's 2025 circular simplifying private-placement documentation and clarifying yield-disclosure standards. The gradual inclusion of Indian government bonds in global indices is expected to enhance visibility for rupee-denominated infrastructure debt, helping attract long-term institutional investors.

The underlying investment requirement remains vast. The World Bank estimates that India will need around USD 2.4 tn (approximately Rs. 200.0 tn) by 2050<sup>8</sup> for new, resilient, and low-carbon infrastructure and services in cities and that the private sector's role will be critical in meeting these investments. This magnitude of capital demand reinforces the



importance of developing a broad, multi-layered financing ecosystem that combines public expenditure with private and institutional funding sources. At the same time, local-level financing models are beginning to take shape.

Infrastructure financing in India thus enters FY 2025-26 with strong public commitment, rising private participation, and a rapidly widening toolkit of instruments. The foundations are in place; the next step lies in understanding how these channels—bank credit, capital markets, and institutional investors—interact to fund the country's most ambitious infrastructure cycle to date.

## THE INDIAN INFRASTRUCTURE SECTOR

India's infrastructure push is moving into its next phase. In the Union Budget for FY 2025-26 the Government of India earmarked Rs. 11.2 tn in capital expenditure, equivalent to roughly 3.1 % of GDP. This level of capex reflects a sustained commitment to boosting connectivity, logistics, energy and urban infrastructure. At the same time, the investment cycle appears to be broadening. India's real investments grew 6.9% per year (average real growth) over FY 2021-25, faster than the 5.4% gross domestic product (GDP) growth<sup>9</sup>.

Investment share in GDP stood higher than the decadal average in FY2025 in nominal and real terms.

The financing opportunity is large and evolving. According to the "Unlocking India's Infrastructure Investment Opportunity" piece by CFA Institute, the country's structured-asset vehicles such as InvITs now manage about INR 6.3 tn<sup>10</sup> in assets, with growth expected through FY 2027. In addition, the pipeline of projects under programmes such as the National Infrastructure Pipeline and state-level infrastructure schemes suggests sustained demand for long-tenor finance, alternative investors and asset-recycling models.

### Exhibit 1: Total Sector Wise Investments – Current and Potential

Sector	Total Investments (Rs. tn)	
	2017-2023E	2024-2030P
Core Infra	50.4	96.8
Roads	18.3	37.3
Railways	12.4	25.6
Urban Infra	8.6	18.9
Other Infra	11.1	15.0

Source: CRISIL MI&A Research

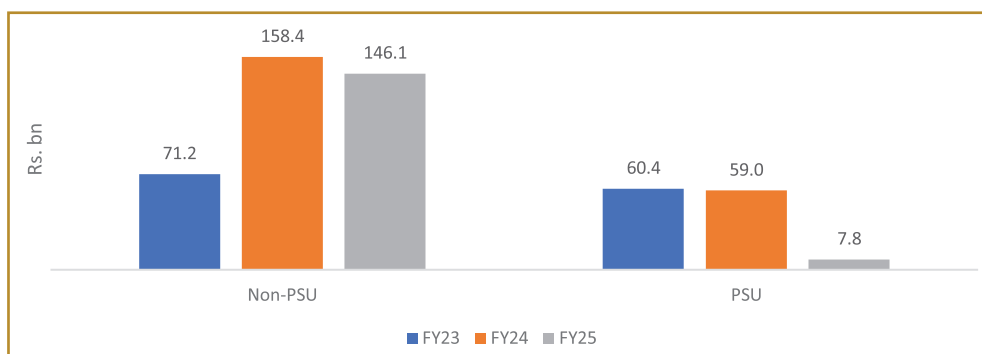
## SUB-SEGMENT ANALYSIS

### Roads

India's road network is among the largest globally — over 6,617,100 km of roads in total, and the national highways component alone stood at approximately 146,204 km as of early 2025. During FY 2024–25, the National Highways Authority of India (NHAI) constructed roughly 5,614 km of national highways, surpassing its target of 5,150 km<sup>11</sup>. The network expansion includes high-speed corridors, access-controlled expressways, and large-scale projects such as the 17,000 km expressway plan announced by the government. These trends underscore the strategic focus on enhancing connectivity, reducing logistics time, and boosting regional economic integration.

Capital expenditure in the roads sector is showing sustained momentum. In the Union Budget for FY 2025–26, the Ministry of Road Transport & Highways (MoRTH) allocation was set at Rs. 2.9 tn, marking a modest increase of 2.4% over the prior year. Simultaneously, NHAI's provisional capital spend for FY 2024–25 exceeded Rs. 2.5 tn, equalling a significant rise relative to the previous year and reflecting delivery-intensity in the sector.

