



Tru Primer

22 April 2026

InvITs in India

Traditionally, Indian infrastructure relied on bank finance, which limited funding options. To fix this, the 2014 Union Budget introduced InvITs, with SEBI setting the official rules later that year. This created a new way for projects to get long-term investment beyond just bank borrowing. An InvIT is a collective investment vehicle that pools capital to own and operate revenue-generating assets, such as, roads, transmission towers, wind power, solar power, seaports, airports, telecom, etc. By purchasing units, investors gain direct exposure to steady cash flows from physical infrastructure, typically securing higher yields as compared to traditional fixed-income products.

InvITs in India

What is an InvIT?

An Infrastructure Investment Trust (InvIT) is a pooled investment vehicle, similar in concept to a mutual fund or REIT, that enables investors to participate in the ownership and income streams of operational infrastructure assets. InvITs in India are regulated by the Securities and Exchange Board of India (SEBI) and were introduced through the SEBI (Infrastructure Investment Trusts) Regulations, 2014.

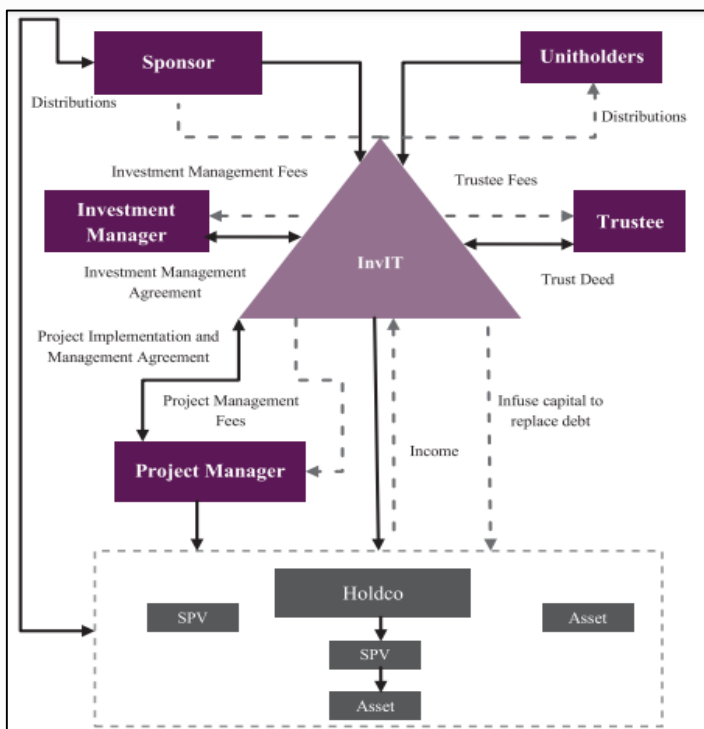
At their core, InvITs aggregate revenue-generating infrastructure projects, such as roads, power transmission lines, gas pipelines, and renewable energy assets and distribute a significant portion of their cash flows to unit holders. The trust structure allows large, capital-intensive assets to be accessible to a broader base of investors, including retail participants, while providing project sponsors a mechanism to monetise mature assets and recycle capital.

The Trust Structure

An InvIT is structured around four key entities:

Entity	Role
Trustee	Appoints and oversees the activities of the Investment Manager and Project Manager and is registered with SEBI as a debenture trustee.
Sponsor	Responsible for transferring the initial portfolio of assets to the InvIT and for the formation transactions involved in setting-up and establishing an InvIT.
Investment Manager	Responsible for the day-to-day management of the InvIT and its activities.
Project Manager	Responsible for execution and management of the project assets held by the InvIT.

