

# 18 debt issuances, ₹1 trillion+, fastest half-year sprint yet

## Reits and Invits tapped debt every 10 days in record-breaking run

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Investment vehicles that manage rental properties and infrastructure assets have been increasing their debt levels. There has been a debt issue roughly every 10 days from either a real estate investment trust (Reit) or an infrastructure investment trust (Invit) in the first half of 2025, according to an analysis of issuer data from Prime Database.

The cumulative amount of debt raised in the first six months of 2025 is higher than in any similar period since data became available. Total debt issuance since inception has now crossed ₹1 trillion, reaching ₹1.02 trillion as of June-end.

A Reit manages properties such as office buildings through a pooled investment vehicle, somewhat similar to a mutual fund. Investors can buy and sell units in the trust, which manages the properties for a fee and distributes the rental income as dividends. Invits operate broadly in a similar fashion, except the underlying asset is typically a cash-generating one, such as a toll highway.

Those that raised debt in June include Vertis Infrastructure Trust and Embassy Office Parks Reit. Others active during the year include Cube Highways Trust, Nexus Select Trust, IndiGrid Infrastructure Trust, and Mindspace Business Parks Reit.

Together, they raised ₹21,119 crore in the first six months of 2025 — the highest for this period since 2018.

There has also been a broader increase in debt fundraising amid falling interest rates in the corporate bond market, which saw record issuances in 2024-25, said Pranav Haldea, managing director at Prime Database. “Rate transmission has been much faster in the bond market than in the banking segment... I would expect debt fundraising through bonds to further increase,” he said.

Several Reits are funding their expansion through debt, given that they still have headroom before hitting the regulatory borrowing limit of 49 per cent of assets, according to a May 2025 India Equity Research note from Nuvama Institutional Equities.

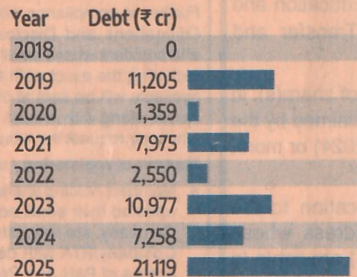
All office Reits have a cost of borrowing under 8.3 per cent, the report observed. Embassy Reit announced on June 30 that it had raised ₹1,550 crore in debt, including a portion (₹750 crore) at 6.97 per cent.

Meanwhile, equity fundraising has declined from earlier peaks. This refers to listed investment trusts, while the debt figures cover both listed and unlisted players. Listed Reits and Invits raised ₹11,588 crore in equity capital in the first six months of 2025, down from ₹15,597 crore in 2024 and ₹12,819 crore in 2021.

ILLUSTRATION: AJAYA MOHANTY

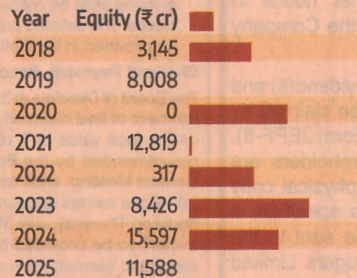


## When trusts are on a borrowings treadmill



Data as of June-end for each calendar year cover capital raised by infrastructure investment trusts (Invits) and real estate investment trusts (Reits). Debt includes public issues, private placements, and commercial paper

## Equity fundraising flow slows to a trickle



Data as of June-end for each calendar year cover capital raised by listed Invits and Reits. Equity includes amounts raised through initial listings, rights issues, offers for sale, and qualified institutional placements

Source: Prime Database