## Exhibit 2: Bond Issuances by The Road and Highways Industry



Source: PRIME database

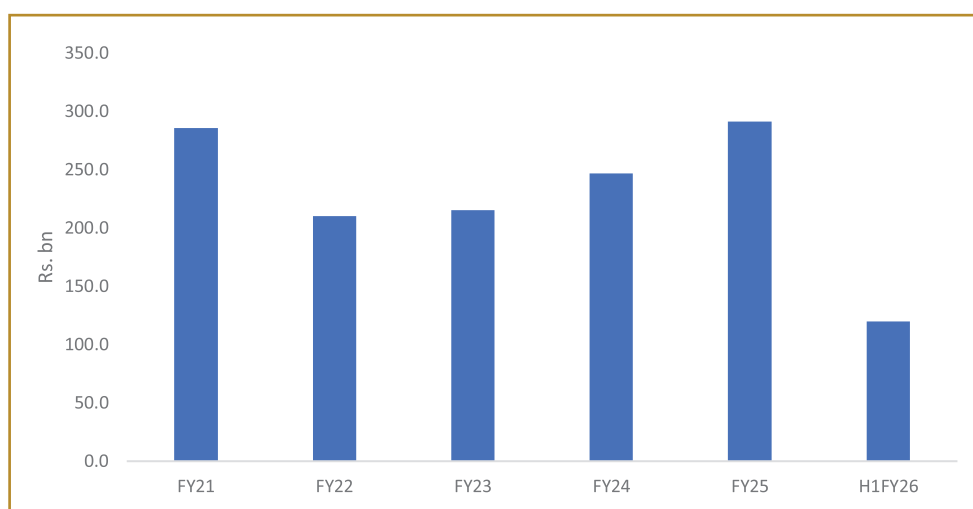
Non-PSU issuances rose from Rs. 71.2 bn in FY23 to Rs. 158.4 bn in FY24, and stood at Rs. 146.1 bn in FY25. PSU issuances were Rs. 60.4 bn in FY23 and Rs. 59.0 bn in FY24, before reducing to Rs. 7.8 bn in FY25. The data highlights the relative scale of issuances between non-PSU and PSU participants over the three years.

## Railways

In the Union Budget 2025-26, the government allocated Rs. 2.5 tn to the Ministry of Railways for capex, almost unchanged from the previous year. The higher allocation reflects a continued emphasis on network expansion, safety, and electrification rather than a one-time increase. As of March 2025, about 96.4% of the 2,843 km Dedicated Freight Corridor (DFC) had been commissioned, and 98.8% of the broad-gauge network had been electrified, with full completion targeted by FY26. Passenger traffic rose by 6% year-on-year to 73.5 mn, while freight loading reached 1,617 metric tonnes, generating revenue of Rs. 1.75 tn in FY25<sup>12</sup>.

The Railways' capital expenditure continues to be funded largely through Gross Budgetary Support (GBS), with negligible Internal and Extra Budgetary Resources (IEBR) allocated to the Indian Railway Finance Corporation Ltd. This indicates limited reliance on market borrowings and a preference for budgetary resources and asset monetisation to finance expansion. The focus areas for FY26 include operational efficiency, safety enhancements, and selective capacity augmentation under PPP frameworks.

## Exhibit 3: Bond Issuances by Indian Railways Finance Corporation (IRFC)



Source: PRIME database

IRFC's bond issuances have remained consistently large over the past five years, typically in the Rs. 200.0 bn to Rs. 300.0 bn range from FY21 to FY25. In H1FY26, IRFC has already raised about Rs. 130.0 bn, indicating same level of reliance on market borrowings to fund railway capex.