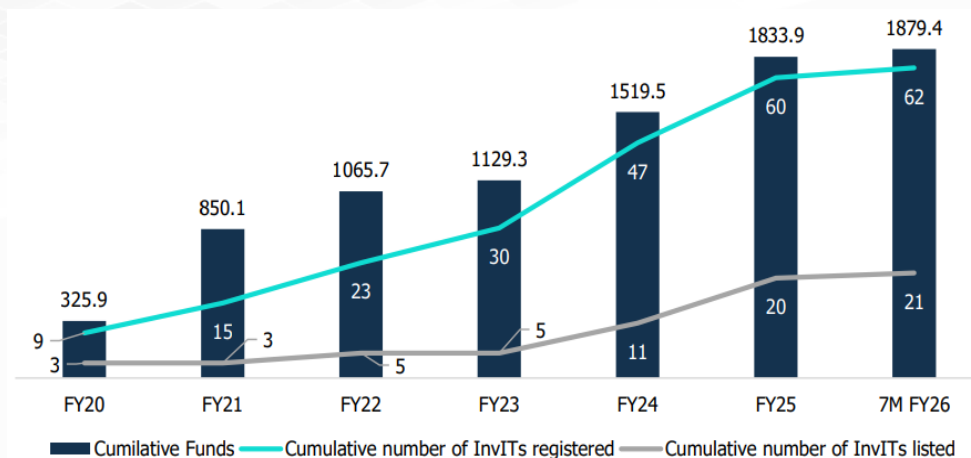
Figure – 1: General Structure of an InvIT



Growth of InvITs in India

Investment in Indian InvITs has surged from ₹325.9 billion in FY20 to ₹1,879.4 billion by 7MFY26, signaling strong market confidence and a shift toward alternative infrastructure financing. This rapid growth is driven by a supportive regulatory environment and increasing trust from both retail and institutional investors. As of November 2025, the market has matured to include 62 registered InvITs, consisting of 21 public offerings and 41 private placements.

Figure – 2: Cumulative Funds Raised via InvITs gaining some traction (Rs billion)



Source: SEBI, Care Edge Research, Raajmarg Infra Investment Trust RHP.

Note: Cumulative funds raised across years; includes funds raised through public issue, private placement, preferential issue, institutional placement, rights issue

Advantages of InvITs

Particulars	Description
Capital Recycling	Allows sponsors to monetise operational assets and redeploy capital into new projects, enabling higher bidding capacity and faster business growth.
Stable and Predictable Cash Flows	Operational infrastructure assets provide steady long-term revenues, making InvITs attractive for investors seeking yield stability.
Diversification of Funding Sources	Offers an alternate financing platform beyond bank loans; InvITs can raise equity and debt at the trust level, reducing funding concentration risk for the sector.
Lower Cost of Capital	Strong asset pools and predictable revenues help InvITs secure financing at competitive rates, improving net distributable cash flows and enhancing investor returns.
Deleveraging and B/S Strengthening	Asset transfer to InvITs reduces developer leverage, improves debt metrics and strengthens credit profile, enabling participation in future projects.
Attractive Long-Term Yield Instrument	InvITs provide regular cash distributions (often semi-annual/quarterly), offering investors a stable, long-duration, inflation-linked income stream.
Better Asset Management and O&M Efficiency	Professional InvIT managers prioritise asset efficiency, traffic analytics and lifecycle O&M practices, improving asset performance and durability.

Risk Considerations

While InvITs offer an attractive blend of yield and infrastructure exposure, they are not without risks.

Key considerations include:

- **Traffic / Revenue Risk:** Road InvITs with toll-based assets are exposed to traffic volume risk, which can be impacted by alternate routes, economic slowdowns, or competing infrastructure.
- **Interest Rate Sensitivity:** As yield instruments, InvIT unit prices are inversely correlated with interest rates. A rising rate environment can compress valuations, even if underlying cash flows remain stable.
- **Refinancing and Debt Maturity Risk:** Given the leveraged nature of InvIT portfolios, near-term debt maturities and prevailing credit spreads at refinancing are key risks to monitor.
- **Regulatory and Concession Risk:** Changes in toll policy, tariff determinations, or concession terms by government authorities can materially impact revenues. This is especially relevant for government-contracted assets.
- **Liquidity Risk:** Secondary market liquidity for InvIT units can be lower than equities, particularly for smaller or privately placed InvITs. Bid-ask spreads can be wide during periods of market stress.

