

July 24, 2025

## TVS Infrastructure Trust: [ICRA]AAA(Stable); provisional rating finalised

### Summary of rating action

Instrument*	Pervious Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Issuer rating	-	-	[ICRA]AAA (Stable); provisional rating finalised
Total	-	-	

\*Instrument details are provided in Annexure-I

The rating assigned to the Trust is not a comment on the Trust's ability to meet distribution/dividend payouts to unitholders/investors, neither should it be construed as an opinion on the debt servicing ability of the individual project assets or special purpose vehicles (SPVs) held by the Trust. The Trust is sponsored by TVS Industrial & Logistics Parks Private Limited (TVSILP), which is a part of TVS Mobility Group and is engaged in the business of developing industrial and warehouse buildings as well as logistics infrastructure parks.

ICRA has undertaken a consolidated financial analysis of 10 SPVs housed under the Trust. The analysed SPVs are Durgeshwari Industrial & Logistics Parks Private Limited, Maragathammbal Industrial and Logistics Park Private Limited, Marudhamalai Industrial & Logistics Parks Private Limited, Siruvapuri Murugan Industrial and Logistics Private Limited, Revanza Sullurpet Industrial Parks Private Limited, Sri Meenatchi Industrial and Logistics Parks Private Limited, Ramanujar Industrial & Logistics Parks Private Limited, Tarkeshwar Industrial & Logistics Parks Private Limited and Jagannath Industrial & Logistics Parks Private Limited and Presidency Barter Private Limited. These 10 SPVs have warehousing assets across 17 locations with a total portfolio of 10.6 million square feet (msf).

### Rationale

ICRA has finalised the provisional issuer rating assigned to TVS Infrastructure Trust (Trust/InvIT) at [ICRA]AAA(Stable). The finalisation of the provisional rating takes into consideration the completion of the transfer of all the 10 SPVs to the Trust and issuance of units in line with the terms during the time of provisional rating assignment.

The assigned rating reflects the Trust's strong business profile, supported by its strategically diversified portfolio of Grade-A warehousing parks with presence across 17 locations in five states, healthy occupancy levels and reputed tenants having healthy credit profile, and robust financial profile with comfortable leverage. The rating draws comfort from the comfortable leverage and strong debt coverage metrics estimated for the InvIT. The loan to asset value (LTV) is expected to be around 33% (~30% on net debt basis) post utilisation of InvIT fresh issue proceeds towards partial debt repayment and is projected to remain withing 30-35% in the near to medium term. ICRA notes that the debt at the SPV level will be refinanced at the InvIT level, with a longer tenure, thereby resulting in robust the coverage metrics with debt service coverage ratio (DSCR) likely to remain above 2.0 times over the debt tenure, providing ample cushion in case of temporary moderation in occupancy levels, if any.

The Trust's sponsor - TVSILP has an established position in the domestic warehousing industry, with an extensive track record of constructing, leasing and operating warehousing parks across multiple locations. As on March 31, 2025, the InvIT's operational portfolio stood at 9.0 msf, which was fully occupied at 99.6%. Another 1.6 msf (48% pre-leased as of June 2025) was under construction with expected operationalisation by September 2025. The reputed tenant profile includes TVS Supply Chain Solutions, Flipkart, Alstom Transport, Amazon, Nestle India, Godrej & Boyce, Godrej Consumer, Indutch, Escorts Kubota, Transport Corporation of India, Prospira India Automotive Products, Varun Beverages, Crompton Greaves, Whirlpool, FS India, among others.

The rating draws comfort from the SEBI InvIT regulations that restrict<sup>1</sup> the aggregate consolidated borrowings and deferred payments for the InvIT and its SPVs, thereby limiting the leverage and under-construction portfolio that can be undertaken by the Trust. The InvIT is projected to have an external debt of ~Rs. 1,000 crore, with an expected 20-year tenure and an amortising repayment schedule. As per ICRA's base case scenario, the leverage as measured by debt to net operating income (Debt to NOI) ratio is estimated to be around 4.3-4.4 times as of March 2026 and the leverage is likely to reduce with schedule repayment of debt. Supported by longer tenure debt, the debt coverage indicators should remain robust, with a 5-year average DSCR above 2.0 times during FY2026-FY2030.

The Trust, however, remains exposed to tenant concentration risk with top five tenants occupying ~63% of the total leased area as of June 2025. Further, the weighted average lease expiry (WALE) for the leased area of 9.0 msf (as of June 2025) is ~5.4 years compared to the expected debt maturity of around 20 years, thereby exposing it to the lease renewal risk. Nevertheless, this risk is mitigated to an extent by the sponsor's established relationship with reputed tenants and its demonstrated track record of renewal/addition of leases, resulting in healthy occupancy levels in the past. The coverage metrics remains exposed to interest rate risk. However, healthy occupancy and comfortable leverage provides ample cushion to withstand 100-200bps spike in financing cost, without having any material impact on coverage metrics. The credit profile remains exposed to the possible increase in leverage due to any large potential future debt-funded acquisitions. However, the regulatory restriction on leverage and under-construction portfolio will mitigate the risk to some extent.

