



Nifty Reits & InvITs Index

Why in News?

Recently, India's first-ever **Real Estate Investment Trusts (Reits) and [Infrastructure Investment Trusts \(InvITs\) Index](#) was launched by National Stock Exchange Indices Ltd, a subsidiary of the [National Stock Exchange of India](#).**

What is the Nifty Reits & InvITs Index?

- **About:**
 - The **index aims to track the performance of Reits and InvITs that are publicly listed and traded on the NSE.**
 - The weights of securities within the index are based on their **free-float market capitalization**, subject to a security cap of 33% each and an aggregate weight of top-3 securities capped at 72%.
 - The index has a **base date of 1 July 2019 and a base value of 1,000.**
 - The index will be **reviewed and rebalanced on a quarterly basis.**
- **Top Constituents:**
 - The top constituents of the Nifty Reits & InvITs index include Embassy Office Parks Reit, Powergrid Infrastructure Investment, Mindspace Business Parks Reit, and India Grid Trust.
 - The index has 57.5% weight to Real estate, 35.6% to power, and 6.8% to services.

What is Infrastructure Investment Trust?

- An **InvITs is a collective Investment Scheme** similar to a [mutual fund](#), which enables **direct investment of money from individual and institutional investors in infrastructure projects** to earn a small portion of the income as a return.
- InvITs are listed on exchanges just like stocks — through [Initial Public Offering \(IPO\)](#).
- InvITs are regulated by the [Securities and Exchange Board of India \(SEBI\) \(Infrastructure Investment Trusts\) Regulations, 2014](#).

What is a Real estate Investment Trust?

- REIT refers to **an entity created with the sole purpose of channeling investible funds** into operating, owning or financing income-producing real estate.
- **REITs are modeled on the lines of mutual funds** and provide investors with an extremely liquid way to get a stake in real estate.
- It is a **type of security that provides all types of investors, big or small, with an outlet for regular income, portfolio diversification, and long-term capital appreciation.** Like any other security, REITs can enlist themselves on a stock exchange.
- In India, the **REIT were introduced by the SEBI in 2007.**

What is SEBI?

- The SEBI was **established on 12th April, 1992** in accordance with the provisions of the **Securities and Exchange Board of India Act, 1992.**

- Major Function:
 - To protect the interests of investors in securities.
 - To regulate the securities market.

Source: ET

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