

# India's first-ever REITs and InvITs Index

April 14, 2023

**In news**– NSE Indices Limited has launched India's first-ever Real Estate Investment Trusts (REITs) & Infrastructure Investment Trusts (InvITs) Index called the Nifty REITs & InvITs Index recently.

## About the Index-

- It comprises six listed REITs and InvITs. The index will **track the performance of publicly listed or traded REITs and InvITs at the National Stock Exchange.**
- The securities' weights within the index are **based on their free-float market capitalization**, subject to a security cap of 33% each.
- **The aggregate weight of the top three securities is capped at 72%.**
- The Nifty REITs & InvITs Index has a **base date of July 1, 2019**, and a base value of 1000. It will be reviewed and rebalanced quarterly.
- According to data released by NSE, the Nifty REITs & InvITs Index's price return has been -4.13% quarter-to-date (QTD), and the total return is -2.17% QTD. The one-year price return has been -8.97%, and the total return for the year is -1.74%.
- However, the index has shown a total return of 10.48% since inception including dividends, with a price return of 0.22% since its inception. The price-to-earnings (P/E) ratio of the index is 49.07; and its dividend yield is as high as 8.17%.
- **The index comprises three sectors: realty, power, and services.** The **realty sector has the highest weight**, accounting for **57.52%** of the index, **followed by power** with 35.61% and services with 6.87%.

- **The Index comprises six companies:** Embassy Office Parks REIT with a weight of 32.95%, POWERGRID Infrastructure Investment Ltd. with 20.27%, Mindspace Business Parks REIT with 15.35%, India Grid Trust with 15.34%, Brookfield India Real Estate Trust with 9.22%, and IRB INVIT Fund with 6.87%.
- The launch of the Nifty REITs & InvITs Index provides investors with more options to diversify their portfolios and take advantage of the growth potential of the real estate and infrastructure sectors in India.

### National Stock Exchange of India Limited-

- It is one of the **leading stock exchanges in India, based in Mumbai.**
- It was **incorporated in the year 1992** to bring about transparency in the Indian equity markets.
- **NSE was set up at the behest of the Government of India, based on the recommendations laid out by the Pherwani committee in 1991 and the blueprint created by Ravi Narain, RH Patil and SS Nadkarni in 1992,**
- **NSE is under the ownership of various financial institutions such as banks and insurance companies.**
- It is the **world's largest derivatives exchange by number of contracts traded and the third largest in cash equities** by number of trades for the calendar year 2022.
- It is one of the largest stock exchanges in the world by market capitalization.
- NSE's **flagship index, the NIFTY 50**, a 50 stock index is used extensively by investors in India and around the world as a barometer of the Indian capital market.
- The NIFTY 50 index was launched in 1996 by NSE.
- **NSE Indices Limited is a subsidiary of the National Stock Exchange.**