## Power

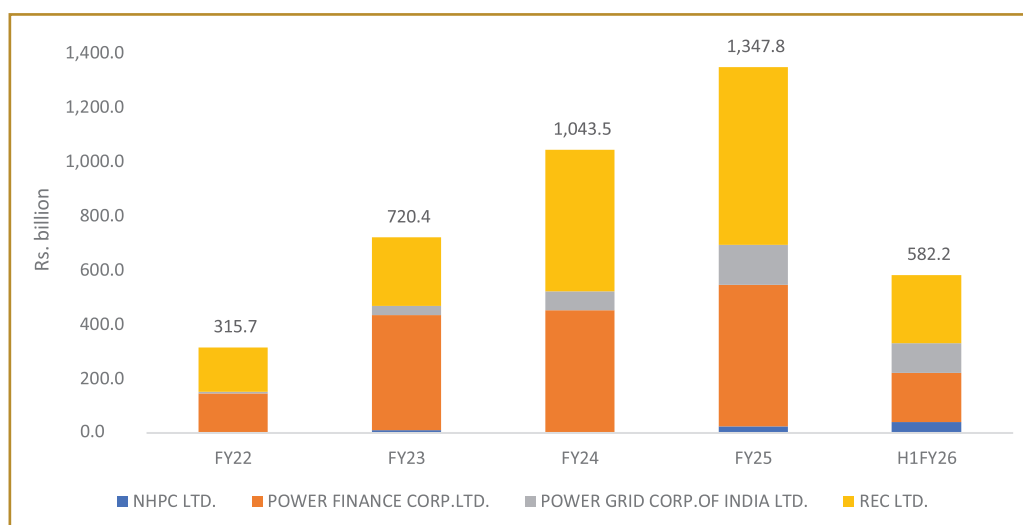
India is the world's third-largest producer and consumer of electricity, with an installed power capacity of 476 GW as of June 2025, of which nearly 49% comes from non-fossil fuel sources. The country ranks fourth globally in renewable-energy installed capacity, fourth in wind power, and third in solar power. Between April 2000 and March 2025, the power sector attracted foreign direct investment (FDI) worth USD 19.72 bn (Rs. 1.2 tn), accounting for about 2.7% of India's total FDI inflows during this period<sup>13</sup>. The National Infrastructure Pipeline (2019–25) underscores the sector's importance. As of March 2025, it covered 13,000 projects with a total cost of Rs. 185 trillion, with around 20% of the investment in the energy sector<sup>14</sup>.

**Growth in Renewables<sup>13</sup>:** India's total renewable energy installed capacity has grown from 76.37 GW in March 2014 to 226.79 GW in June 2025, an increase of nearly three times. It was a 420% YoY increase in June 2025, with solar reaching 117 GW and wind 51.7 GW, alongside record investments of Rs. 843.1 bn (USD 9.8 billion) in Q1 2025. India's storage-backed renewable energy capacity is projected to rise sharply to 25–30 GW by FY28 from almost nil in FY25, according to Crisil Ratings. India's share of renewable energy in electricity generation rose to 28% in April 2024-May 2025, up from 6% in FY15.

While thermal power remains critical for grid stability, the government is steering incremental generation toward renewables. India has pledged to ensure that 50% of installed electric-power capacity comes from non-fossil fuel sources by 2030, as part of its commitment to reach 500 GW of non-fossil capacity by 2030 and net-zero emissions by 2070<sup>13</sup>.

According to a 2024 Motilal Oswal report, India's power sector presents an investment opportunity of Rs. 40 tn over the next decade. Of this, Rs. 34 trillion is expected in capital expenditure and the rest in optionality, with the generation, transmission and smart metering accounting for an estimated 86%, 10% and 4% respectively<sup>15</sup>.

### Exhibit 4: Bond Issuances by Certain PSU Power Companies



Source: PRIME database

The chart shows a steady rise in bond issuances by PSU power financiers and utilities from FY22 to FY25, increasing from Rs. 315.7 bn in FY22 to Rs. 1,347.8 bn in FY25. In H1FY26, issuances stand at Rs. 582.2 bn, with REC Ltd. and Power Finance Corp. Ltd. continuing to account for the largest share.

## Aviation<sup>16</sup>

India remains the third-largest domestic aviation market as of 2025. ICRA projects 7–10% YoY growth in domestic traffic in FY26 (to 175–181 mn passengers). Total passenger traffic was 137.29 mn in FY26 (till July 2025); within this, IBEF reports domestic 110.82 mn and international 26.47 mn for the same period. India's airport network expanded from 74 airports (2014) to 162 (September 2025).

Cumulative FDI in air transport (incl. air freight) reached Rs. 459.1 bn (US\$ 5.36 bn) during April 2000–June 2025. Between FY20–FY25, aviation infrastructure saw Rs. 960.0 bn of capex via Airports Authority of India (AAI) and PPPs. Policy targets include 220 operational airports by 2025 under UDAN/NABH-Nirman.

On private participation, five PPP airports (Delhi, Mumbai, Cochin, Hyderabad, Bengaluru) handle >55% of traffic; the government has approved 15 greenfield PPP projects and expects around US\$ 25 bn sectoral investment by 2027.

