



# TRUST

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**INDIA  
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## **REITs & InvITs**

**Pillars of India's Asset Monetization**

**NOVEMBER 2025**

# **BUILDING INFRA WITH REITs AND InvITs**

**October 2025**



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## SUMMARY

India's Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) ecosystem has rapidly evolved into a critical pillar of the country's capital markets, bridging the gap between infrastructure financing needs and long-term investment demand. Introduced by SEBI in 2014 to help unlock capital and attract institutional participation, these business trust structures have since gained significant traction as transparent, regulated and yield-generating instruments.

Backed by policies, such as the National Monetisation Pipeline (NMP), tax pass-through benefits and a maturing investor base, both these asset classes have played distinct yet complementary roles in channelling private capital into productive sectors therefore reducing over-reliance on banks and government budgets.

REITs, which are primarily focused on the commercial real estate, have enabled developers to de-leverage and recycle capital, offering investors steady returns through rent-backed income streams. InvITs, on the other hand, have emerged as a dominant financing vehicle for infrastructure assets central to India's growth and sustainability agenda, including roads, power transmission lines, renewables, telecom towers, and pipelines. India currently has 5 REITs all of which are publicly listed and 27 InvITs out of which 17 are listed (4 publicly listed and 13 privately listed). Since fiscal 2020 and until recently (August 2025), InvITs mobilised ~Rs 1.39 trillion compared with Rs 284 billion raised by REITs, clearly reflecting an investor tilt toward diversified, long-duration infrastructure assets offering predictable, annuity-like returns.

Tax and regulatory reforms have further strengthened this ecosystem. The pass-through taxation regime ensures efficiency by avoiding double taxation and maintaining income characterisation at the unitholder level, while recent amendments—pertaining to loan repayments, TDS rationalisation and dividend treatment—have enhanced clarity and investor confidence.

In India, REITs and InvITs have a low market share compared with global counterparts based on the market capitalisation, but they present a massive opportunity for monetisation, with potential of Rs 3.5 trillion for REITs by fiscal 2026 and Rs 23-25 trillion for InvITs by fiscal 2030.

This report explores the structure, benefits, risks, and regulatory framework of REITs and InvITs, offering a comprehensive view of these investment vehicles.

## STRONG MOMENTUM IN INDIA'S ASSET MONETISATION PIPELINE

Launched in 2021, the NMP is a Rs 6 trillion programme designed to unlock the value of underutilised brownfield infrastructure assets by fiscal 2025. Covering sectors, such as roads, railways, aviation, power, oil and gas, and warehousing, the initiative seeks to recycle capital into new infrastructure while generating returns for investors.

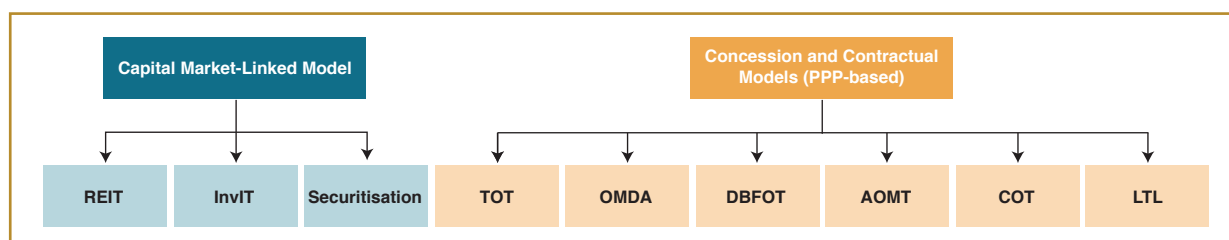
In the phase II of the NMP (fiscal 2026-2030), the government is expected to set a monetisation target of Rs 10 trillion, with an aim of monetising Rs 1.9–2 trillion in fiscal 2026, focusing on coal and mining, highways, power and railways. The emphasis will be on developing infrastructure on vacant public land, reflecting a shift towards land-linked monetisation. Overall, the government aims to channel ~Rs 10 trillion of reinvestment into fresh projects.

In the Phase 1 of NMP, the progress was significant— around Rs 5.3 trillion (88% of the Rs 6 trillion target) was achieved through various monetisation avenues, such as upfront lease payments, revenue-sharing models and private participation in operations. Looking ahead, the National Highways Authority of India (NHAI) will continue to be the single largest contributor, supported by sectors such as power, railways, and mining. In fiscal 2025-2026, road monetisation is expected to generate ~Rs 300 billion.

The phase II of the programme will expand the asset pool to include ports, warehousing, coal and mining assets, telecom infrastructure, civil aviation, petroleum and natural gas, electricity transmission and urban infrastructure (housing and transport). An emerging key trend is greater private sector involvement in land development, which could be a gamechanger for asset recycling.

Asset monetisation is distinct from outright sale or privatisation. Instead of transferring ownership permanently, the government leverages structures such as business trusts (REITs and InvITs), long-term leases, and concession models to unlock value from operational, cash flow generating assets such as highways, airports, pipelines, mobile towers and transmission lines. This ensures that public assets remain within the system, while also attracting private capital and expertise.

### Asset Monetisation Models



Models	What is it?	Monetisation	Best-fit assets	Key risk
<b>Direct contractual models (PPP)</b>	Brownfield models with private sector partners for O&M, service to users and augmentation of assets; models such as DBFOT, AOMT, COT/ROT, BOT	Government saves upfront costs, <b>long-term monetisation through concession fee</b>	Roads, ports, metros, civic infrastructure, railways and bridges	Demand and construction risk
<b>LTL</b>	Owner leases the asset long-term to an investor/operator (or sells then leases back)	Owner leases asset long-term → receives steady lease rentals	Corporate HQs, warehouses, data centres and mining	Lease reversion and tenant credit risk
<b>InvIT</b>	Listed/private trust for income-generating infrastructure (toll roads, power, data centres, pipelines, warehousing)	Sponsor contributes/buys brownfield assets into InvITs → proceeds to sponsor/units sold to investors → ongoing cashflows (tolls, tariffs)	Toll roads, power plants, fibre and data centres	Cashflow volatility from demand/tariff changes

Models	What is it?	Monetisation	Best-fit assets	Key risk
<b>REIT</b>	Listed vehicle that owns/ leases income-producing real estate (offices, malls, logistics parks)	Developer transfers stabilised assets → REIT issues units or pay cash; rental cashflows flow to unit holders as distributions	Office spaces, logistics, stabilised retail	Yield compression, rental occupancy
<b>TOT</b>	Government transfers toll collection rights of existing highways to private entity for a fixed period/upfront payment	Private pays upfront concession premium (or ongoing lease) → collects tolls for concession period; government retains ownership	Brownfield highways/ road stretches	Traffic/demand risk and political pushback on toll increases
<b>OMDA</b>	Hybrid PPP contracts where private party operates and maintains existing assets + may develop adjacent facilities	Fees for operations + the share of incremental revenues from developed additions	Airports, ports	Shared revenue negotiation
<b>Securitisation</b>	Pool predictable receivables (rents, toll receipts, lease rentals) and issue rated securities backed by them	Converts future cashflows into upfront cash through the sale of securities to investors	Lease rental receivables, annuity contracts, toll cashflows	Structure complexity, tranche subordination, and rating/ market appetite

