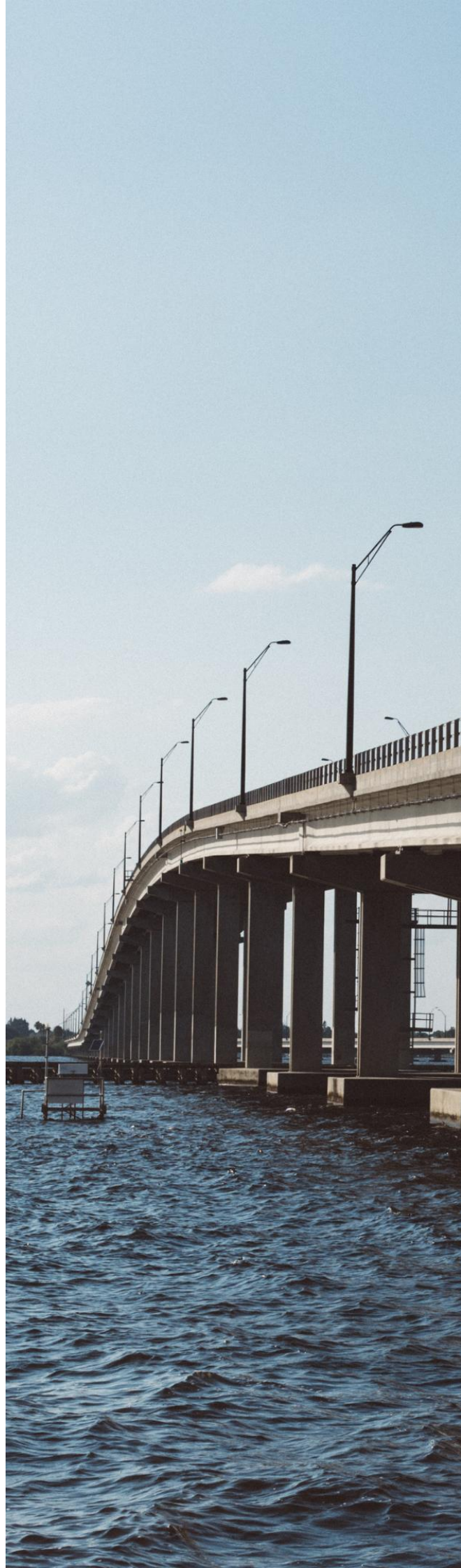
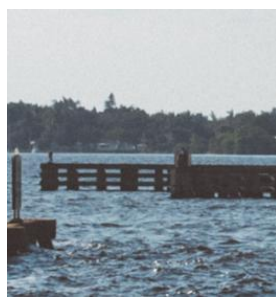
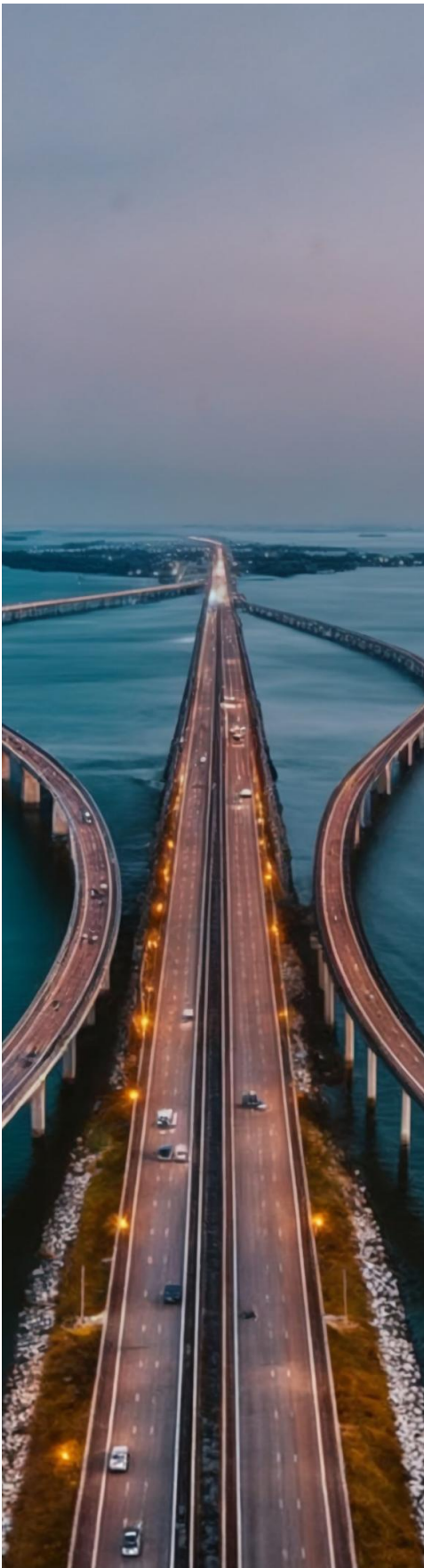


