

# INDIAN ROAD SECTOR

**NHA's targeted asset monetisation  
could fetch up to Rs. 60,000 crore in  
FY2025**

**MAY 2024**



# Highlights



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*With potential monetisation of targeted road assets through TOT and InvIT route, MoRTH could achieve up to 71% of its target under the NMP by end FY2025.*



The NHAI has been primarily adopting two modes for monetising its assets, i.e., TOT and InvIT. By end of FY2024, it had raised ~Rs. 42,300 crore through TOT (9 bundles) and ~Rs. 25,800 crore through sale to the National Highways Infra Trust - NHAI InvIT (3 rounds).



The NHAI recently identified 33 highway stretches across 12 states, cumulatively spanning nearly 2750 km, to monetise in FY2025 through sale to InvIT or under the ToT route.



The NHAI intends to club the 33 identified assets into large (more than Rs. 6,000 crore), medium (about 3,000-4,000 crore) and smaller bundles (Rs. 1,000-3,000 crore), for different types of investors.



While the mix of ToT Vs. InvIT for the identified 33 sections is still to be finalised, with the cumulative annual toll collections of ~Rs. 4,931 crore (for FY2024) and assuming 20 years of concession period (CP) and valuation multiple (basis past the NHAI transactions), these assets may garner around Rs. 53,000 crore to Rs. 60,000 crore for the NHAI.



Under the NMP, road sector monetisation was expected to account for Rs 1.6 lakh crore, viz. 27% of total monetisation during FY2022-FY2025 period. During FY2022–FY2024, the NHAI had realised Rs. 0.53 lakh crore (~33%) and with the potential monetisation for FY2025, cumulative realisation is expected to span 65% – 71%.



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