Taxation of InvIT Distributions

The tax treatment of InvIT distributions is a critical input for return calculations and varies by the nature of the distribution.

Under current Indian tax regulations:

Distribution Component	Trust to Unitholder
Interest	Taxable at slab rate (TDS @ 10%)
Dividend (SPV under Old Regime)	Nil
Dividend (SPV under New Regime)	Taxable at slab rate (TDS @ 10%)
Debt Repayment	Not taxable at distribution; reduces cost basis
Capital Gains on Sale	LTCG (>1yr): 12.5%, STCG: 20%

Who Should Consider InvITs?

InvITs may be suitable for investors who:

- Seek stable, regular income with inflation-linked characteristics (via tariff escalation clauses).
- Have a medium-to-long investment horizon (3-7+ years) aligned with infrastructure cash flow profiles.
- Wish to diversify a fixed income or equity portfolio with a real asset allocation.
- Are comfortable with moderate illiquidity and the complexities of a trust structure.
- Can absorb distribution yield variability arising from traffic/revenue fluctuations or interest rate changes.

InvITs are generally less suitable for investors with short time horizons, low risk tolerance, or those requiring high secondary market liquidity. Due diligence on the specific InvIT, e.g., sponsor quality, asset profile, leverage, distribution history, and pipeline, remains essential.

Summary: InvIT at a Glance

Parameter	Typical Range / Feature
Asset Types	Roads (toll/annuity), Power Transmission, Gas Pipelines, Renewables
Underlying Asset Type	Majority operational
Distribution Yield	Listed InvITs: 9% - 13% p.a. (varies by InvIT and market price)
Distribution Frequency	At least once every half-year for public InvITs, and at least once a year for privately placed InvITs.
Distribution Pay-out	At least 90% of their net distributable cash flows (NDCF).
Minimum Investment	Listed InvITs: As per market lot (typically accessible from Rs. 500 - Rs. 1,500 per unit)
Listing	NSE / BSE (for publicly listed InvITs)
Regulator	SEBI (InvIT Regulations, 2014)
Concession Tenure	15 - 30 years (varies by asset)
Key Risk Factors	Traffic/Revenue, Interest Rates, Refinancing, Regulatory, Liquidity
Requirement of credit rating	Consolidated borrowings & deferred payments net of cash exceed 25% of the assets value.
Shareholding by the sponsors	15% collectively as sponsors on a post issue basis for not less than three years.
Aggregate total borrowings and deferred payments net of cash	Cap at 49% of the asset's valuation. Cap at 70% of the assets valuation (AAA rated entities and track record of six distributions on a continuous basis).

Key datapoints for Listed INVITs in India

The unit price, market cap and ADTO of listed INVITs is summarized below:

Particulars	CMP 20-04-26	Market Cap (₹ Cr)	NAV (Sept'25)	52W H/L	Daily Avg Liquidity (Rs. Cr)
Indgrid InvIT	172.8	19,757	148.4	176/143	17.7
Powergrid InvIT	93.3	8,481	92.8	98.5/79.2	16.8
IRB InvIT	61.8	4,900	96.6	67/53.2	5.3
Indus Infra InvIT	126.4	5,651	112.6	130/104	1.71
Capital Infra Trust*	69.9	2,537	67.48	94.5/66.6	4.4

*Capital infra trust got listed on 17th Jan'25.