Source: Crisil Intelligence

### Asset-Wise Monetisation Models in India

Assets class	Direct contractual models (PPP)	LTL	InvITs	REITs	T-O-T	OMDA	Securitisation
Commercial RE	✓	✗	✗	✓	✗	✗	✓
Residential RE	✓	✗	✗	✓	✗	✗	✓
Office buildings	✓	✗	✗	✓	✗	✗	✗
Shopping malls	✗	✗	✗	✓	✗	✗	✓
Warehouse	✗	✗	✓	✗	✗	✗	✗
Roads	✓	✓	✓	✗	✓	✗	✗
Airports	✓	✓	✓	✗	✗	✓	✗
Ports	✓	✓	✓	✗	✗	✗	✗
Railways	✓	✓	✓	✗	✗	✗	✗
Power	✓	✗	✓	✗	✗	✗	✓
Gas pipeline	✓	✓	✓	✗	✗	✗	✗
Telecom towers	✗	✓	✓	✗	✗	✗	✓
Mining assets	✓	✓	✗	✗	✗	✗	✓
Urban housing re-dev	✗	✓	✗	✓	✗	✗	✓

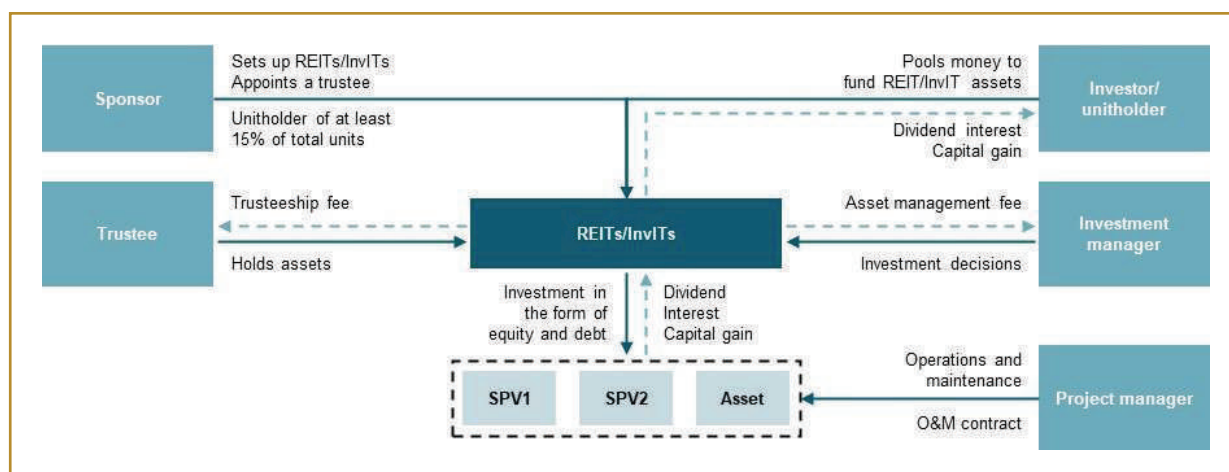
Source: Crisil Intelligence



## TRUST VEHICLES SPUR INVESTMENT IN HIGH-VALUE ASSETS

REITs and InvITs were designed as business trust structures to mobilise private capital, de-lever developers and enhance liquidity. These vehicles allow developers to transfer operational, income-generating assets into listed trusts, thereby freeing up capital for new projects, while investors gain access to regulated, liquid instruments offering stable, yield-based returns.

### India's REITs and Invits Structure Mirrors that of Yield Companies and Business Trusts in Other Economies



Source: Crisil Intelligence

### Key Features of REITs and InvITs

Features	REITs	InvITs
<b>Assets</b>	Income-generating commercial real estate (offices, malls)	<b>Brownfield infrastructure:</b> roads, power, renewables, transmission, digital infra
<b>Minimum asset share</b>	80%+ in completed, yielding properties	80%+ in operational infra-assets
<b>Income stream</b>	Rentals, leases, ancillary income	Toll/usage, annuity, availability payments, regulated tariffs
<b>Distribution policy</b>	90%+ of net distributable cash flow (NDCF), at least semi-annual	
<b>Leverage cap</b>	Up to 49% of asset value	Up to 70% post six consecutive distributions subject to the credit rating of AAA
<b>Capital appreciation</b>	From mark-to-market rental growth	Mostly yield-focused, stable portfolios gain value
<b>Risk profile</b>	Lease renewal, market cycles and tenant concentration	Regulatory, traffic/demand, contract and operational risk
<b>Capital gains tax</b>	Gains from the sale of units held for over 12 months are treated as Long Term Capital Gains (LTCG) and taxed at 12.5% above Rs 125,000; short-term gains taxed at 20%	
<b>Transparency</b>	Quarterly results, valuations, detailed disclosures mandated by SEBI	
<b>Sponsor skin-in-game</b>	Minimum 15% initial unitholding (locked for three years)	
<b>Minimum investment</b>	Rs 2.5 million for privately placed, HNIs (previously Rs 10 million), Rs 10,000 – 15,000 per lot (public/secondary)	

Source: Crisil Intelligence

A REIT or InvIT functions as a trust established by a sponsor (typically a developer, infrastructure company, or asset owner) who transfers income-generating assets into the trust. The trust structure comprises three key entities:

### 1. Structure of Trust

- **Sponsor(s):** Typically, the original asset developer, mandated to hold at least 15% of the units for a minimum of three years (reduced from 25% earlier). Ensures long-term alignment of interests and skin in the game
- **Trust:** The central legal entity that holds controlling stakes (minimum 50%) in underlying special purpose vehicles (SPVs)
- **SPVs:** Wholly dedicated to the operation and maintenance of underlying assets; they are prohibited from engaging in unrelated business activities, ensuring focus and financial purity

### 2. Leverage Discipline: Controlled Risk and Credit Transparency

- **REITs:** Borrowing cannot exceed 49% of the asset value, and any leverage beyond 25% must receive approval from the majority of unitholders
- **InvITs:** Can extend leverage up to 70% of the asset value only if three conditions are met:
  - AAA credit rating is maintained
  - Track record of six consecutive distributions
  - Approval by 75% of unitholders (amendment effective from fiscal 2019)

REITs and InvITs must distribute at least 90% of their NDCF to unitholders. This makes them income-assured instruments, resembling debt in regularity yet offering the upside potential of equity. Mandatory biannual disclosures, credit rating reviews and valuation audits have tightened compliance standards.

### 3. Tradability and Market Integration: Enhancing Liquidity

Unlike traditional real estate investments, REITs and InvITs are listed and traded on stock exchanges (21.5% return), giving investors daily liquidity and transparent price discovery. This tradability makes them far more liquid than direct property or infrastructure exposure, while maintaining a yield profile that often exceeds fixed deposits (6.5% return) and bonds (6.3% return).

The inclusion of REITs and InvITs in mutual fund schemes, particularly through dedicated Real Estate and Infrastructure Mutual Fund (REIMF) categories and Exchange-Traded Fund (ETF) tracking indices, has created a strong institutional demand base. Domestic mutual funds, insurance companies and pension funds are now permitted larger exposures (up to 10% of AUM per scheme, post 2023 amendments).