### Exhibit 5: Total Debt issuances By Select Non-PSU Airport Entities from FY22 to H1FY26 (Rs. bn)

2017-2023E	Total issuances
Delhi International Airport Ltd.	72.6
Bangalore International Airport Ltd.	60.2
Mumbai International Airport Ltd.	40.3
GMR Goa International Airport Ltd.	25.9
GMR Hyderabad International Airport Ltd.	25.3
Adani Airport Holdings Ltd.	23.5
Adani Jaipur International Airport Ltd.	21.3
Adani Guwahati International Airport Ltd.	16.6
Adani Thiruvananthapuram International Airport Ltd.	4.9
Bangalore Airport Hotel Ltd.	3.0

Source: PRIME database

## Data Centre

India's data centre capacity is expanding rapidly as the country scales up its digital infrastructure. According to Cushman & Wakefield's H1 2025 update, installed capacity has already reached 1.3 GW, with an additional 2.9 GW of supply expected by 2030<sup>17</sup>. These capacity metrics highlight how data centres are becoming a key backbone of India's digital economy.

On the market size and investment front, the growth signals are clear. IBEF reports the Indian data centre industry was estimated at Rs. 855.8 bn (US\$ 10 billion) in March 2025, with ~Rs. 102.7 bn (US\$ 1.2 billion) revenue in FY24<sup>18</sup>. Another IBEF note projects the market to grow to ~Rs. 1.0 tn (US\$ 11.6 billion)<sup>19</sup> by 2032. From an investment perspective, data centres are expected to attract ~Rs. 1.6 tn–Rs. 2.0 tn (US\$ 18.7–23.3 billion) over the next five to seven years<sup>20</sup>. Together, these figures position the sector as a significant real-estate plus infrastructure asset class rather than just an IT support construct.

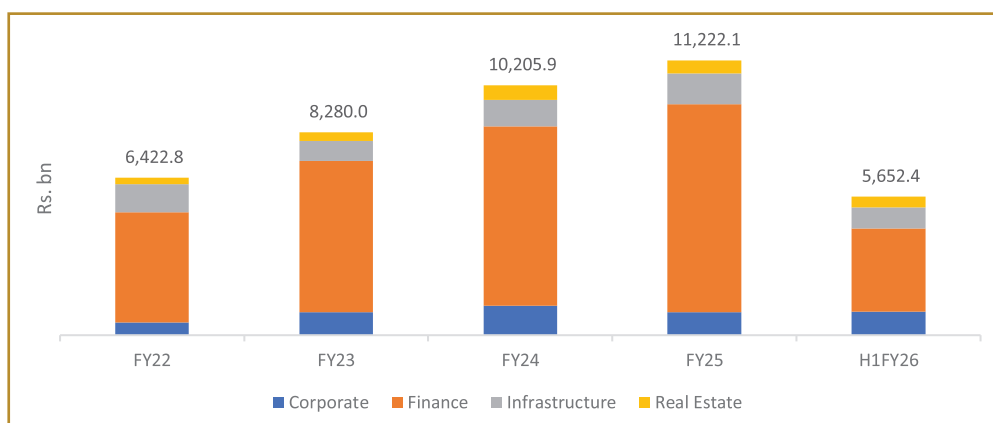
Looking ahead, both demand-side drivers and policy tailwinds suggest further momentum. According to IBEF, edge data centre<sup>21</sup> capacity alone is likely to triple by 2027, rising from 60-70 MW in 2024 to 200-210 MW<sup>22</sup>, underpinning growth in Tier-II/III cities. At the same time, investment flows into major projects are visible: for example, news reports indicate OpenAI is planning a data centre in India with at least 1 GW capacity<sup>23</sup>. On the policy front, data localisation mandates, cloud growth, hyperscale demand, and urban real-estate dynamics form a strong structural backdrop. These combined factors underline why data centres are emerging as a distinct infrastructure play in India's growth story.

Major issuances in the data centre sector totaled Rs. 19.9 bn across FY24–FY25, led by NMDC Data Centre (Rs. 8.0 bn) and Minerva Veritas (Rs. 6.0 bn), followed by Krutrim and Sify Infinit Spaces (Rs. 2.5 bn each)<sup>24</sup>, reflecting steady funding momentum for digital-infrastructure expansion.