(Source: Company Website, BSE, screener.in)

Select operating level data points of key INVITs is summarized below:

	CMP (20-4-26) (Rs./Unit)	NAV as on Sept 30, 2025 (Rs. Per unit)	Distribution Yield (TTM) (%)	Distribution Per Unit (TTM, in Rs.)	Break-up of Total Distributions	Dividend Status
Indigrd InvIT	172.8	148.4	9.3%	16.1	Interest 74%	MMR
					Dividend 1%	
					Principal Repayment 25%	
Powergrid InvIT	93.3	92.8	12.9%	12	Interest 62%	MMR for ~81% div
					Dividend 21%	
					Principal Repayment 17%	
IRB InvIT	61.8	96.6	11.3%	7.0	Interest 63%	MMR
					Dividend 7%	
					Principal Repayment 29%	
Indus Infra InvIT	126.4	112.6	9.7%	12.3	Interest 42%	MMR
					Dividend 0%	
					Principal Repayment 58%	
Capital Infra Trust*	69.9	67.48	17.5%	12.2*	Interest 18%	Tax MMR for ~97% of dividend
					Dividend 66%	
					Principal Repayment 16%	

*Capital infra trust got listed on 17th Jan'25. Dividend for March'25 quarter is excluded from the Distribution yield calculation as it is an exceptional, non-recurring item. Distribution yield has been calculated on an annualized basis.

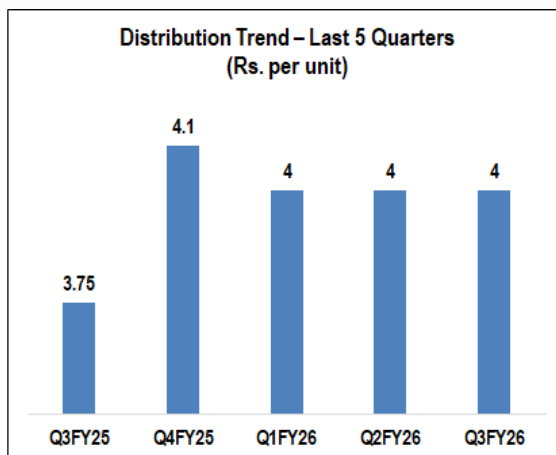
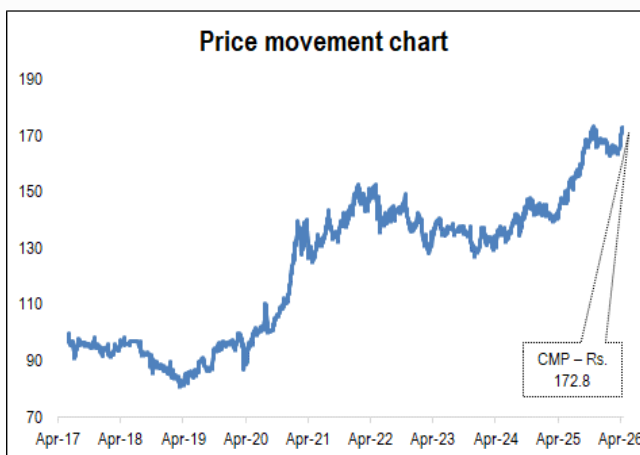
(Source: Company Website, BSE, screener.in)

IndiGrid India Trust (IndiGrid InvIT)

- Established in October 2016, IndiGrid InvIT (IndiGrid) is India's first listed power sector InvIT.
- It is sponsored by Esoteric II Pte. Ltd (an affiliate of KKR) and Sterlite Power Transmission Limited.
- Sponsor and Sponsor Group held 1%, Institutional investors held 40% and Non-Institutional investors held 58% stake in the InvIT as of Feb 6, 2026.
- IndiGrid owns and operates power transmission and renewable energy assets in India.
- It owns 38 operating projects, consisting of 53 EHV overhead power transmission lines and 1,155 MW (AC) of solar generation capacity as of Dec 31, 2025.
- It has a total circuit length of 9,336 kms, with 16 substations with ~25,050 MVA of transformation capacity.
- IndiGrid has presence across 20 states and 2 union territory.
- Majority of its Portfolio assets have in place long-term Tariff Service Agreements (TSAs) of 25 years.
- Average residual contract : 1. Transmission- 25.7 Years 2. Solar- 19.6 Years.

