Address by the Shri Tuhin Kanta Pandey, Chairman, SEBI
National Conclave on REITs and InvITs - 2025
Bridging the Gap - Role of Capital Markets in India's Infrastructure Financing
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Shri Amitabh Kant, former CEO, NITI Aayog, Mr. Alok Agarwal, Chairperson, Indian REITs Association, Mr. NS Venkatesh, CEO, Bharat InvITs Association, ladies and gentlemen - a very good morning to you all.

It is a privilege to be here at this National Conclave on REITs and InvITs. I would like to thank the Indian REITs Association (IRA) and the Bharat InvITs Association (BIA) for organizing this conclave. I hope your deliberations today will provide fresh ideas and actionable strategies towards strengthening India's infrastructure sector.

Infrastructure as the Backbone

Let me start with a simple question to you. When you think of infrastructure, do you see only roads, ports, airports, power lines? Or do you also see jobs, productivity, urban transformation, and India's journey to Viksit Bharat? Because that, ultimately, is what this discussion is about.

Over the next two decades, India will require massive investment across transport, energy, urban infrastructure, telecom, and aviation. Transport will see strong capital allocation towards capacity expansion and modernization. Power demand will surge, with renewable energy requiring large-scale storage creation. Rapid urbanisation will intensify the need for urban transport, municipal services, waste management, and social infrastructure. NaBFID estimates that India's core sectors may require well over ₹700 trillion in investment by 2047[1].

Without sustained financing, our aspiration to become a $5 trillion economy will be constrained. Securing reliable, long-term capital will be central to supporting growth and improving quality of life of our citizens.

Public finance, public-private partnerships, and bank credit have laid the foundation. But the next phase of India's infrastructure story must be driven by the dynamism of *markets* - and within markets, by instruments like REITs and InvITs that connect everyday savings with long-term national assets.

Why Capital Markets?

First, capital markets uniquely host investors across all three investment horizons - long, medium, and short. Capital markets channel the savings of long-term investors, and of millions of retail investors, into infrastructure projects which have a long-gestation period.

Second, they diversify risk, reducing dependence on banks or the exchequer. Capital market instruments spread the risk across many investors and reduce concentration on any one balance sheet.

Third, markets enforce transparency and governance through continuous disclosures, independent audits, and investor scrutiny.

[1] https://nabfid.org/uploads/files/CatalysingInfrastructureInvestment_24092025.pdf

REITs and InvITs - From Niche to Mainstream

SEBI's role is to strengthen the bridge between infrastructure and markets.

On the primary market side, we will continue to simplify capital raising through IPOs, rights issues, QIPs, and bonds.

I will now focus on the REITs and InvITs since this ecosystem provides India a unique opportunity to finance its infrastructure needs.

We now have around 5 listed REITs and 24 listed InvITs, spanning roads, power transmission, renewables, telecom, warehousing, and commercial real estate. As of October 2025, the combined Assets Under Management of REITs, InvITs, and SM REITs is estimated at around ₹9.25 trillion - roughly ₹7 trillion in InvITs, ₹2.25 trillion in REITs and SM REITs[2].

Beyond numbers, the nature of these products matters even more. REITs are becoming large owners of offices, malls and logistics hubs, housing global capability centres and generating employment in our cities. InvITs power our roads, power, renewables, and core infrastructure. Together, they connect urbanisation with nation-building. They democratise access to high-value assets and deliver real, cash returns, to unitholders.

India's REIT and InvIT sector is still emerging, with significant room to grow in depth, scale, and diversification. Globally, REITs are a mature asset class. For e.g., U.S. REITs alone manage over ₹360 trillion of assets, while countries like Japan and Singapore have deep, well-diversified REIT markets. Collectively, REITs account for about 57% of global listed real estate market capitalisation, whereas India's share is still around 12%.

Making REITs and InvITs More Retail-Oriented and Liquid

Let me now speak about retail participation, liquidity, and governance.

Retail participation in REITs and InvITs is still low. Our investor survey shows that awareness about these instruments is around 10%, with penetration less than 1%. This must change. The retail investor should see these instruments as natural options in their portfolios, alongside equities, mutual funds, bonds, and bank deposits.

SEBI has taken several measures to make these products more retail-oriented, enhance liquidity, and well regulated. Let me highlight a few of these:

Developmental:

REITs reclassification: The reclassification as "equity" will enable equity MFs to allocate more meaningfully and pave the way for index inclusion and passive flows.

Reduction in minimum investment: Lower thresholds for InvITs will increase the number of potential participants and improve liquidity.

[2] Based on data available with BIA and IRA

Creation of SM REITs: This regulated product will allow smaller, high-quality real estate assets, to be accessible to retail.

Strategic Investor: The scope has been broadened to enable a wider set of domestic and foreign institutions to anchor REIT and InvIT issuances.

Investor outreach: These programs on REITs and InvITs are being specifically held for retail investors, investment advisers, and research analysts.

Ease of doing business:

Cash flow management: HoldCos can now offset negative cash flows against SPV cash flows before distribution to the REIT/ InvIT.

Reporting timelines: These have been aligned with those applicable to financial results.

Governance:

e-voting and video-conferencing: Investors to be mandatorily provided these options so that they can meaningfully participate in governance.

Investor Charter: The charter clearly spells out rights, responsibilities, do's and don'ts, and grievance redressal mechanisms.

Role of Board and Trustees: We have strengthened roles of trustees and managers and given significant unitholders rights to nominate directors on board of manager of the REIT/ InvIT.

The Way Forward - Bridging the Gap Together

We are actively engaging with institutional investors to deepen their participation in REITs and InvITs. We are coordinating with the Ministry of Finance and several state governments to accelerate public-asset monetisation. We are working with IRDAI, PFRDA, and EPFO to facilitate greater participation from their entities under their purview.

SEBI will work with all stakeholders to facilitate the inclusion of REITs in indices, through an appropriate glide path.

Based on industry feedback, we are evaluating further ease-of-doing-business measures for REITs and InvITs. We are examining a proposal to expand the pool of liquid mutual fund schemes, in which REITs and InvITs can invest, while safeguarding investor interests. We are also exploring whether private InvITs too may invest in greenfield projects with adequate safeguards.

Municipal bonds and state-level InvITs naturally complement this ecosystem. The recent announcement of the Maharashtra Government to create a Maharashtra Infrastructure Investment Trust is an important step in funding infrastructure at the state level[3].

[3] Maharashtra Cabinet decision dated April 29, 2025

We are also delighted to see that NHAI has decided to establish its public InvIT, which will be available to retail and domestic investors for investment[4]. This ushers in a new era of public involvement in building India's highways.

In closing, while the opportunities are immense, this market is still at a nascent stage. SEBI will provide the enabling framework and guardrails, but it is the industry - sponsors, managers, advisors, industry bodies, and intermediaries - that must believe in its own potential and build a deep, liquid, and trusted market.

Our expectations are clear. Governance and investor interests will be non-negotiable. Use your associations, your digital presence, and your networks to educate investors in multiple languages. With stronger benchmarking and disclosures, you can offer investors the transparency they need to stay invested.

India's infrastructure and capital-markets journey is now one and the same. If regulators, central and state governments, sponsors, investors and industry associations pull in the same direction, the impact will be visible not only in assets under management, but in faster execution of projects on the ground, better services for citizens, and more resilient returns for investors.

Thank you. Jai Hind!

[4] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2192078 dated Nov 20, 2025