## BOND MARKET ISSUANCES AND ANALYSIS

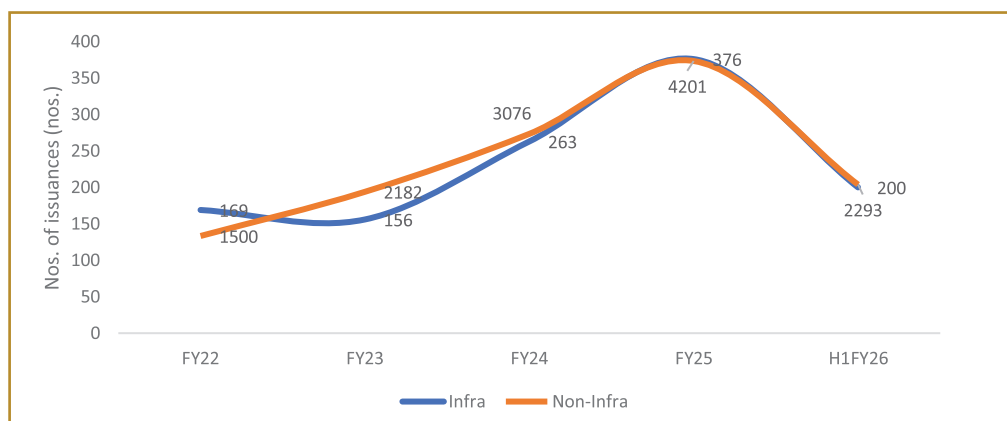
From FY22 till H1FY26, Indian bond markets have seen cumulative issuances of Rs. 41.8 tn, of which infrastructure bonds accounted for Rs. 5.2 tn, accounting for 12.3% of the total issuances.<sup>25</sup>

**Exhibit 6: Year Wise Trend of Bond Issuances**



Source: PRIME database

**Exhibit 7: Issuance Breakup by Infra and Non-Infra Sectors**

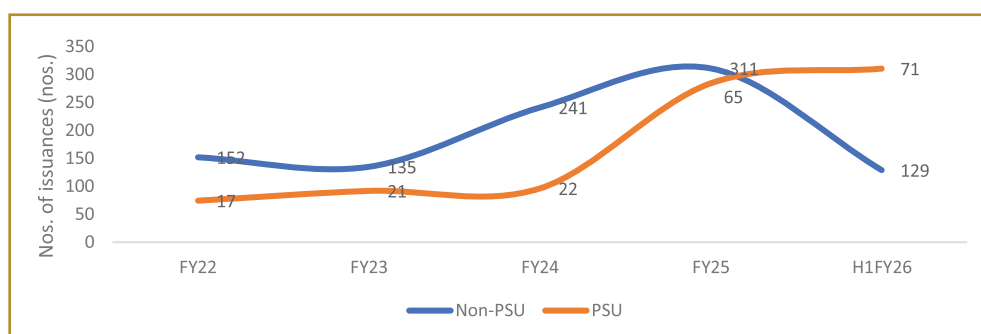


Source: PRIME database

Since FY22, infrastructure issuances have accounted for approximately 8.1% of the overall issuances by number and accounted for 12.3% of the overall issuances by value.



## Exhibit 8: Infra Issuances Split Between Private and PSU



Source: PRIME database

In FY25, private sector infrastructure issuances accounted for 83% of total infra issuances by number and approximately 61% by value, compared with 92% by number and 72% by value in FY24. The number of issuances by private sector companies has increased and so has the share in value.

The bond issuances originating from the infrastructure sector increased from Rs. 1,061.8 bn in FY24 to Rs. 1,258.3 bn in FY25.