Financial Overview									
Particulars (Rs. In Cr)	FY20	FY21	FY22	FY23	FY24	FY25	Q1FY26	Q2FY26	Q3FY26
Revenue	1,243	1,675	2,222	2,332	2,966	3,287	839	827	862
EBITDA	1,150	1,447	2,023	2,111	2,540	3,034	703	725	784
PAT	506	335	343	327	296	410	72	39	100
Distribution per Unit	10.8	12.2	12.75	13.35	14.10	15.35	4	4	4
NDCF	720	918	944	1,035	1,244	1,400	286	363	328
NAV per Unit	102.26	146.26	131.71	131.62	133.15	144.11	-	148.4	-

(Source: Company Website, BSE, screener.in)



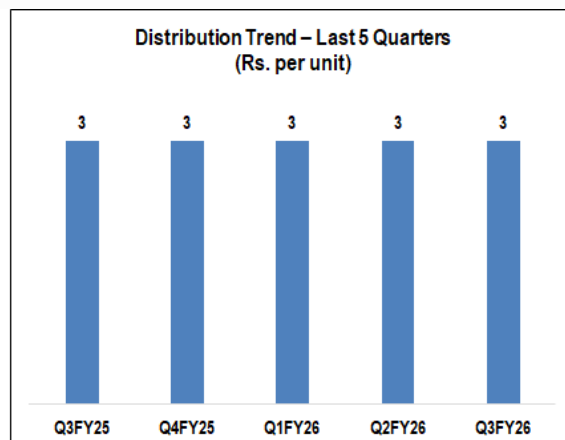
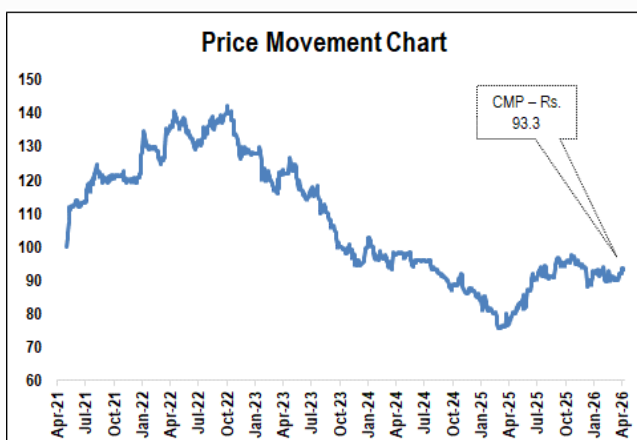
(Source: Company Website, BSE, screener.in)

PowerGrid Infrastructure Investment Trust (PowerGrid InvIT)

- PowerGrid InvIT (PG InvIT) is set up and sponsored by Power Grid Corporation of India Limited.
- Sponsor and Sponsor Group held 15.0%, Institutional investors held 29.1% and Non-Institutional investors held 55.9% stake in the InvIT as of Dec 31, 2025.
- PG InvIT's sponsor is involved in setting up, implementing and operating transmission projects at various locations in India, where the right to provide transmission services is procured under the TCB mechanism.
- These assets earn revenues, i.e., availability-based transmission charges, pursuant to the transmission service agreements ("TSAs"), from the DICs under such TSAs, irrespective of the quantum of power transmitted through the transmission line.
- The projects comprise 11 transmission lines, including six 765 kV transmission lines and five 400 kV transmission lines, with a total circuit length of approximately 3,699 km, and three substations with 6,630 MVA of an aggregate transformation capacity and 1,956 km of optical ground wire.
- Each asset has in place a long-term TSA of 27+ years from its Scheduled COD.
- Dec'24: Powergrid Infrastructure Investment Trust has acquired remaining 26% in Powergrid Kala Amb Transmission Ltd, Powergrid Parli Transmission Ltd, Powergrid Warora Transmission Ltd and Powergrid Jabalpur Transmission Ltd at consideration of Rs. 506.6 Cr raised by debt.