Capital
Recycling at
Scale
Unlocking
**₹ 35,000
Crore**

via the Next Wave
of InvITs





India's aspiration to emerge as a developed nation under **Viksit Bharat@2047** requires a sustained high growth trajectory over the coming years. The Economic Survey 2024 - 25 highlights that achieving this vision will require India to maintain an average **GDP growth rate** of around **8%** at constant prices for **next two decades**. Infrastructure development is central to this ambition, acting as a foundational enabler of economic expansion, productivity enhancement, and inclusive growth. However, **infrastructure** is inherently **capital-intensive**, and public capital alone will not be sufficient to meet the scale and pace of investment required.

While **Public-Private Partnerships (PPPs)** have played a critical role in attracting private participation into infrastructure creation, a key constraint from the private investor's perspective has been **the long lock-in period and delayed capital recovery**. To address this structural limitation, **Infrastructure Investment Trusts (InvITs)** were introduced as a capital market instrument to enable early monetisation of operational infrastructure assets.

InvITs facilitate **capital recycling** by providing developers an opportunity to **exit** operational and stabilised infrastructure assets **at an earlier stage**, rather than **remaining locked** in for the long project gestation period, thereby enabling **reinvestment** into **new infrastructure development**. They offer low risk, yield oriented investment opportunities that attract **long term institutional investors** such as **insurance companies and pension funds**, while also enabling retail participation through ownership of diversified infrastructure portfolios. Additionally, InvITs provide a long-term financing solution for existing infrastructure assets, reducing reliance on traditional bank financing.

InvITs **raise capital** from investors through primary issuance of units and **acquire** commercially operational infrastructure assets, with at least 80% of AUM invested in revenue-generating projects. They **distribute** a minimum of 90% of Net Distributable Cash Flow to unitholders, **raise debt** within prescribed Net Debt to AUM limits, and oversee the ownership, operation, and maintenance of assets while collecting associated revenues.

As of **December 2025**, India has approximately **27 registered InvITs**, of which only **six are publicly listed**, collectively managing assets worth around **Rs. 7 lakh crore**¹. Despite this growth, the InvIT ecosystem remains **highly concentrated**. Road assets, fibre networks, power generation and transmission together account for over **75% of total InvIT assets**. In contrast, a significant portion of India's infrastructure universe recognised under the **Reserve Bank of India's Harmonised Master List of Infrastructure Sectors** remains largely untapped.

This Point of View explores how India can **unlock the next wave of InvITs** by expanding into these under explored infrastructure sectors. It evaluates their potential through a **readiness lens**, **assesses structural and market constraints**, **potential investment** that can be unlocked and outlines the **actions required** to scale InvIT adoption and accelerate capital recycling across the broader infrastructure landscape.