The Stable outlook reflects ICRA's expectations that the Trust will be able to generate steady cash flows from a well-diversified pool of warehouses, maintain robust occupancy levels from reputed tenants across its operational warehouses with a comfortable leverage and strong debt coverage metrics.

## Key rating drivers and their description

### Credit strengths

**Established track record of sponsor and InvIT project manager** – The Trust's sponsor and the project manager (TVSILP) has an established position in the domestic warehousing industry, with an extensive track record of constructing, leasing and operating warehousing parks across multiple locations. TVSILP is a part of the TVS Mobility Group, an automotive conglomerate, comprising companies involved in providing premium automobile solutions, serving as a total resource for independent service centres, dealerships, fleets and aftermarket, among others. TVSILP was a joint venture (JV) between TVSSCS, the Group's logistics arm, and Ravikumar Swaminathan & Associates. As on June 30, 2025, TVS Supply Chain Solutions holds 25.2% stake in TVSILP, 29.6% stake is held by Ravikumar Swaminathan & Associates, 21.1% stake is held by BII and 21.0% is held by Lingotto Opportunity Fund ILP, which is an Ireland-based investment management company. Being a part of the TVS Mobility Group, TVSILP enjoys an established and reputed brand name, along with significant financial and operational flexibility.

**Robust occupancy, healthy asset diversification and reputed tenant profile** – The warehousing operations of the Trust are diversified with presence across 17 locations in five states, and healthy occupancy levels, which is likely to support steady rental generation. The initial Trust portfolio comprises around 10.6 msf of warehousing and industrial as well as logistics parks. As on March 31, 2025, the InvIT's operational portfolio stood at 9.0 msf, which was fully occupied at 99.6%. Another 1.6 msf (48% pre-leased as of June 2025) was under construction with expected operationalisation by September 2025. The reputed tenant profile includes TVS Supply Chain Solutions, Flipkart, Alstom Transport, Amazon, Nestle India, Godrej & Boyce, Godrej Consumer, Indutch, Escorts Kubota, Transport Corporation of India, Prospira India Automotive Products, Varun Beverages, Crompton Greaves, Whirlpool, FS India, among others.

<sup>1</sup> For InvIT, SEBI permits leverage up to 49% of the value of its assets

**Comfortable leverage and strong debt coverage indicators estimated for the Trust** – The loan to asset value (LTV) is expected to be around 33% (~30% on net debt basis) post utilisation of InvIT fresh issue proceeds towards partial debt repayment and is projected to remain within 30-35% in the near to medium term. ICRA notes that the debt at the SPV level will be refinanced at the InvIT level, with a longer tenure, thereby resulting in robust coverage metrics with DSCR above 2.0 times over the debt tenure, providing ample cushion in case of temporary moderation in occupancy levels, if any. As per ICRA's base case scenario, the leverage as measured by debt to net operating income (Debt to NOI) ratio is estimated to be around 4.3-4.4 times as of March 2026. The leverage is expected to reduce with scheduled repayment of debt. Supported by longer tenure debt, the debt coverage indicators should remain robust, with a 5-year average DSCR likely to remain above 2.0 times during FY2026-FY2030.

### Credit challenges

**Exposure to future acquisition by the Trust and its funding pattern** – The leverage of the Trust would depend on the funding pattern for future acquisitions and would remain a key rating monitorable. If the Trust acquires any other asset or raises any additional debt in the future, ICRA will at that juncture, evaluate the impact of the same on the rating. However, ICRA draws comfort from the management's strategy that the new acquisition would be funded such that the overall leverage remains comfortable.

**Exposed to tenant concentration and lease renewal risks** – The Trust is exposed to tenant concentration risk with top five tenants occupying ~63% of the total leased area as of June 2025. Further, the WALE for the leased area of 9.0 msf (as of June 2025) is 5.4 years compared to the expected debt maturity of around 20 years, thereby exposing it to the lease renewal risk. Nevertheless, this risk is mitigated to an extent by the sponsor's established relationship with reputed tenants and its demonstrated track record of renewal/addition of leases, resulting in a demonstrated track record of maintaining healthy occupancy levels in the past.

### Liquidity position: Adequate

The liquidity position of the Trust will be supported by stable rental income from the underlying assets and low operational expenditure in the leasing business. The healthy cash flow from operations will be comfortable to cover the debt servicing obligations.

### Rating sensitivities

**Positive factors** – Not Applicable

**Negative factors** – Material decline in occupancy leading to moderation in debt protection metrics may lead to downgrade in rating. Further, higher-than-anticipated borrowings that result in Total Debt/Annualized NOI of higher than 4.5 times on a sustained basis could lead to a rating downgrade.

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Infrastructure Investment Trusts (InvITs)</a> <a href="#">Real Estate Investment Trusts (REITs)</a> <a href="#">Policy on Provisional Ratings</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the combined financials of the issuer (list of entities in Annexure II)

## About the Trust

TVS Infrastructure Trust was listed on the NSE on July 08, 2025. The InvIT has a portfolio of 10.6 msf of warehousing and industrial parks spread across 17 locations in India. TVSILP is the sponsor and project manager for the Trust. TVSIIM is the Investment Manager for the Trust.