## TOP ISSUANCES IN THE INFRASTRUCTURE SECTOR FY25 V/S FY24

### Exhibit 9: Top 10 Issuances in FY25 (Rs. bn)

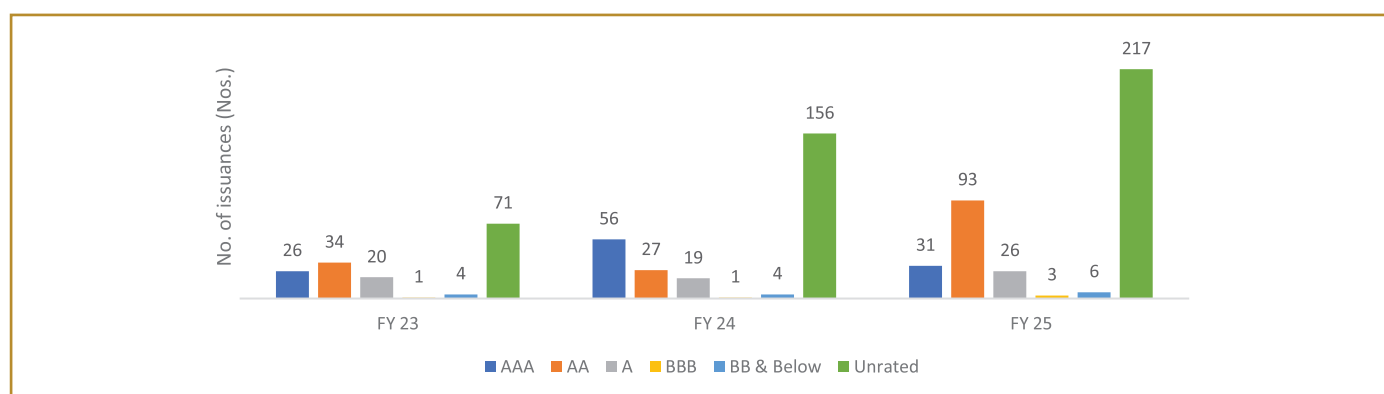
Name	Issuances
Power Grid Corporation of India Ltd	146.8
Telangana State Industrial Infrastructure Corporation Ltd.	100.0
Data Infrastructure Trust	97.5
The Andhra Pradesh Mineral Development Corp. Ltd	70.0
Nuclear Power Corporation of India Ltd	46.0
National Highways Infra Trust	45.0
NTPC Limited	40.0
Kerala Infrastructure Investment Fund Board	30.0
Tata Power Renewable Energy Ltd.	30.0
J Square Electrical Steel Nashik Pvt.Ltd.	26.0
<b>Total</b>	<b>631.3</b>

Source: PRIME database

**Exhibit 10: Top 10 issuances in FY24 (Rs. bn)**

Name	Issuances
Power Grid Corporation of India Ltd.	69.0
Mahanagar Telephone Nigam Ltd.	66.6
DME Development Ltd.	59.0
India Grid Trust	54.9
Reliance Logistics & Warehouse Holdings Ltd.	52.8
GMR Airports Ltd.	50.0
NTPC Ltd.	45.0
Jamnagar Utilities & Power Pvt. Ltd.	33.5
Jio Digital Fibre Pvt. Ltd.	30.0
Delhi International Airport Ltd.	27.4
<b>Total</b>	<b>488.2</b>

Source: PRIME database

**Exhibit 11: Issuance Volume by Rating Category**


Source: PRIME database

While acceptance of lower-rated bonds is growing, indicating a maturing bond market, a significant portion of infrastructure debt remains unrated. The investor base for infrastructure bonds is expanding, with participation from diverse financial entities, including banks, NBFCs, foreign banks, development finance institutions, pension and provident funds, insurance firms, alternative investment funds (AIFs), and family offices, all actively engaging in bond issuances

## OPPORTUNITIES IN INFRASTRUCTURE FUND MOBILISATION

### Expanding Investment Pipeline

India's infrastructure investment requirement for 2024–30 is estimated at Rs. 143.0 tn, led by transport, energy, and urban sectors<sup>26</sup>. CRISIL projects green investments worth Rs. 31.0 tn (USD 370 bn) between FY 2025–30, with renewable energy (Rs. 18.8 tn), transport & automotive (Rs. 4.1 tn) and oil & gas (Rs. 3.3 tn) accounting for the bulk<sup>27</sup>. This pipeline provides long-duration, cash-flow-stable assets—ideal for bond investors and institutional funds seeking duration diversification.

### Policy Push and Institutional Deepening

Government initiatives such as the National Infrastructure Pipeline (NIP), Asset Monetisation Plan 2.0 (Rs. 10.0 tn target for FY 2025–30<sup>28</sup>), and viability-gap-funding for battery storage and offshore wind have created a predictable project pipeline. Simultaneously, frameworks like InvITs/REITs and Infrastructure Debt Funds-NBFCs are widening the investible universe.

### Bond-Market Evolution

The infrastructure bond segment has expanded sharply—issuances rose from Rs. 0.8 tn in FY 2023 to Rs. 1.3 tn in FY 2025. SEBI's RFQ platform reforms (May 2025) and reduction in face value to Rs. 10,000 are expected to improve secondary market liquidity and retail access. Green, sustainability-linked, and blended-finance bonds have gained traction as India aligns with global taxonomies.