Financial Overview.								
Particulars (Rs. In Cr)	FY22	FY23	FY24	Q4FY25	FY25	Q1FY26	Q2FY26	Q3FY26
Total Income	1,217	1,286	1,265	320	1,276	313	317	325
EBITDA	1,139*	1,226*	1,120	294	1,019	292	409	297
PAT	463	(446)	982	687	1,172	191	279	198
Distribution per Unit	12.0	12.0	12.0	3.0	12.0	3.0	3.0	3.0
NDCF	962	1,102	1,098	294	1,081	276	276	261
NAV per Unit	101.1	86.4	85.3	-	94.1	-	92.8	-

(Source: Company Website, BSE, screener.in)



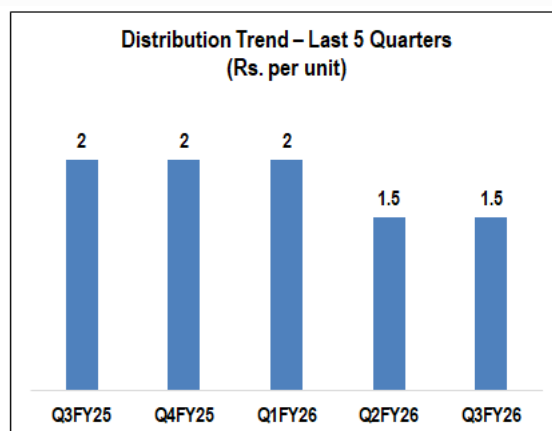
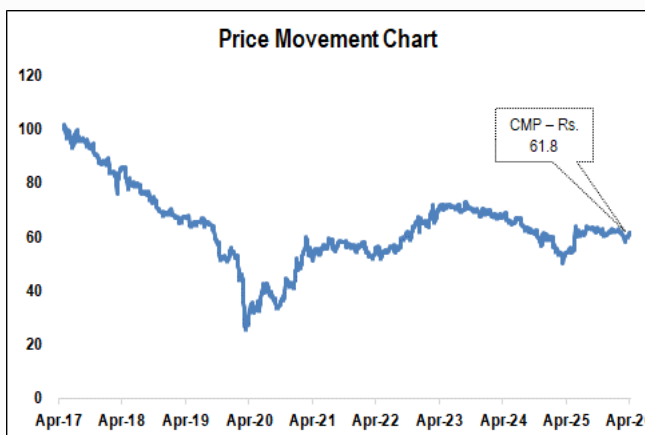
(Source: Company Website, BSE, screener.in)

IRB Infrastructure Investment Trust (IRB InvIT)

- IRB InvIT is the first listed InvIT in India. It is one of the largest infrastructure development and construction companies in India in terms of net worth in the roads and highways sector as per NHAI data.
- It is sponsored by IRB Infrastructure Developers Ltd.
- Sponsor and Sponsor Group held 18%, Institutional investors held 41% and Non-Institutional investors held 41% stake in the InvIT as of Dec 31, 2025.
- Its sponsor is one of the largest infrastructure development and construction companies in India in terms of net worth in the roads and highways sector as per NHAI data.
- IRB InvIT's portfolio comprises of 9 Highway assets including 8 BOT Assets and 2 HAM Assets. Weighted Average residual concession period on its assets is approximately 17 years.
- Completed acquisition of the Vadodara–Mumbai Package 7 HAM asset from the Sponsor with an enterprise value of ~INR 1,200 crore in February 2026.
- Its projects are spread across the states of Maharashtra, Gujarat, Rajasthan, Karnataka and Tamil Nadu.
- Acquired three road assets with a combined EV of ~INR8,400 crore and a weighted average life of 21 years.