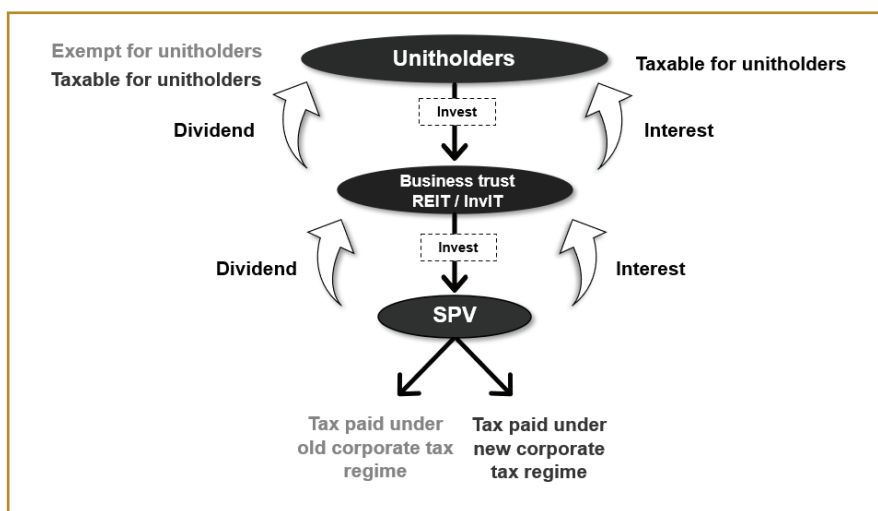
### REITs and InvITs Enjoy Pass-through Status, Which Exempts Business Trusts from Taxation

Both vehicles enjoy **pass-through status under the Income Tax Act**, meaning that income generated by the underlying assets is not taxed at the trust level but flows directly to unitholders, who are then taxed according to the nature of income received. This mechanism eliminates the issue of double taxation that typically plagues corporate structures, thereby improving post-tax returns for investors and enhancing the attractiveness of business trusts as an investment class.

Business trusts (REITs/InvITs) must distribute at least 90% of NDCF annually to unitholders. The trusts invest in income-generating assets via equity and/or debt in SPVs. Income is generally exempt at the trust level but taxed in the hands of the unitholder, preserving the original character (interest, dividend, lease/rent, capital gains, or repayment of debt). For instance, interest income is taxed in the hands of unitholders at applicable slab rates, while dividends are exempt if the underlying SPVs have already paid dividend distribution tax (DDT) or are subject to the new corporate tax



regime without DDT. Capital gains are subject to concessional tax rates, further aligning these instruments with equity-like taxation benefits.

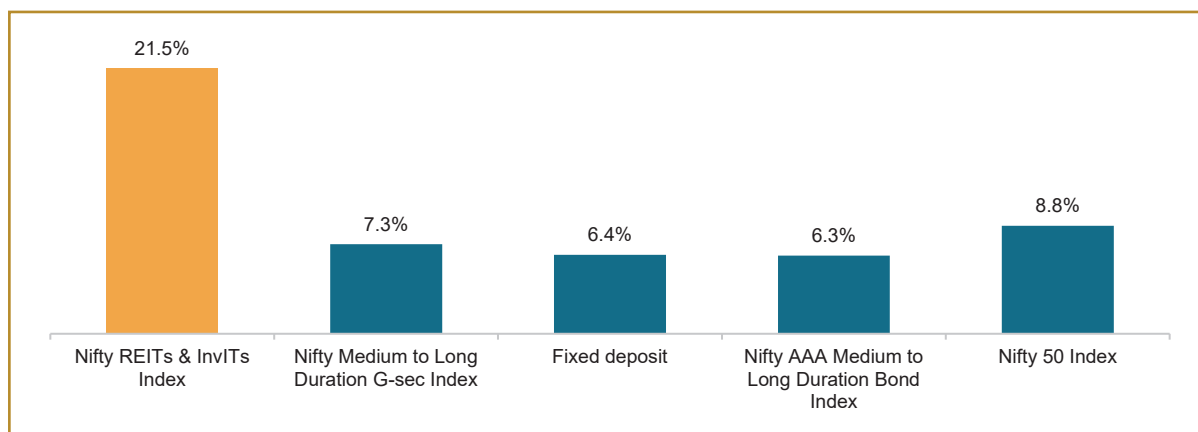


Source: Crisil Intelligence

Features	Trust-level tax	Resident unitholder	Non-resident unitholder
Interest (SPV)	Exempt	Taxed at slab rates	5% (treaty may apply)
Dividend (SPV – old regime)	Exempt	Tax-exempt	Tax-exempt
Dividend (SPV – new regime)	Exempt	Taxed at slab rates	20% or DTAA rate
Rental (REIT)	Exempt	Taxed at slab rates	As per treaty
Capital Gains (unit sale)	Trust is not taxed	Applicable STCG/LTCG	Applicable STCG/LTCG
Repayment of Debt	Exempt	Taxed at slab rates once cumulative exceeds issue price	

Source: Crisil Intelligence

### Returns by Various Asset Classes as of September 2025

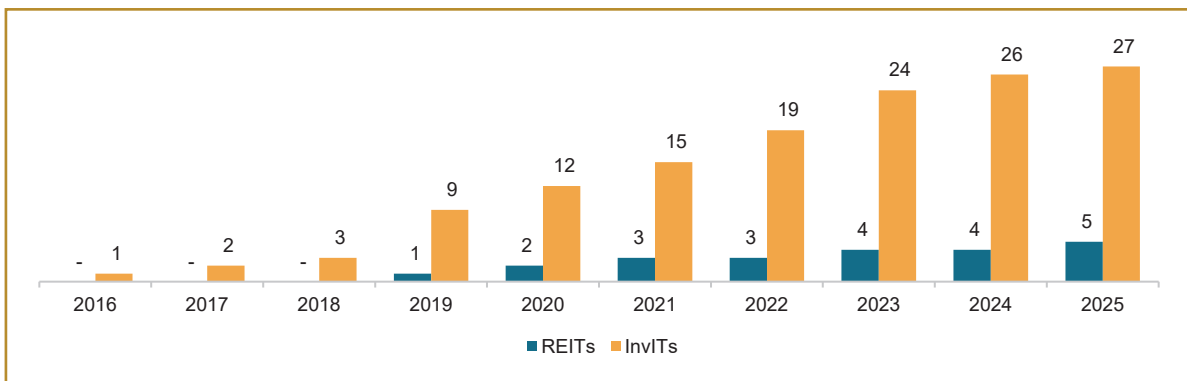


Note: 1-year returns for all indices have been considered as of September 30, 2025; FD rates are based on average 5 yr rates of top 8 banks

Source: NSE, Crisil Intelligence

The Nifty REITs & InvITs Index has delivered a 21.5% one-year return, substantially outperforming all major asset classes. This outsized return reflects a confluence of factors, including robust distribution yields and capital appreciation driven by increased investor participation. The relative underperformance of traditional fixed-income instruments highlights a broader shift in investor preference towards yield-plus-growth assets, where REITs and InvITs offer both regular income (8-9%) and price appreciation potential.