1. Bharat InvITs Association (BIA) Primer, November 2025

Data Centres



A Strategic fit for InvITs and reasons for limited adoption

Data centres exhibit a strong structural fit for InvITs due to their capital-intensive nature, long-life physical assets such as buildings and power infrastructure, and predictable cash flows generated through long term colocation contracts. However, **InvIT adoption** in this sector **remains limited** as the industry is in a **rapid expansion phase**. A large proportion of data centre capacity is either under construction or has only recently become operational, resulting in cash flows that are yet to fully stabilize. Consequently, most assets are currently not aligned with the yield-oriented profile typically sought by InvIT investors.

B Likely InvIT structure and global best practices

A **platform based InvIT structure** is the most practical approach, wherein the trust holds multiple data centre assets through separate Special Purpose Vehicle (SPV). **Ownership** of the underlying assets is **separated from operations**, with day-to-day operations and maintenance managed by specialized data centre operators under long-term O&M agreements. Globally, digital infrastructure REITs demonstrate that once data centre assets achieve operational maturity and stable utilization levels, they can be effectively aggregated and monetized through trust structures.

Globally, data centre assets are already institutionalised through large listed platforms such as Digital Realty and Equinix in the US, and trust-based structures such as Keppel DC REIT and Digital Core REIT in Singapore. In these models, the investment platform or trust owns the data centre buildings and core infrastructure, while specialised operators manage day-to-day operations under long-term contracts, allowing investors to earn stable returns. These platforms demonstrate that stabilised data centre portfolios can be successfully pooled, monetised, and held by long-term institutional investors under structures closely analogous to InvITs.

C Way Forward

As data centre assets become fully operational, attain higher occupancy levels, and **achieve portfolio scale**, InvITs are expected to play a pivotal role in unlocking capital embedded in mature assets. This will enable developers to recycle capital into the next phase of capacity creation. India's strong data centre growth outlook reinforces this opportunity. According to a Jefferies report, India's **data centre capacity** is projected to increase nearly **fivefold** to around **8 GW by 2030**, driven by rising data consumption, cloud adoption, and digitalization.

With existing colocation capacity of approximately 1.7 GW operating at occupancy levels close to 97%, demand already exceeds supply. Meeting the targeted incremental capacity of 6.4 GW by 2030 will require significant investment, and in this context, Primus **Research estimates that InvITs could help unlock investment potential of approximately Rs. 4,000 crores in the data centre sector.**

Airports



A Strategic fit for InvITs and reasons for limited adoption

Airports demonstrate a strong structural fit for InvITs, supported by long concession tenures of 30 - 50 years, diversified aeronautical and non-aeronautical revenue streams, and high entry barriers. Once traffic volumes stabilize, airport cash flows exhibit annuity like characteristics. The limited exploration of InvITs in this sector to date reflects **lifecycle timing constraints**, with only a few private airports having reached sustained traffic maturity, alongside evolving tariff and regulatory frameworks.

B Likely InvIT structure and global best practices

The preferred InvIT structure for airports involves **acquiring equity stakes in operational airport SPVs** holding long-term concession rights, while licensed airport operators continue to manage operations and maintenance. This enables a clear separation between asset ownership and operational responsibilities, allowing InvITs to operate as yield-focused investment platforms.

InvITs can also align well with the **government's airport bundling strategy**, under which profitable airports are grouped with smaller or less-profitable regional airports and awarded under a single concession framework. This bundling approach improves the overall financial viability of airport portfolios and creates a diversified cash-flow profile, which is well suited for aggregation under InvIT structures.

Globally, airport assets are commonly held by **pension funds, sovereign investors**, and infrastructure platforms through similar models, reinforcing the suitability of trust-based ownership for monetizing mature airport assets while maintaining regulatory oversight and operational continuity.

Public Investment Fund (PIF) has acquired stake of approximately **15% in FGP TopCo**, the holding company of Heathrow Airport Holdings Ltd²

A consortium led by pension fund manager IFM Investors acquired Sydney Airport in a transaction valued at approximately **US\$17.5 billion**³

Ontario Teachers' Pension Plan Board has been a long-term investor in three UK airport assets - Birmingham Airport (BHX), Bristol (BRS) and London City Airport (LCY), contributing to their growth, modernisation and decarbonization. Canada Pension Plan Investment Board (CPP Investments) along with Royal Schiphol Group had acquired a stake of approximately **1.59%** in Aéroports de Paris (Groupe ADP).