### Blended Finance and Multilateral Catalysts

The Crisil 2025 Infrastructure yearbook projects a five-fold surge in green financing through 2030<sup>29</sup>, underpinned by multilateral and bilateral lines from the World Bank, ADB, AIIB, and KfW. The National Bank for Financing Infrastructure and Development (NaBFID) has emerged as a central anchor, targeting annual disbursements of Rs. 1.2 tn (FY26) with co-financing from commercial banks<sup>30</sup>. Blended-finance structures—first-loss guarantees, credit enhancements, and ESG-linked covenants—are lowering cost of capital and enabling bond participation for early-stage green technologies.

### Domestic Savings and ESG Capital Inflows

India's infrastructure-financing outlook remains structurally favourable, driven by domestic savings mobilisation and evolving capital flows. The gradual build-up of pension and insurance assets is broadening the potential investor base for long-dated infrastructure bonds (though publicly available forecasts remain limited). At the same time, international interest in ESG-aligned debt is realising incremental traction, and India's sustainable debt market has grown (for example, cumulative Green, Social, Sustainability, and Other labeled bonds (GSS+) issuance reached USD 55.9 bn by end-2024<sup>31</sup>). The expansion of green and sustainability-linked instruments, along with incremental index and sovereign credit enhancements, support the case for the bond-market channel to play an increasing role in infrastructure financing. That said, the prominence of the ESG “buzz” has moderated globally, and the green-premium for bond issuance remains modest in India — suggesting that while the trend is supportive, it is not a substitute for strong project fundamentals, credit quality, and domestic institutional participation.

## CHALLENGES IN INFRASTRUCTURE FUND MOBILIZATION

### Large Funding Gap and Project Viability<sup>32</sup>

Despite strong policy momentum, India continues to face a substantial infrastructure-financing shortfall, especially in early-stage and municipal projects. According to the World Bank (November 2022), India will require USD 840 billion (approximately Rs. 70 tn) in urban-infrastructure investments over the next 15 years equivalent to USD 55 billion, or nearly Rs. 4.5 tn, annually to meet its growth and urbanisation needs. Current spending levels are only a fraction of this requirement, underscoring the depth of the financing gap. Projects in sectors such as roads, power distribution, and urban utilities continue to suffer from weak user-charge recovery, delayed payments, and incomplete cost-recovery frameworks, which erode their cash-flow predictability and limit their eligibility for bond-market funding. As a result, most infrastructure investment still depends on bank and government financing, while capital-market participation remains under 15 percent of total infra spend.

### Credit Quality and Investor Concentration

Although InvITs and infrastructure bonds are expanding, credit concentration remains elevated — financial institutions dominate the Indian corporate bond market, accounting for nearly three-fourths (74%) of total issuances<sup>33</sup>. This limits broader investor participation and depth.

### Shallow Secondary Market and Pricing Inefficiency

Liquidity in long-dated infrastructure bonds remains constrained. While formal RFQ-platform trade quotas (eg. 10%) have been introduced by SEBI, most corporate bond issues still trade rarely in the secondary market and face thin participation and weak price transparency.

### Regulatory and Structural Bottlenecks

State-level differences in stamp duties and registration processes continue to fragment the corporate bond and securitisation markets, despite earlier SEBI and DEA recommendations for harmonisation. Approval timelines for asset transfers within InvITs remain lengthy, particularly for brownfield assets requiring state or concessionaire clearances. On the ESG side, disclosure practices are still evolving — the absence of a unified taxonomy across SEBI's Business Responsibility and Sustainability Reporting (BRSR) Core, RBI's green-finance taxonomy, and international frameworks creates inconsistency for investors. Credit-enhancement and guarantee mechanisms also remain modest in scale: IIFCL's Credit Enhancement Scheme, launched in 2015, has supported only a limited set of infrastructure bond issuances, and NaBFID's new guarantee window is still in early stages of operationalisation. Collectively, these factors constrain the pace of bond-market deepening and the expansion of investible infrastructure assets.

### Currency, Tenor, and Hedging Risks

Foreign investor participation in India's bond market has strengthened following the inclusion of government securities in major global indices such as the J.P. Morgan Government Bond Index–Emerging Markets (GBI-EM) and Bloomberg's Emerging Market Local Currency Index. These inclusions are expected to deepen liquidity and broaden the investor base. However, offshore bond issuance by Indian infrastructure companies continues to face challenges. Currency-hedging costs remain elevated relative to onshore funding rates, limiting the cost-competitiveness of foreign-currency borrowings for long-tenor infrastructure projects. The absence of deep and efficient long-dated hedging instruments also discourages issuers from tapping offshore markets.