### Cumulative Number of SEBI-registered REITs and InvITs in India

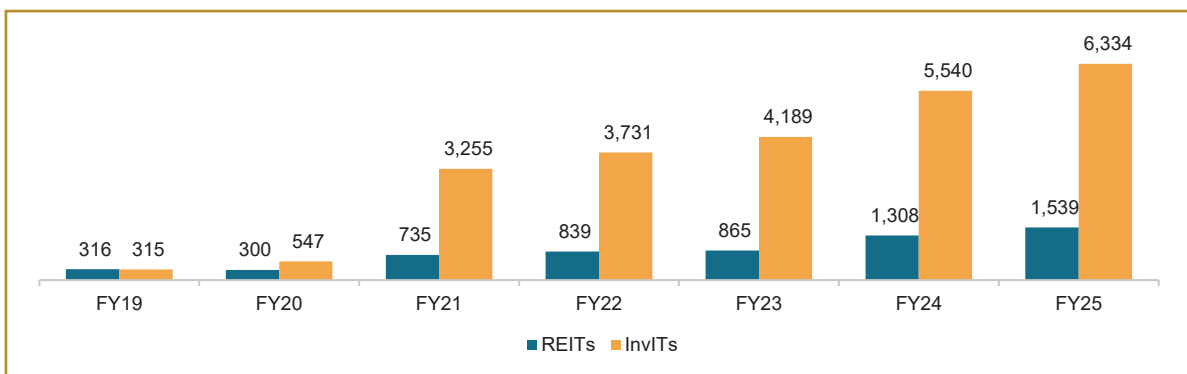


Source: Crisil Intelligence

InvITs are designed to hold operational infrastructure assets across sectors such as roads, power transmission, renewable energy, telecom towers, and pipelines. The first such trust, IRB InvIT Fund, was launched in CY 2016, backed by toll-operating road assets. Since then, the market has grown exponentially. As of fiscal 2025, India had 27 InvITs, of which 17 were listed on exchanges. The aggregate AUM of InvITs rose from Rs 315 billion in fiscal 2019 to Rs 6,334 billion in fiscal 2025 — a nearly 19x increase in just six years.

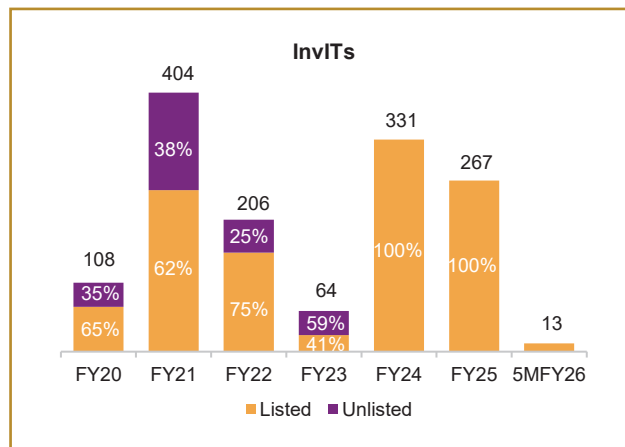
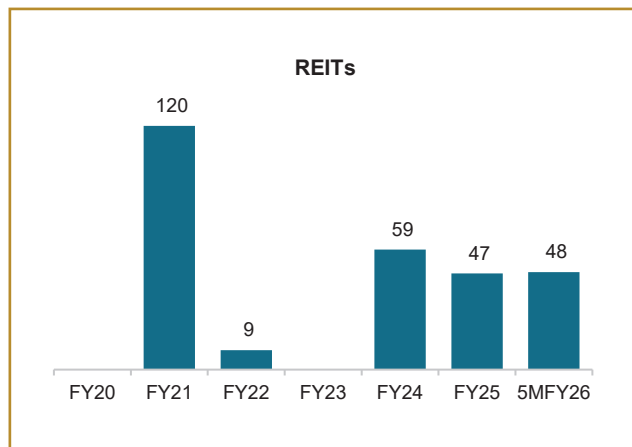
While InvITs focus on infrastructure, REITs cater to income-producing real estate assets, primarily commercial office and retail spaces. The first Indian REIT, Embassy Office Parks REIT, debuted in CY 2019, setting the stage for other REITs — Mindspace Business Parks, Brookfield India REIT, Nexus Select Trust, and Prestige REIT. As of fiscal 2025, India had five publicly listed REITs, collectively managing Grade-A office and retail portfolios across major urban centres such as Bengaluru, Mumbai, the National Capital Region (NCR), Hyderabad and Pune with AUM of Rs 1,539 billion.

### AUM of REITs and InvITs (Rs billion)



Source: Company reports, Crisil Intelligence

## Funds Mobilised by REITs and InvITs (Rs billion)



*Note: 100% of the fund mobilised by listed REITs; includes funds raised through public issue, private placement, preferential issue, institutional placement and rights issue*

*Source: SEBI, Crisil Intelligence*

Since fiscal 2020, **InvITs have mobilised ~Rs 1,393 billion from the primary market**, substantially surpassing the Rs 284 billion raised by REITs. While REITs continue to gain traction within India's commercial real estate segment, the significantly larger capital inflows into InvITs reflect their **wider infrastructure coverage, diversified asset portfolios and alignment with India's long-term infrastructure development goals**. This investor preference can be attributed to factors such as broader sectoral diversification, greater availability of assets and the inherent stability of the infrastructure sector. Collectively, these strengths have positioned InvITs as a preferred investment vehicle for both institutional and retail investors seeking steady, long-term yields with growth potential.

## REITs and InvITs are Beneficial for Stakeholders and the Economy

### Developers and asset owners

- Raise capital by monetising completed assets and use funds for new projects or debt reduction
- Shift to an asset-light business model, lowering leverage and improving returns on capital
- Access to a broader investor base, including long-term domestic and global institutional investors, via public markets
- Focus managerial resources on development and core competencies rather than asset operations
- Enhanced project execution and governance due to regulatory oversight and separation of asset and operating roles

### Investors and lenders

- Easy access to income-generating real estate and infrastructure typically out of reach for retail and small investors
- Regular and stable income streams due to mandatory distribution of at least 90% of cash flows
- Portfolio diversification across high-quality assets, lowering risk versus direct investment in a single property/project
- Improved transparency and liquidity, with units traded on regulated exchanges and disclosure norms
- Suitable for insurance, pension and FPIs seeking long-term, low-volatility returns in regulated structures

### Macro economy

- Mobilises large-scale, long-term private and global capital for national infrastructure and real estate development
- Reduces reliance on bank financing, helping de-risk and strengthen the broader financial system
- Fosters urban development, job creation and higher GDP contribution through increased project activity
- Promotes better corporate governance, transparency and adoption of global best practices in asset management
- Deepens capital markets, encourages financial inclusion and accelerates the pace of infrastructure upgrades

## Reforms Undertaken to Make REITs and InvITs Attractive and Easier for Investors to Participate

**FY15 - 16**

- SEBI notified regulations for REITs and InvITs, launching India's business trust regime
- Tax pass-through status granted for interest and dividend income, ensuring income is taxed primarily at the unitholder level
- Framework for public issuance and listing of units established; institutional investor participation encouraged

**FY17 - 18**

- Minimum sponsor holding reduced to 15% (from 25%), allowing greater asset owner flexibility and wider investor participation
- Listed REITs/InvITs permitted to raise debt securities, expanding access to capital markets
- Compulsory contribution from rental income for REITs reduced to 51% (from 75%), enabling more diversified portfolios and asset classes

**FY19 - 20**

- Leverage limits for publicly listed InvITs increased from 49% to 70% (subject to rating), enabling larger and ambitious deals
- Inclusion of privately placed, unlisted InvITs in the regulatory framework, broadening the spectrum of instruments available
- Minimum subscription amounts reduced from Rs 0.2 million to Rs 50,000 for REITs and from Rs 1 million to Rs 0.1 million for InvITs for wider retail and HNI access