## Key financial indicators

Key financial indicators are not applicable as TVS Infrastructure Trust is a recently formed entity.

## Status of non-cooperation with previous CRA: Not applicable

**Any other information:** A Member of the Board of Directors of ICRA Limited – Mr. Palamadai Sundararajan Jayakumar, is also a Director on the Board of Directors of the InvIT's sponsor - TVS Industrial & Logistics Parks Private Limited and manager - TVSIIM. This Director was not involved in any of the discussions and processes related to the rating of the instrument(s) mentioned herein.

## Rating history for past three years

Current (FY2026)				Chronology of rating history for the past 3 years					
FY2026				FY2025		FY2024		FY2023	
Instrument	Type	Amount Rated (Rs. crore)	Jul 24, 2025	Date	Rating	Date	Rating	Date	Rating
Issuer rating	Long Term	-	[ICRA]AAA (Stable)	Jan 24, 2025	Provisional [ICRA]AAA (Stable)	-	-	-	-

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Issuer rating	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or

complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

#### Annexure-I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Issuer rating	NA	NA	NA	-	[ICRA]AAA (Stable)

Source: Company

#### Annexure-II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Durgeshwari Industrial & Logistics Parks Private Limited	100.00%	Full Consolidation
Maragathammbal Industrial and Logistics Park Private Limited	100.00%	Full Consolidation
Marudhamalai Industrial & Logistics Parks Private Limited	100.00%	Full Consolidation
Siruvapuri Murugan Industrial and Logistics Private Limited	100.00%	Full Consolidation
Revanza Sullurpet Industrial Parks Private Limited	100.00%	Full Consolidation
Sri Meenatchi Industrial and Logistics Parks Private Limited	100.00%	Full Consolidation
Ramanujar Industrial & Logistics Parks Private Limited	100.00%	Full Consolidation
Tarkeshwar Industrial & Logistics Parks Private Limited	100.00%	Full Consolidation
Jagannath Industrial & Logistics Parks Private Limited	100.00%	Full Consolidation
Presidency Barter Private Limited	100.00%	Full Consolidation

Source: Company; ICRA Research

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## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited

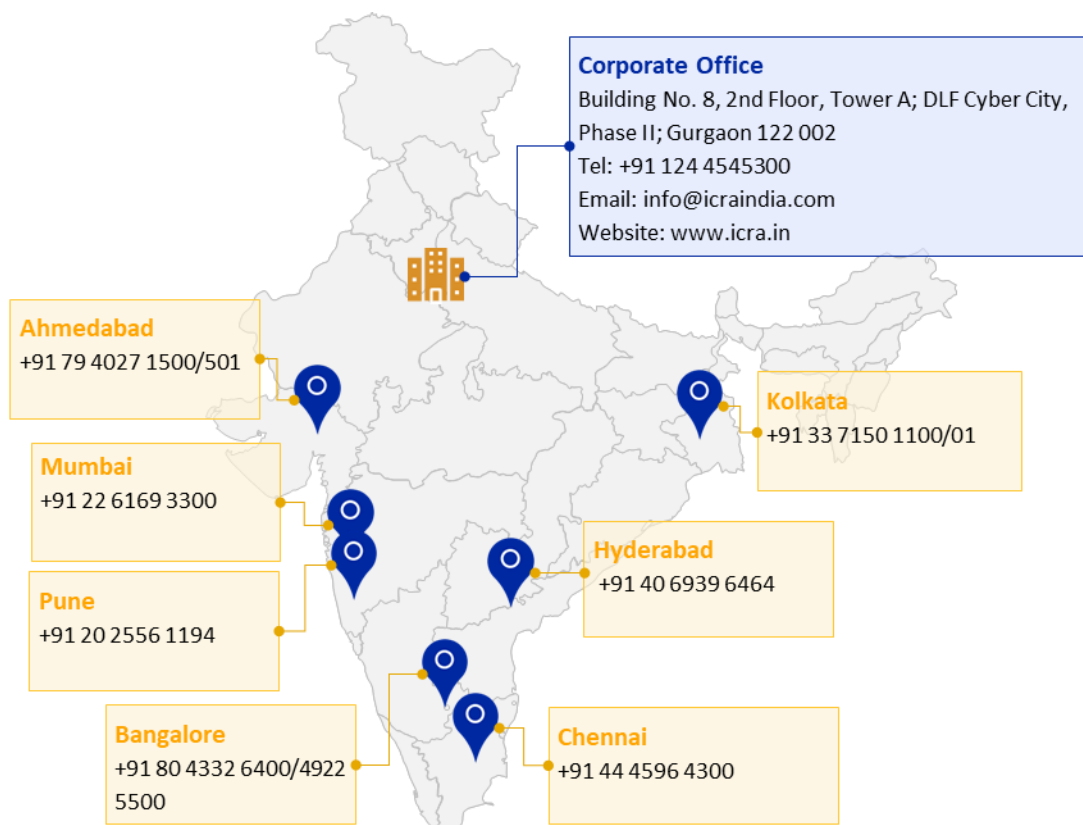


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### Branches



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