Financial Overview									
Particulars (Rs. In Cr)	FY21	FY22	FY23	FY24	Q4FY25	FY25	Q1FY26	Q2FY26	Q3FY26
Revenue	1,161	1,400	1,039	1,086	282	1,110	292	277	451
EBITDA	934	1,158	828	886	232	916	246	232	372
PAT	181	303	370	373	94	356	99	83	60
Distribution per Unit	8.5	9	8.05	8	2	8	2	1.5	1.5
NDCF	534	546	493	496	114	464	117	181	195
NAV per Unit	104.75	101.08	100.39	98.32	-	95.64	-	96.60	-

(Source: Company Website, BSE, screener.in)



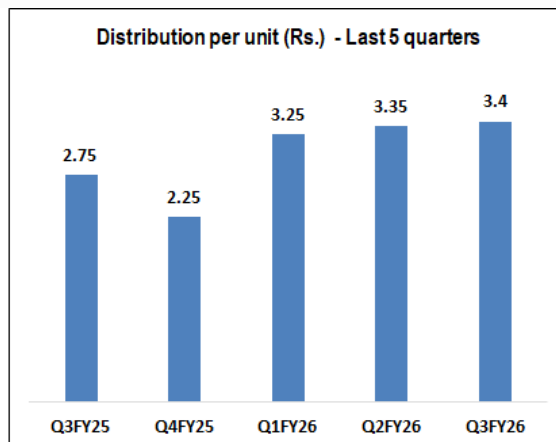
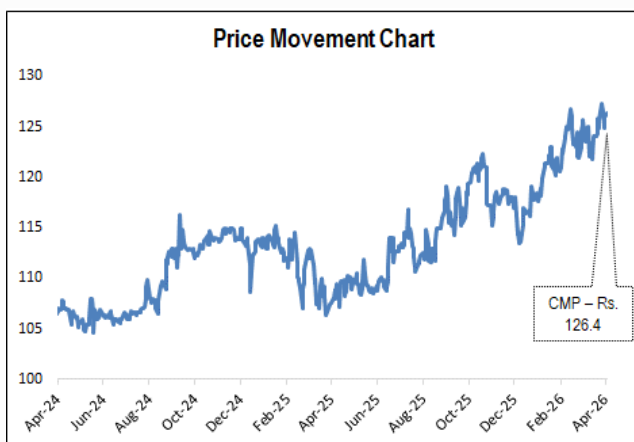
(Source: Company Website, BSE, screener.in)

Indus Infra (Previously known as BharatHighways InvIT)

- Bharat Highways InvIT got listed on 12th March 2024. Established to acquire, manage and invest in a portfolio of infrastructure assets in India and changed its name to Indus Infra Trust
- It is sponsored by Aadharshila Infratech Private Limited (Sponsor & Project Manager) & G R Highways Investment Manager Private Limited (Investment Manager).
- Sponsor and Sponsor Group held 59%, Institutional investors held 27% and Non-Institutional investors held 15% stake in the InvIT as of Dec 31, 2025.
- Asset portfolio consists of 10 operating Hybrid Annuity Mode (HAM) Road Projects awarded by NHA.
- Indus Infra InvIT portfolio comprises of 10 operational roads. Residual concession period on its assets is approximately 9.16-13.62 years.
- Its projects are spread across the states of Maharashtra, Gujarat, Andra Pradesh, Bihar, Punjab and Uttar Pradesh.

