

# NHAI INVIT ATTRACTS MARQUEE INSTITUTIONAL INVESTORS

Relevant for: Indian Economy | Topic: Infrastructure: Roads

National Highways Authority of India (“NHAI”) has the largest share under the National Monetisation Pipeline. In this regard, NHAI is pleased to announce the launch of its InvIT as a mode to monetise road projects. The InvIT will initially have a portfolio of five operating toll roads with an aggregate length of 390 kilometers, with more roads planned to be added later. These roads are located across the states of Gujarat, Karnataka, Rajasthan and Telangana. NHAI has granted new concessions of 30-years for these roads. In view of the long-term nature of the assets, the units of InvIT were placed with international and domestic institutional investors. The units have been issued under the private placement route under SEBI InvIT Regulations, 2014 at the upper valuation band of Rs.101 per unit. The units will be listed on NSE and BSE.

NHAI InvIT attracted two international pension funds, namely Canada Pension Plan Investment Board and Ontario Teachers’ Pension Plan Board, as anchor investors, who will hold 25% of the units each. The balance units were placed with a diversified set of domestic institutional investors comprising pension funds, insurance companies, mutual funds, banks and financial institutions. NHAI has demonstrated its strong ability to attract a wide variety of sophisticated investors for the National Monetisation Pipeline.

The total enterprise value of the initial portfolio of 5 roads was pegged at Rs.8011.52 crore. NHAI InvIT is funding that through debt of Rs.2000 crore from State Bank of India, Axis Bank and Bank of Maharashtra. The balance is being funded by issuing units of Rs.6011.52 crore to international and domestic institutional investors, and NHAI as Sponsor.

Shri Giridhar Armane, Secretary MoRTH and NHAI Chairman said, “We are pleased that NHAI InvIT has been able to garner funds from marquee international and domestic institutional investors to support the Government of India’s National Monetisation Pipeline. We welcome the two anchor investors - Canadian Pension Plan Investment Board and Ontario Teachers’ Pension Plan Board, and other reputed domestic investors, into NHAI InvIT. The success of this InvIT shall go a long way in achieving Hon’ble Prime Minister’s vision of developing world class infrastructure in the country.”

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