2. www.pif.gov.sa

3. Financial Times (www.ft.com)

C Way Forward

As traffic stabilization extends to a broader set of airports and regulatory frameworks gain greater consistency, portfolio-level aggregation of airport SPVs, particularly those developed under bundled concession models can enable capital recycling at scale. InvITs can play a catalytic role in absorbing stabilized airport portfolios, freeing up sponsor capital for new greenfield airports and regional connectivity initiatives.

Under the National Infrastructure Pipeline (NIP), capital expenditure of **approximately Rs. 90,000 crores** have been envisaged during FY 2020 - 25⁴ to scale up passenger handling capacity through the construction of new terminals, runways, taxiways, and parking facilities. In parallel, several airports are being developed under the **Regional Connectivity Scheme - Ude Desh Ka Aam Nagrik (RCS-UDAN)**, alongside terminal expansions aimed at improving passenger amenities and operational efficiency.

In this context, **Primus Research estimates that InvITs could help unlock investment potential of approximately Rs. 1,000 crores in the airport sector, primarily through monetization of stabilized and bundled airport assets.**



Shipping

(Large Commercial Vessels)



A Strategic fit for InvITs and reasons for limited adoption

Large commercial ships are very expensive assets and are typically used for 20–30 years. When these ships operate under long-term charter contracts, they generate steady and predictable income, which makes them suitable for InvITs.

Recently, the Government of India **granted infrastructure status** to Indian-owned and flagged commercial ships having a gross tonnage (GT) of 10,000 and above, or Indian built, owned and flagged commercial ships of 1,500 GT or more. This means ships are now treated like roads, ports, and power projects for financing purposes.

Earlier, shipping was not recognized as infrastructure, so **shipowners depended mainly on bank loans or government support**. This limited the use of InvITs. With the new policy change, this barrier has been removed, though InvIT adoption is still at a very early stage.

B Likely InvIT structure and global best practices

In a shipping InvIT, the trust will own ships through separate Special Purpose Vehicles (SPVs), with each **SPV holding one or a group of vessels**. **Experienced shipping companies** will continue to **operate and maintain** ships under long-term agreements.

Shipowners can transfer their operational vessels into these SPVs and receive InvIT units in return. The InvIT then raises funds from long-term investors such as pension funds, insurance companies, and retail investors. Globally, ships are often owned by investment funds or leasing companies through SPVs, while professional operators handle day-to-day operations. This separation of ownership and operations is a proven and widely followed model.

First Ship Lease Trust (FSL Trust), a listed business trust in Singapore, owns a portfolio of commercial tanker vessels that are chartered out on fixed-rate period charters⁵, illustrating how shipping assets can be pooled into a trust and monetised with stable cashflows. Similarly, MSFL (Mainland Shipping Finance Ltd.) is a leading ship leasing service provider in Asia, owning and leasing a large fleet of commercial ships and marine equipment.⁶

C Way Forward

The Maritime India Vision (MIV) 2030 aims to elevate India's global ranking in shipbuilding to the top 10, while the Maritime Amrit Kaal Vision 2047 sets a more ambitious target of placing India among the top five shipbuilding nations globally. If the growing demand from **India's shipping sector** is effectively met by domestic shipyards, the industry could unlock an economic opportunity exceeding **USD 237 billion (approximately ₹21 lakh crore) by 2047**⁷.

In this backdrop, InvITs can play a critical role by helping shipowners monetize existing large commercial vessels and recycle capital into new ship orders, fleet expansion, and green shipping technologies. Based on sector potential and asset readiness, **Primus Research estimates that Shipping InvITs could unlock around Rs. 30,000 crores of long-term investment in large commercial vessels, supporting India's shipbuilding ambitions and maritime self-reliance.**

5. First Ship Lease Trust Annual Report 2023

6. www.msfl.com

7. Press Information Bureau

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