**FY21**

- Induction of new sponsors allowed, facilitating ownership change and improving marketability
- Sponsor declassification procedures clarified, supporting stake transitions post lock-in period
- Investment holding by individual unitholders allowed to exceed 25% with approval from 75% of remaining holders

**FY22**

- Framework introduced for conversion of private listed InvITs to public InvITs
- REITs and InvITs allowed to invest in debt securities of other REITs/InvITs
- Timelines for allotment and listing after issue closure reduced to six working days (from 12 working days) for both public and private issues

**FY23**

- Introduction of regulations on preferential issue and institutional placement
- Launch of the small and medium REIT (SM REIT) regime to enable smaller-scale participation such as asset size typically set at  $\geq$  Rs 500 million and  $<$  Rs 5 billion from at least 200 investors (vs classic REITs which required much larger asset bases)
- Trusts with a net worth of Rs 1 billion permitted to issue commercial paper

**FY24**

- Establishment of the Indian REITs Association (IRA)
- Proposal to reduce distribution timelines from 15 to 5 working days and trading lot sizes targeted for reduction
- Proposal to restrict REIT investments to listed securities of holdcos/SPVs to streamline underlying asset quality

**FY25**

- Introduction of Board nomination rights for unitholders of REITs
- Trading lot size for privately placed InvITs reduced from Rs 10 million to Rs 2.5 million to boost liquidity and participation

## COMPARISON OF GLOBAL AND DOMESTIC InvIT AND REIT MARKETS

The global REIT and InvIT market comprises over 1,000 publicly listed entities. Meanwhile, the Indian REIT and InvIT market comprises 5 listed REITs and 4 listed InvITs across public stock exchanges, collectively valued at ~\$21 billion as of October 2025.

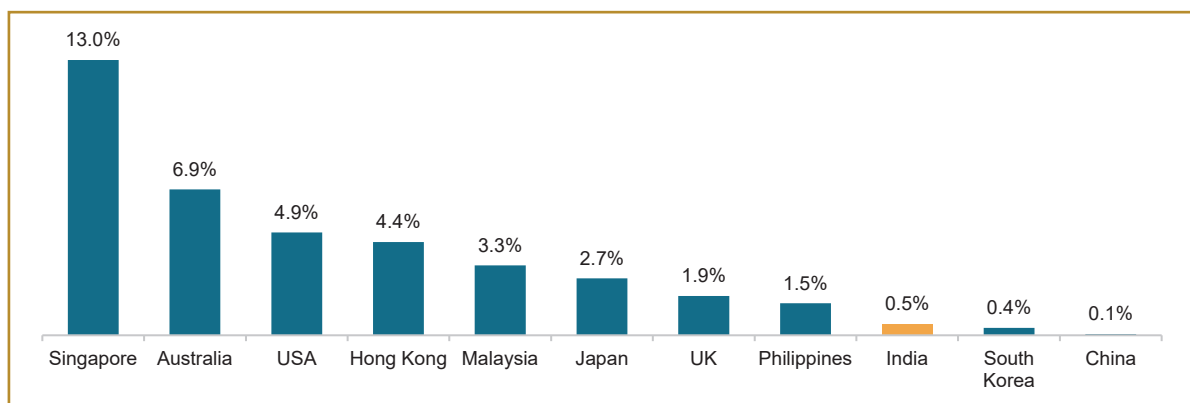
**India is the Seventh Largest REIT and InvIT Market in the World, with a Market Cap of \$21 Billion**



Source: EPRA, Industry Reports, Crisil Intelligence

The United States (US) dominates with \$1.4 trillion in total InvIT and REIT market cap, which represents ~70% of the global market. It is followed by Australia and Japan in the second and third positions with a market cap of \$121 billion and \$109 billion, respectively. India, which has a total of 9 publicly listed REITs and InvITs, is in the seventh position with a market cap of \$21 billion as of October 2025.

**Singapore Leads in Terms of InvIT and REIT Market Cap as a % of GDP as of October 2025**

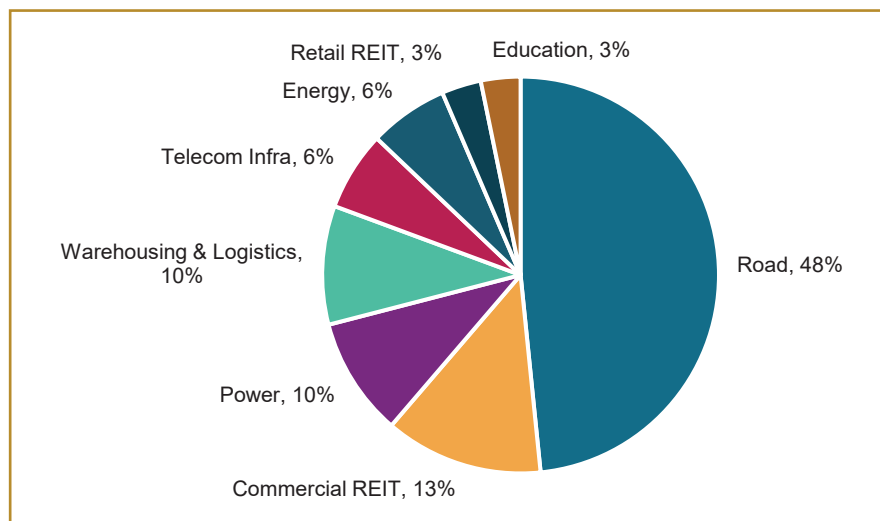


Note: GDP at current prices has been considered; GDP for South Korea as of CY 2023 and for other countries as of CY 2024

Source: World Bank, Industry Reports, Crisil Intelligence

As of October 2025, Singapore leads in terms of InvIT and REIT market cap as a % of GDP, with ~13%. It is followed by Australia and USA with ~7% and 5%, respectively. Singapore leads across countries as 80% of S-REITs own offshore assets across Asia-Pacific, North America and Europe. For India, market cap of InvITs and REITs as a percentage of GDP stood at 0.5%, which indicates significant potential for growth.

## Road Sector Accounts for the Highest Number of REIT & InvIT Vehicles in India



*Note: As of October 2025, Source: Industry reports, Crisil Intelligence*

The Indian REIT sector is primarily concentrated in high-quality, Grade A commercial assets, wherein the portfolio is dominated by office spaces located in major metropolitan hubs such as Bengaluru, Mumbai and NCR, which cater to a strong tenant base of MNCs in the IT and financial services space. Overall, among vehicles, the road sector accounts for the highest share (48%), followed by transmission, commercial REITs and warehousing.

Globally, REITs are predominantly invested in the real estate sector, such as office, retail, industrial, logistics and residential, with growing allocations to emerging asset classes such as data centres, healthcare and self-storage, especially in markets such as the US, Singapore, Europe and Japan. India still lacks significantly in terms of sectoral breadth, but regulatory reforms, growing institutional investor interest and the upcoming pipeline of vehicles position India on a trajectory similar to that for early-stage global REIT markets, with strong potential for expansion and diversification.

