

# Govt targets ₹16.7 trillion from asset monetisation

DHRUVAKSH SAHA

New Delhi, 23 February

Finance Minister Nirmala Sitharaman on Monday unveiled the second phase of the National Monetisation Pipeline (NMP 2.0), valued at ₹16.72 trillion, to plough back capital from assets of central ministries and public-sector entities between FY26 and FY30.

The FM said the NMP enables the recycling of productive public assets, thereby unlocking resources for reinvestment in new projects and capital expenditure. She noted that this approach facilitates the efficient mobilisation of funds for capex in public assets while minimising the government's budgetary outgo. Turn to Page 7 ▶

PHOTO: NITI AAYOG



**Finance Minister Nirmala Sitharaman said NMP 2.0 enables the recycling of productive public assets**

## The new road map

(In ₹ trillion)

Asset class	Target under NMP 2.0
Highways, MMLPs, and ropeways	4.42
Power	2.76
Ports	2.63
Railways	2.62
Coal	2.16
Mines	1.00
<b>Total</b>	<b>16.72</b>

MMLPs: Multi-modal logistics parks

Note: Total may not add up as only the largest assets have been included

Source: National Monetisation Pipeline 2.0

**P4: NMP 2.0 eyes ₹2.76 trn power asset monetisation**

# NMP 2.0: Govt targets ₹16.7 trn

## New targets

Asset class	Target under NMP 1.0	Achievement under NMP 1.0 (%)
Highways, MMLPs, and Ropeways	1.6	67.9 
Power	0.85	62.5 
Ports	0.13	169.2 
Railways	1	29.4 
Coal	0.8	251.2 
Mines	NA	NA
Total	5.96	89 

MMLPs: Multi-modal logistics parks

Note: Total may not add up as only the largest assets have been included

Source: National Monetisation Pipeline 2.0

Dominated by highways, power, ports, and railway projects, NMP 2.0 will bring private participation in over 2,000 assets across public enterprises at the Centre and in the states, B V R Subrahmanyam, chief executive officer of NITI Aayog, said on Monday. For the first time, the NMP 2.0 estimate includes private investment of ₹5.8 trillion over five years, the Aayog said. This head will record private-sector investment in monetisation projects that involve construction and/or major maintenance components.

It is estimated that the largest portion of the proceeds under NMP 2.0 will accrue to the Consolidated Fund of India (43 per cent), followed by direct private investment (39 per cent), PSU or Port Authority allocation (15 per cent), and the State Consolidated Fund (4 per cent). In the second edition, asset monetisation comprises elements such as the transfer of assets for a limited period, divestment of portions of listed entities to unlock additional capital, securitisation of cash flows, or strategic commercial auctions.

The ₹16.72 trillion target includes cash flows accruing to government entities in terms of upfront proceeds, the present value of expected future cash flows from asset monetisation, and estimated

private investment in the projects. These assets will generate ₹10.8 trillion in FY26-30, while ₹5.9 trillion will accrue in subsequent years, taking cognisance of longer concession cycles and the continuation of returns beyond the five-year monetisation window. The Centre has set a ₹2.49 trillion asset monetisation target in FY26, and is likely to achieve ₹2 trillion, the Aayog said.

Highway monetisation will account for over a fourth of the second pipeline, along with major contributions from sectors that performed well in the previous cycle, such as ports, coal, and mines. The railways, despite achieving only 29 per cent of their targets in the first NMP, have been given a target of ₹2.62 trillion in NMP 2.0. Notably, this includes an ₹83,700 crore target for the dilution of government equity in seven listed railway PSUs.

The assets and transactions identified under NMP 2.0 are expected to be rolled out through a range of instruments, including direct contractual instruments like public-private partnership concessions, and capital market instruments like Infrastructure Investment Trusts (InvITs). The Aayog said the choice of instrument would be determined by the sector, nature of the asset, timing of transactions

(including market considerations), target investor profile, and the level of operational or investment control to be retained by the asset owner. The government has undertaken a detailed analysis of asset monetisation under the first pipeline and has developed a new methodology to identify proceeds with respect to depreciation during the monetisation period. "In

the past, there has been underperformance against targets in railways, aviation, and telecom. In NMP 2.0, significant targets have been set for these three sectors. The government will need to introduce a strict policy of incentives and disincentives to ensure that these sectors meet their targets," said Kuljit Singh, partner and infrastructure leader at EY India.

## IDFC First to pay Haryana govt ₹590 crore soon

During an analyst call on Monday morning, the management said the bank was as sensitive to government accounts as it was to end customers and would own it up, including making the payment. The bank termed the fraud an isolated incident. Reserve Bank of India Governor Sanjay Malhotra said there was no systemic issue.

"As a policy, we do not comment on any individual bank or regulated entity. We are watching the development. There is no systemic kind of an issue over here," Malhotra said after the central bank's board met in New Delhi.

Shares of IDFC First Bank fell nearly 20 per cent intraday but pared losses to close at ₹70.04, down 16 per cent — their steepest decline since the Covid period — wiping out more than ₹11,000 crore in market capitalisation.

During the analyst call, the bank said it would make explicit customer confirmation mandatory for high-value branch transactions above a predefined threshold, with verification through a digital channel. This will be in addition to the checks and balances the bank has in place for confirmation of high-value transactions.

The management said Haryana government deposits constitute around 0.5 per cent of the bank's total deposits of ₹2.82 trillion. Since the incident, around ₹200 crore has

flowed out from these Haryana government's deposits. Overall, state and central government balances make up 8-10 per cent of the bank's deposit base.

The bank said it would deploy artificial intelligence to carry out initial cheque-signature verification, after which signatures would be double-checked by a human, as opposed to the current system.

The management said this was an "isolated" incident arising from alleged collusion between certain employees and external parties, with funds transferred to beneficiaries outside the bank. The bank clarified that the employees involved had been suspended. Regulators and auditors have been informed of the matter and police complaints filed, and other law enforcement agencies are investigating the matter.

The bank has engaged KPMG to conduct a forensic audit of the matter, which is expected to submit its report in the next 4-5 weeks.

Managing Director and Chief Executive Officer V Vaidyanathan said the bank's existing controls were strong but failed in this instance due to collusion. The discrepancy was initially estimated at ₹490 crore but later revised to ₹590 crore after further reconciliation. He added that the bank does not expect the figure to change materially.

Managing Director and