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NHAI Sets Record with INR 16,000 Crore InvIT Monetisation

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The National Highways Authority of India (NHAI) has successfully concluded its third round of infrastructure investment trust (InvIT) monetisation, raising an unprecedented INR 16,000 crore for 889 kilometres of national highways. This achievement marks a significant milestone in the government’s asset monetisation programme for the fiscal year 2023-24.

Under the banner of the National Highways Infra Trust (NHIT), NHAI secured INR 7,272 crore through unit capital from prominent domestic and international investors. Additionally, INR 9,000 crore was raised through debt from Indian lenders to facilitate the acquisition of national highway stretches. The transaction was structured with a base concession fee amounting to approximately INR 15,625 crore, supplemented by an additional concessional fee of INR 75 crore. The funds raised through this monetisation round will contribute significantly to enhancing infrastructure development across the country, specifically focusing on improving the quality and efficiency of national highways managed by NHAI.

The largest InvIT round in NHAI’s history, the initiative received the letter of award in February and was successfully completed within the financial year. Notably, Canada Pension Plan (CPP) Investment Board, an existing investor, continues to hold a 25% stake in NHIT following its commitment to invest INR 1,820 crore in the latest fundraising effort. This brings CPP Investments’ total investment in NHIT to INR 36.8 billion (C\$614 million). The successful completion underscores NHAI’s strategic approach in leveraging InvITs as a financial instrument to attract both domestic and international capital for infrastructure expansion.

NHAI remains committed to further leveraging its assets through innovative financing mechanisms to support the government’s ambitious infrastructure development goals. The outcome of this round not only bolsters investor confidence but also reinforces NHAI’s pivotal role in advancing India’s infrastructure landscape amidst evolving economic conditions and global market dynamics.