## REITs AND InvITs OFFER SUBSTANTIAL OPPORTUNITY FOR ASSET MONETISATION

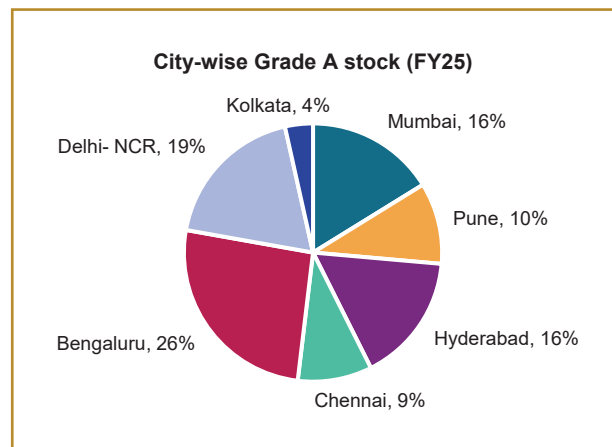
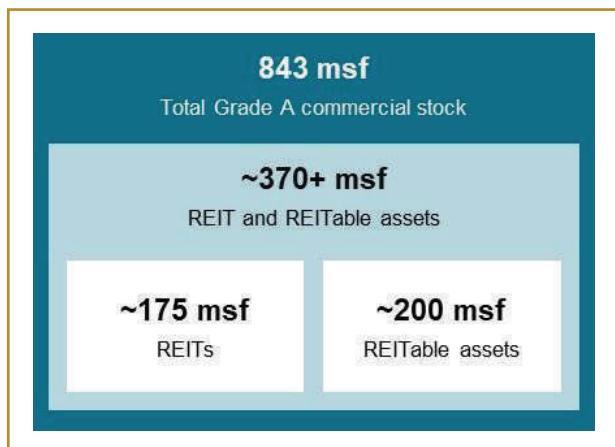
The emergence of hybrid work formats is reshaping the commercial real estate landscape, leading to higher occupier demand for flexible workspaces across markets such as China, India and Japan. The residential segment is witnessing strong growth in the luxury housing category, particularly in the UAE and India. In the industrial and warehousing segment, occupiers are increasingly partnering with third-party logistics (3PL) providers to enhance supply-chain efficiency and reduce operating costs.

In India, annual office demand has nearly doubled over the past 10-15 years, driven by corporate expansions, rising space absorption by global capability centres (GCCs) and a broadening occupier base across sectors. The country's Grade A office stock has expanded more than threefold since 2010, surpassing 840 million sq ft in fiscal 2025, driven by sustained demand, improved developer confidence and supportive policy measures. In calendar year 2024, gross office leasing across the top seven Indian cities reached 72.2 million sq ft, marking the strongest year on record and exceeding the previous 2023 peak by 22.6%. The market is also witnessing a growing preference for sustainable and green-certified developments, reinforcing the sector's long-term institutional appeal.

REITs and REITable assets now account for nearly 40–45% of India's total Grade A commercial stock in FY2025, driven by total REITs commercial stock rising from ~74 million sq ft in fiscal 2023 to ~99 million sq ft in fiscal 2024, reflecting 34% and 76% on-year growth, respectively. The expansion of REITable assets has been propelled by this surge in high-quality, income-generating office developments, increased participation by institutional investors, and the steady pipeline of growing assets in India's REIT market.



## REIT/REITable Assets Accounted for 40-45% of Grade a Commercial Stock in Fiscal 2025



Note: REITs and REITable assets have been assumed to be 40-45% of the total Grade A commercial stock

Source: Company reports, Crisil Intelligence

## India REIT Grade A Portfolio

FY25	Area (msf)	# Assets	GAV (Rs billion)	Cities
Brookfield India	29.0	10	380	Delhi, Mumbai, Gurugram, Noida and Kolkata
Embassy Office Parks	51.1	14	572	Bengaluru, Mumbai, Pune, Chennai and NCR
Mindspace Business Parks	37.1	10	366	Mumbai, Pune, Hyderabad and Chennai
Nexus Select Trust	11.7	21	266	Delhi, Mumbai, Bengaluru, Pune, Hyderabad and Chennai
Knowledge Realty Trust	46.3	29	620	Hyderabad, Mumbai, Chennai, Ahmedabad and NCR
<b>Total REITs</b>	<b>175.2</b>	<b>84</b>	<b>2,204</b>	

Source: Company reports, Crisil Intelligence

## Huge Potential for REITable Assets in India by Fiscal 2026

<b>~Rs 3.5 trillion</b>	<b>GAV of REITable assets of 280-290 msf*</b>
<b>~Rs 2.2 trillion</b>	<b>GAV of five listed REITs with an operational area of 175.2 msf as of FY25</b>

Note: Msf is million square feet, estimated as of FY26; Total Grade A commercial assets are expected to be 890-900 msf. Considering 50% as REIT+REITable assets and subtracting the current stock of 175.2 msf, we derive the potential REITable assets of 280-290 msf.

Sources: Investor presentations, Industry data, Crisil Intelligence

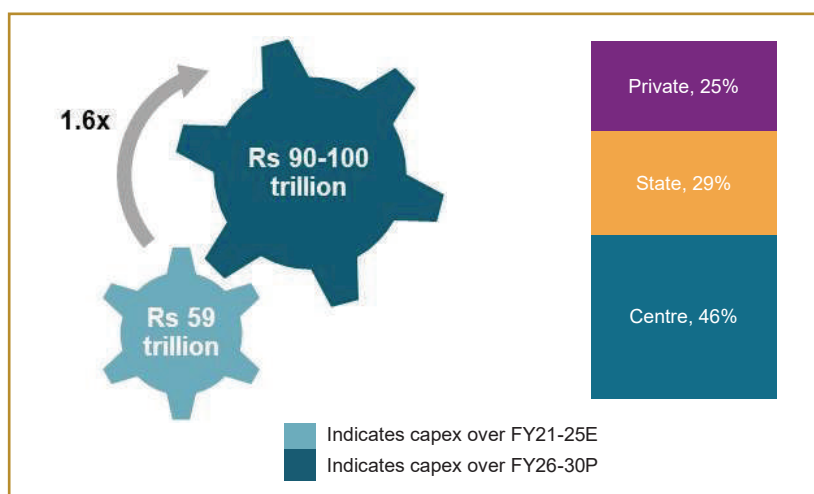
The potential market size of REITable assets is substantial, with an estimated GAV of Rs 3.5 trillion. This growth trajectory suggests a promising outlook for the industry, as the increasing popularity of REITs among investors in the country is expected to drive significant expansion.

### Market Opportunity of ~Rs 25 trillion is 4x of Current AUM of InvITs

Infrastructure spending comprising investments from the centre, states and the private sector is expected to rise steadily through fiscal 2030. Roads and power will remain the primary focus areas, with total infrastructure capital expenditure likely to increase 1.6x to Rs 90-100 trillion. Private sector involvement in infrastructure, already on an upward trajectory, is expected to intensify under the government's renewed emphasis on the BOT model in the roads segment.

The power sector continues to attract substantial private investment, particularly in non-fossil fuel energy generation, reflecting both policy direction and investor preference. NMP 2.0 is expected to play a central role in supporting this trend by enabling a structured framework for private participation in infrastructure asset monetisation. This approach will facilitate more efficient capital recycling, enhance asset utilisation and contribute to the long-term sustainability of infrastructure growth.