Financial Overview								
Particulars (Rs. In Cr)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26	Q3FY26
Revenue	192	171	224	268	856	204	140	198
EBITDA	144	135	163	190	632	167	97.5	141
PAT	111	104	119	147	482	120	59.3	96.4
Distribution per Unit	4	2.2	2.75	2.25	8.20	3.25	3.35	3.4
NDCF	98	97.5	122	99	416.5	147	148.9	158.8
NAV per Unit	-	-	-	-	115.81	-	112.6	-

(Source: Company Website, BSE, screener.in)



(Source: Company Website, BSE, screener.in)

Capital Infra Trust (Previously known as National Infra Trust)

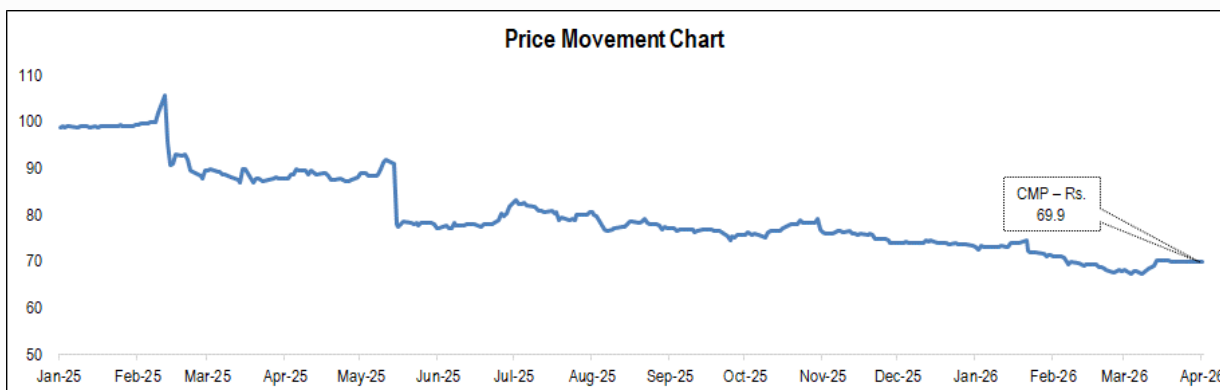
- Capital Infra Trust InvIT got listed on 17th January 2025. Established to acquire, manage and invest in a portfolio of infrastructure assets in India.
- It is sponsored by Gawar construction Limited (Sponsor & Project Manager) & Gawar Investment Manager Private Limited (Investment Manager).
- Sponsor and Sponsor Group held 32%, Institutional investors held 44% and Non-Institutional investors held 24% stake in the InvIT as of Dec 31, 2025.
- Gawar Developer's successful transfer of 12 HAM projects to the InvIT, coupled with plans for an additional 14 projects. The developer's portfolio, covering 18 states, mitigates risks tied to geographic concentration.
- As of Dec 31, 2025, Capital infra trust owns, operates and maintains the Project SPVs that comprises the Initial Portfolio Assets consisting of approximately 847 km of constructed and operational roads across 8 states in India.
- FY26 Guidance for total distribution as per management is Rs.14.61/unit

Assets acquired in Q3FY26:

Project	JRR Highways	Hansanpur Bakhtiyarpur	Champa Korba
State	Rajasthan (NH-125)	Bihar (NH-20)	Chhattisgarh (NH-149B)
Length (Kms)	74.6	50.9	38.2
PCOD	Apr'24	Jun'24	Mar'24
End of concession	Apr'39	Jun'39	Mar'39
Bid Project Cost (Rs. Mn)	11,580	22,910	8,190
No. of annuities received	3	3	3

Financial Overview					
Particulars (Rs. In Cr)	Q4FY25	FY25	Q1FY26	Q2FY26	Q3FY26
Total Income	170.6	170.6	206.2	187.1	181.9
EBITDA	8.9	8.9	(63)	135.1	47.8
PAT	(37.3)	(37.3)	(74)	78.4	10.8
Distribution per Unit	23.89	23.89	3.61	3.25	2.34
NDCF	657.8	657.8	99.4	103.5	115
NAV per Unit	-	82.26	-	67.48	-

(Source: Company Website, BSE, screener.in)



(Source: Company Website, BSE, screener.in)

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Compliance Officer: Murlu V Karkera Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600

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