

HAM MONETISATION

Healthy pipeline of operational HAM assets is expected to support monetisation in FY2026

April 2025





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As of January 2025, 48 HAM assets with an estimated enterprise value (EV) of Rs. 30,450 crore have been monetised and another 34 assets with an estimated EV of ~Rs.24,000 crore are under various stages of acquisition.

The key developers who have been able to monetise the HAM projects include Dilip Buildcon (19), Gawar Group (9), GR Infrastructure Ltd (8), Welspun Group (4), HG Engineering and Infrastructure Ltd (4) and KNR Constructions Ltd (3) with a cumulative EV of Rs. 30,450 crore.



- **Engineering, Procurement and Construction (EPC) remained the preferred route of awarding for the Ministry of Road Transport and Highways (MoRTH)** and constituted 70-85% of awards in the past four years with the balance accounted for Hybrid Annuity Model (HAM) projects. Although the share of HAM projects declined to around 13% in FY2024, ICRA projects it to improve to 25-30% in FY2025 and FY2026 as projects above Rs. 500 crore are expected to be awarded in BOT (HAM/toll) mode.



- **Since its introduction from January 2016 till January 2025, the MoRTH has awarded more than 19,100 km length of projects under the HAM model to more than 100 developers** with a cumulative bid project cost (BPC) of ~Rs. 5.29 lakh crore. The total number of HAM projects awarded is around 433 with order awarding improving significantly from FY2020 onwards and peaking at 95 projects in FY2022.



- **The EV/EBITDA multiple ranged from 5.10 to 7.66 times, with median multiple being 6.07 times for the monetised HAM assets.** ICRA has studied 48 HAM assets acquired by various InvITs during FY2022-FY2025. The various factors influencing the variation in EV/EBITDA multiple include pavement type, maintenance cost assumptions for operations and maintenance (O&M) and major maintenance (MM) expenses, balance concession period, Weighted Average Cost of Capital (WACC) assumptions and interest rate expectation.



- **A total of 140 HAM projects are currently operational, out of which 48 have been already acquired.** Over the next 12 months, more than 50 additional projects are expected to become operational, making them ideal candidates for asset monetisation. The cumulative BPC of these projects is around Rs. 1,50,000 crore, with a monetisation potential estimated between Rs. 75,000 and 82,000 crore based on historical trends.

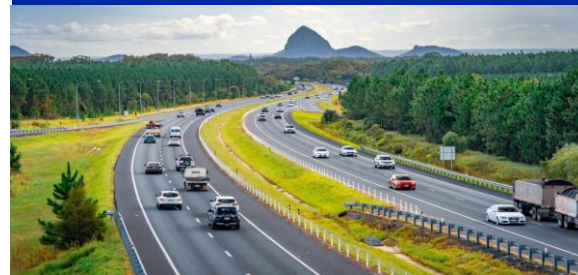
1 Overview of HAM Projects



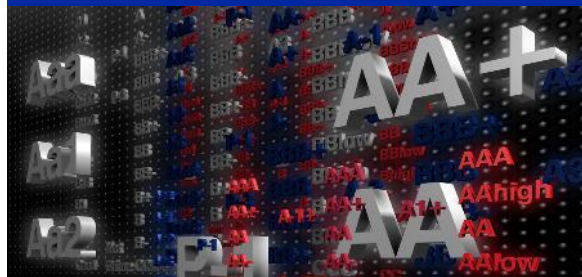
2 HAM Monetisation



3 Future Opportunities



4 ICRA Rating Trends



5 Sector Outlook





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