### Infrastructure Spending Set to Surge 1.6x Over the Next Five Years



Source: Crisil Intelligence

India is projected to record a substantial core infrastructure expenditure of Rs 90-100 trillion between fiscals 2026 and 2030. Assuming a private sector participation share of ~25%, consistent with historical trends, and further assuming that 60% of these private investments can be monetised through InvITs, the potential InvIT pipeline arising from this infrastructure spend over the next five years is estimated at Rs 13-15 trillion. This estimate is net of the Rs 10 trillion monetisation target outlined under NMP 2.0. The government has announced plans under NMP 2.0 to achieve Rs 1.9-2 trillion of asset monetisation in fiscal 2026. The pipeline under this framework will prioritise core infrastructure assets, including highways, railways, power transmission, petroleum and natural gas, ports, and public lands. Considering both the NMP 2.0 programme and the private infrastructure capital formation cycle, the total potential opportunity for InvITs over fiscals 2026-2030 is estimated at Rs 23-25 trillion.

### Monetisation Opportunity of Rs 25 Trillion with InvITs



Source: Crisil Intelligence

## Monetisation Opportunity in Road Assets

The AUM of InvITs in India stood at ~Rs 6.3 trillion in fiscal 2025, with road assets accounting for nearly 40% of this value, Rs 2.5 trillion. Both government and private sector entities continue to hold a significant opportunity to monetise additional road assets, estimated at Rs 6.7-7.3 trillion by fiscal 2030.

This strong potential is underpinned by multiple structural factors, including the steady pace of new project awards, a consistent pipeline of asset-ready projects, and sustained growth in traffic volumes across national and state highway networks. The total investment potential in road infrastructure over fiscals 2026-2030 is projected at Rs 28-33 trillion. Assuming that 19% of this would be funded by the private sector, of which 60% has the potential to be monetised under InvITs, the potential for road asset monetisation will reach Rs 6.7-7.3 trillion by fiscal 2030.

## Road InvITs Offer Huge Asset Monetisation Potential Over Fiscals 2026-2030

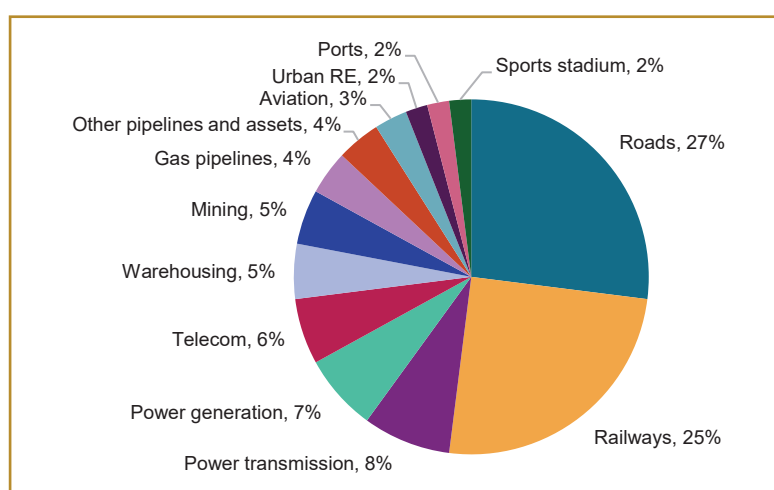
~Rs 6.3 trillion	Total AUM of InvITs
~Rs 2.5 trillion	Total AUM of road InvITs
Rs 6.7-7.3 trillion	Road asset monetisation potential

Sources: Crisil Intelligence

## NMP 2.0 AIMS TO UNLOCK ~RS 2 TRILLION IN ASSET MONETISATION BY FISCAL 2026

In 2021, the central government launched the NMP with a target of monetising over Rs 6 trillion worth of core operating assets between fiscal 2021 and fiscal 2025. The initiative rapidly gained traction, achieving nearly 88% by fiscal 2025. Building on this strong momentum, the Union Budget for fiscal 2026 unveiled NMP 2.0, a blueprint to mobilise Rs 10 trillion by fiscal 2030 and targets to monetize Rs 2 trillion in fiscal 2026 itself by focusing on operational, revenue generating assets across highways, railways, power transmission, petroleum, airports, metro networks and warehousing. Under this expanded framework, the government will work closely with private sector partners to unlock value from brownfield infrastructure, with proceeds earmarked for reinvestment in new capacity and enhancement of public services.

## Break-up of the National Monetisation Pipeline 1.0 of Rs 6 Trillion for Fiscal 2022-2025



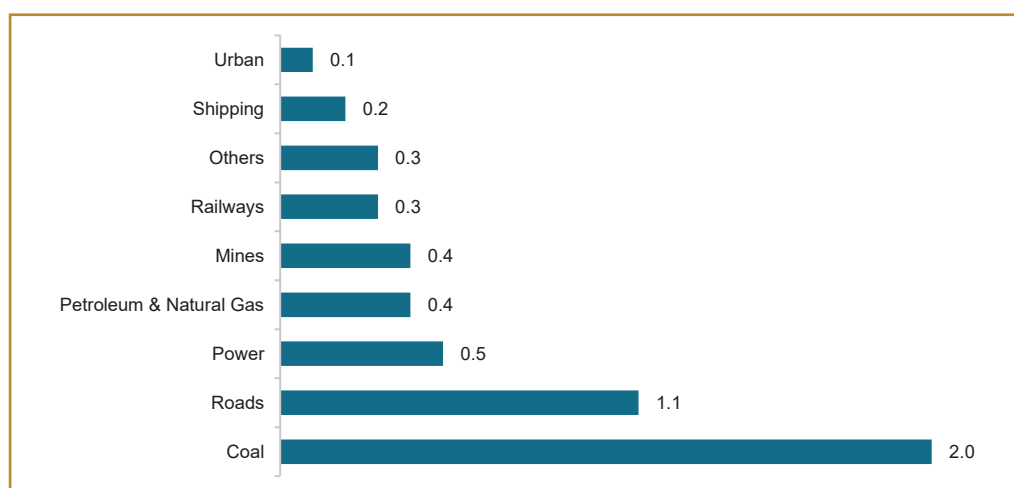
Source: NITI Ayog, Crisil Intelligence

## NMP 1.0 Achieved 88% of the Set Target Across FY 2022-2025

	Target (Rs trillion)	Achievement (Rs trillion)	Achievement %
~Rs 2.5 trillion	2.5	2.3	92%
Rs 6.7-7.3 trillion	1.8	1.6	87%
~Rs 2.5 trillion	1.7	1.4	84%
Rs 6.7-7.3 trillion	6.0	5.3	88%

Source: PIB, Crisil Intelligence

## Sector-wise Achievement of Rs 5.3 trillion in NMP 1.0



Source: GoI, Crisil Intelligence

The **Ministry of Coal emerged as the top performer under NMP 1.0**, achieving asset monetisation worth ~Rs 2 trillion—about 45% higher than its target. This performance was driven commercial coal mine auctions, the Mine Developer and Operator (MDO) model and revenue-sharing arrangements with Coal India Ltd (CIL) and its subsidiaries. A landmark achievement came in March fiscal 2025, when Bharat Coking Coal Limited, a CIL subsidiary, successfully monetised the 2 million ton per annum Dugda Coal Washery in Bokaro, Jharkhand, marking India's first-ever coal washery monetisation.