Within the domestic market, investor appetite is concentrated in shorter-maturity securities, reflecting the balance-sheet preferences of banks, mutual funds, and insurance companies. This leaves a structural gap in long-term debt financing for concession-based infrastructure projects, which require predictable cash flows over 15 years or more. Emerging sectors such as renewable energy, battery storage, and data centres add another layer of complexity. Rapid technological change, evolving offtake models, and new forms of revenue risk make credit assessment difficult, often necessitating credit enhancement, blended-finance structures, or partial guarantees to attract private investment.

### Capacity and Disclosure Gaps

Municipal and sub-sovereign issuers remain the weakest link in India's infrastructure-financing chain. Despite several policy efforts, the municipal-bond market continues to be constrained by the limited credit-worthiness of urban local bodies (ULBs) and the lack of professional capacity to structure and manage bond issuances. Most ULBs still follow cash-based accounting systems and have inconsistent disclosure practices. While SEBI's 2015 guidelines require three years of audited financial statements and investment-grade ratings before a municipal bond issue, only a handful of cities meet these conditions consistently. According to the World Bank and CRISIL estimates, fewer than one-quarter of India's large municipalities publish audited financials on schedule. This undermines investor confidence and restricts secondary-market trading. In addition, there is no unified standard for ESG or impact reporting in the sub-sovereign or project-bond space. The coexistence of SEBI's BRSR Core, the Ministry of Housing and Urban Affairs' frameworks, and multilateral lenders' own disclosure templates has created fragmentation. This lack of comparability and transparency limits the ability of sustainability-linked investors to assess and price municipal or project-level risk effectively.

India's infrastructure-financing landscape is entering a transformative phase—marked by large green-investment commitments, institutional deepening, and global investor interest. Yet, sustained progress depends on closing structural funding gaps, improving credit enhancement and secondary-market depth, and aligning domestic frameworks with global ESG and blended-finance standards. Addressing these challenges will be critical to realising the full potential of India's infrastructure bond market and ensuring durable, inclusive capital formation.

## Inevitable Catalyst of India

- <sup>1</sup> [https://www.pib.gov.in/PressReleaseFramePage.aspx?PRID=2098353&utm\\_source=chatgpt.com](https://www.pib.gov.in/PressReleaseFramePage.aspx?PRID=2098353&utm_source=chatgpt.com)
- <sup>2</sup> [The scheme for financial assistance to States for capital investment/expenditure \(SASCI\) was first instituted by the Ministry of Finance in 2020-21 in the wake of COVID-19 Pandemic. In a recent speech, Finance Minister Nirmala Sitharaman noted that under SASCI, the the Central government had sanctioned over Rs 3.6 lakh crore as 50-year interest-free loans to States](#)  
[https://economictimes.indiatimes.com/news/india/rs-3-6-lakh-crore-sanctioned-to-states-as-50-year-interest-free-loans-india-gcc-story-is-transformational-journey-finance-minister-nirmala-sitharama/articleshow/123946970.cms?utm\\_source=contentofinterest&utm\\_source=chatgpt.com](https://economictimes.indiatimes.com/news/india/rs-3-6-lakh-crore-sanctioned-to-states-as-50-year-interest-free-loans-india-gcc-story-is-transformational-journey-finance-minister-nirmala-sitharama/articleshow/123946970.cms?utm_source=contentofinterest&utm_source=chatgpt.com)
- <sup>3</sup> [https://www.indiabudget.gov.in/doc/budget\\_speech.pdf?utm\\_source=chatgpt.com](https://www.indiabudget.gov.in/doc/budget_speech.pdf?utm_source=chatgpt.com)
- <sup>4</sup> [https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2098376&utm\\_source=chatgpt.com](https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2098376&utm_source=chatgpt.com)
- <sup>5</sup> [https://www.pib.gov.in/PressReleasePage.aspx?PRID=2125175&utm\\_source=chatgpt.com](https://www.pib.gov.in/PressReleasePage.aspx?PRID=2125175&utm_source=chatgpt.com)
- <sup>6</sup> <https://www.ibef.org/news/moody-s-expects-infra-credit-revival-as-reserve-bank-of-india-rbi-eases-provisioning-norms>
- <sup>7</sup> [https://www.sebi.gov.in/statistics/reits-invits/funds-raised-reits-invits.html?utm\\_source=chatgpt.com](https://www.sebi.gov.in/statistics/reits-invits/funds-raised-reits-invits.html?utm_source=chatgpt.com)
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1101, C-31, Naman Centre,  
Bandra Kurla Complex, Bandra East,  
Mumbai, Maharashtra - 400051

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