

## Infrastructure investment trust (InvIT)

**Source: TH** 

**IndoSpace**, a developer of industrial and logistics parks in India, aims to launch an **infrastructure investment trust (InvIT)** to raise USD 700-800 million.

This will be the biggest InvIT in India's industrial and logistics sector. IndoSpace owns 52 industrial logistics parks in 11 cities of India.

## **Infrastructure Investment Trusts (InvIT):**

- InvITs are instruments that work like <u>mutual funds</u>. They are <u>designed to pool small sums of money</u> from a number of investors to <u>invest in assets</u> that give cash flow over a period of time. Part of this cash flow would be distributed as dividends back to investors.
- The minimum investment amount in an InvIT <u>Initial Public Offering</u> (IPO) is Rs 10 lakh, therefore, InvITs are suitable for high net-worth individuals, institutional and non-institutional investors.
  - Similar to stocks, InvITs raise capital through IPOs and are then tradable on stock exchanges. Examples of listed InvITs include the IRB InvIT Fund and India Grid Trust.
- InvITs are regulated by the <u>Securities and Exchange Board of India</u> (SEBI) (Infrastructure Investment Trusts) Regulations, 2014.

Read more: Infrastructure investment trust (InvIT), Securities and Exchange Board of India

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