The **Ministry of Road Transport and Highways (MoRTH) followed closely as the second-best performer**. Roads constitute the largest share of the NMP's asset targets, with monetisation worth Rs 1.6 trillion in Phase I and an expanded goal of Rs 3.5 trillion under NMP Phase II (fiscals 2026–2030). The sector has increasingly shifted toward InvITs as the preferred monetisation route, surpassing older models such as toll-operate-transfer. The NHAI completed India's largest InvIT-based monetisation at an enterprise value of Rs 188.3 billion. Currently ~21% of NHAI's toll assets are held under InvIT structures enhancing capital recycling and broadening investor access to road infrastructure.

The railways sector has also gained momentum, with monetisation efforts targeting passenger trains, freight terminals, and station redevelopment projects. Brownfield assets such as goods sheds, container depots, and key railway stations are being transitioned to PPP and InvIT frameworks, drawing private capital to support modernisation and operational efficiency.

In the power and renewable energy sectors, the Power Grid Corporation of India initiated India's first InvIT in the power sector, releasing capital through the listing of transmission assets and supporting renewable energy expansion. Despite India achieving 98 GW of installed solar capacity, only 2% of operational renewable assets have been monetised so far. The government aims to accelerate this, targeting 230 GW of renewable capacity by 2030.

Similarly, in telecom, monetisation through InvITs is expanding rapidly, with nearly one-third of telecom towers now under such structures, reflecting the deepening integration of the trust model in India's infrastructure financing landscape.

## UNCONVENTIONAL ASSETS OFFER FRESH OPPORTUNITIES FOR REITs AND InvITs

While traditional infrastructure assets such as toll roads have already been monetised significantly through InvIT structures, newer asset classes—particularly shopping malls and warehouses—are emerging as strong candidates for monetisation through REITs and InvITs.

- **Malls:** Historically, REITs primarily focused on office spaces. However, recent transactions indicate growing traction in the retail real estate segment, where shopping malls are now also being monetised through REIT platforms. This evolution provides developers and investors owning large retail and commercial portfolios with a structured mechanism to unlock asset value, recycle capital, and generate liquidity.

Currently, Nexus Select Trust remains the only REIT in India with an exposure to retail mall assets. As of fiscal 2025, its total GAV stands at ~Rs 275 billion, of which 91% comprises retail mall assets.

India's organised retail sector is projected to reach Rs 15 to 16 trillion this fiscal, registering 18-20% on-year growth, reflecting rising urban consumption and formalisation in the retail ecosystem. Within this, the brick-and-mortar retailers will be lower at 14-16% CAGR between fiscals 2024 and 2029, the increasing preference by consumers to make purchases from large, organised outlets will drive demand for B&M retailers.

**Organised retail sector in FY 2026**

**Rs ~15 to 16 trillion market Size**

**18% to 20% growth**

Source: Crisil Intelligence

- **Telecom towers:** The telecom infrastructure segment also presents a large-scale opportunity for monetisation through InvITs. With increasing telecom penetration and expanding data consumption, the underlying value of tower assets is expected to rise steadily.

The total number of telecom towers in India rose 3% to reach 824,280 in fiscal 2025. The segment is expected to continue its upward trajectory through fiscals 2026 and 2027. Net base transceiver station (BTS) growth stood at 3% in fiscal 2025, with projections of 5–6% growth this fiscal, driven by densification of small cells to cater to the expanding 5G subscriber base. In fiscal 2025, India recorded a net addition of 83,193 BTS units, taking the total BTS count to ~3 million. Import volumes of BTS have sharply declined from nearly 0.1 million units in fiscal 2021 to just 6,666 units in fiscal 2025, reflecting the impact of the Production-Linked Incentive scheme. The scheme has significantly boosted domestic manufacturing of telecom equipment, with Indian subsidiaries of global original equipment manufacturers playing a key role in enhancing local production capabilities.

**Altius Telecom Infrastructure Trust**, an InvIT backed by Data Infrastructure Trust, is a notable example within the telecom sector, with a total AUM of Rs 895 billion as of June 2025. Altius has emerged as a major institutional platform in a market previously dominated by Indus Towers. As of fiscal 2025, Altius holds a 31% market share, followed by Indus Towers at 30% and BSNL at 12%.

**Telecom towers (000's)**

**850-856**

**On-year growth: 3 to 4%**

**Base transceiver stations (000's)**

**3,186**

**On-year growth: 5 to 6%**

As of FY 2026; Source: Crisil Intelligence

**Warehousing:** India's warehousing sector is witnessing rapid expansion, driven by the sustained growth of the ecommerce and third-party logistics (3PL) industries. REITs and InvITs are well-positioned to benefit from this momentum, allowing investors to participate in the stable cash flows generated by warehousing assets.

In fiscal 2025, warehousing demand reached 50-55 million sq. ft, reflecting 15-19% on-year growth, supported by strong 3PL expansion and increasing manufacturing activity. Demand growth is projected to accelerate to 16–20% this fiscal, led by sustained requirements from major end-user industries. Over the medium to long term, annual demand for Grade A and B warehousing facilities across the top eight Indian cities is expected to grow at 10–15% CAGR between fiscals 2026 and 2029.

On the supply side, fiscal 2025 saw annual incremental supply growth of 12-16%, driven by institutional developer activity and healthy demand from occupiers. This momentum is expected to continue this fiscal, with annual supply projected to expand 16-20%, reaching 65–70 million sq. ft in line with anticipated demand growth. Over the fiscals 2026–2029 period, warehousing supply is further projected to grow at 9-14% CAGR, driven by sustained demand for Grade A spaces across major consumption hubs.

### Growth in Warehousing is Expected to be Robust (FY 2026)

Demand for warehouses	40 to 45 msf	On-year growth: 16 to 20%
Supply of warehouses	65 to 70 msf	On-year growth: 16 to 20%

msf – million sq. ft; Source: Crisil Intelligence

Beyond traditional assets, **data centres** represent a substantial new frontier for infrastructure monetisation. India's data centre capacity stood at ~950 MW as of March 2024 which is projected to more than double to 2.0–2.3 GW by fiscal 2027, supported by the increasing digitalisation of the economy. This expansion is being driven by rising enterprise adoption of cloud computing, widespread consumer data usage, and the accelerating penetration of generative artificial intelligence applications, which are expected to amplify storage and computing needs over the medium term. To meet this demand, an estimated investment of Rs 55,000 to 65,000 crore will be required over the next three years, primarily directed towards land acquisition, building development, power infrastructure, and cooling systems. Typically, land and building components account for 25-30% of total capital expenditure in data centre development.

The **renewable energy sector** continues to attract significant investor attention, aligned with India's commitment to achieving its emission reduction targets by 2030. Renewable power sources—comprising solar, wind, and energy storage—are expected to contribute 60 to 65% of the country's total installed capacity by 2030, necessitating large-scale investments in generation and supporting infrastructure. Within this space, two InvITs are currently operational:

- Sustainable Energy Infra Trust, with an AUM of Rs 69 billion as of June 2025
- Anzen India Energy Yield Plus Trust, with an AUM of Rs 40 billion as of June 2025

Both platforms underscore the growing investor appetite for yield-generating, sustainability-linked infrastructure assets.

## Glossary

AOMT	Acquire, Operate, Maintain, and Transfer
BOT	Build-Operate-Transfer
COT/ROT	Rehabilitate, Operate, and Transfer
DBFOT	Design-Build-Finance-Operate-Transfer
DDT	Dividend Distribution Tax
LTL	Long Term Lease
OMDA	Operation, Management, and Development Agreement
REIMF	Real Estate and Infrastructure Mutual Fund
TOT	Toll Operate Transfer



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