

September 12, 2025

## Tata Realty and Infrastructure Limited: Ratings reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Non-convertible Debenture	1975.0	1975.0	[ICRA]AA+ (Stable); reaffirmed
Commercial Paper	2,200.0	2,200.0	[ICRA]A1+; reaffirmed
<b>Total</b>	<b>4,175.0</b>	<b>4,175.0</b>	

\*Instrument details are provided in Annexure I

### Rationale

The rating reaffirmation notes Tata Realty and Infrastructure Limited's (TRIL) strong parentage being a wholly-owned subsidiary of Tata Sons Private Limited (TSPL, rated [ICRA]AAA (Stable)/ [ICRA]A1+). TRIL's strategic importance for the Tata Group is reflected in the composition of its board of directors and track record of financial support in the past, with cumulative equity infusion of Rs. 5,370 crore till March 31, 2025 including Rs. 1,995 crore in FY2024. ICRA expects the demonstrated strategic, managerial and funding group support to TRIL to continue in future. The ratings factor in TRIL's diversified investment portfolio, comprising a mix of real estate projects, including commercial office space (20.5 million square feet (msf)<sup>1</sup>), retail mall space (0.1 msf) and infrastructure projects under the build-operate-transfer model in the roads, metro and ropeway segments. The company has 0.037 msf of completed and unencumbered residential real estate inventory, and also has exposure in sizeable residential real estate inventory through its subsidiary Tata Housing Development Company Limited (THDC). The ratings also consider the strong performance of operational projects.

The long-term rating is, however, constrained by TRIL's considerable equity commitments/support towards under-construction projects over the next two years, which are likely to be met through additional debt. Further, timely commissioning of under-construction projects within the budgeted costs will remain a key rating monitorable. ICRA notes the time overrun (scheduled commercial operation date in March 2025) and Rs. 1,100 crore of cost overrun in the Pune IT City Metro Rail project. With regards to the time overrun, TRIL has received for an extension of timeline till March 31, 2026, from the Pune Metropolitan Region Development Authority providing comfort. Further, the cost overrun of Rs. 1,100 crore (~15% of the total project costs of Rs. 7,420 crore) is to be funded through land monetisation and additional debt tie-up. The project has also started receiving Government support from in the form of Viability Gap Funding, with infusion of Rs. 1,000 crore till March 31, 2025. These factors act as mitigants to the implementation risks in the project to a degree, though the company will remain exposed to execution risk. ICRA notes the explicit support that TRIL has provided to the borrowing programme of some of the investee companies. Any deterioration in the credit profile of these investee companies could result in a crystallisation of the contingent liabilities and, thus, will remain a key monitorable. Further, the company is exposed to moderate refinancing risks owing to a high proportion of medium-term debt, resulting in Rs. 995 crore of debt repayment obligations over the next 21 months. Nevertheless, ICRA has taken comfort from the strong financial flexibility enjoyed by the company, being a part of the Tata Group, which is evident from the demonstrated track record of timely debt refinancing in the past at competitive rates.

TRIL's standalone debt reduced to Rs. 1,095 crore as on June 30, 2025 from Rs. 2,270 crore as on March 31, 2024, through the proceeds from the sale of a land parcel in Bengaluru in FY2025. Going forward, as per ICRA's estimates, while the debt is further expected to rise due to its investment plans, the same is likely to remain at ~Rs 2,000 crore by March 31, 2026. TRIL has

<sup>1</sup> Of which ~9.4 msf is completed and ~11.2 msf is under construction/planning stage as of March 2025

invested Rs. 3,493 crore over the last four years including Rs. 1,993 crore in FY2024 to acquire stake in THDC, thereby increasing TRIL's shareholding to 99.98%. THDC's near-term debt obligations are estimated to be refinanced. Going forward, ICRA, in its base case projections, is not expecting any material financial support to THDC from TRIL's operational cash flows. Nonetheless, ICRA believes TRIL will continue to receive adequate and timely financial support from TSPL, in case of any financial exigencies.

The Stable outlook reflects ICRA's belief that TRIL will benefit from its diversified investment portfolio, coupled with being a subsidiary of TSPL, thereby providing strong refinancing and fund-raising ability.

## Key rating drivers and their description

### Credit strengths

**Strong parentage by virtue of being a wholly-owned subsidiary of Tata Sons Private Limited** – TRIL is a wholly-owned subsidiary of TSPL and is strategically important to the Tata Group, given that it is the flagship entity for investment in the infrastructure and commercial real estate verticals. The strategic importance of TRIL is evident from the representation of some key personnel of TSPL on the TRIL board. Further, TSPL has provided timely financial support in the past and has infused Rs. 5,370 crore till March 31, 2024, including Rs. 1,995 crore in FY2024. ICRA expects the demonstrated strategic, managerial and funding group support to TRIL to continue going forward.

**Diversified portfolio of projects** – TRIL has a diversified investment portfolio comprising commercial office space (20.5 msf), retail mall space (0.1 msf) and infrastructure projects in under the build-operate-transfer model in the roads (Lane km - 1,545 km), Pune IT City Metro (23.1 km) and ropeway (2 projects, of which is operational (1.7 km) and one under construction) segments. The company has 0.037 msf of unsold residential real estate inventory.

**Strong operational performance of projects** – TRIL's commercial office space portfolio comprises 2 fully operational and 3 under-construction projects (of which part phases are operational) with a total leasable area of 20.5 msf. These assets are located in Mumbai (Ghansoli, Malad), Chennai (Taramani) and Gurugram (Sectors 58 and 72), which benefit from their high occupancy levels and are expected to perform well in the medium term. The company is taking benefit of revisions in the Special Economic Zone (SEZ) regulations in FY2024. It has completed denotification of some SEZ areas in assets in Chennai and Gurugram, which will support leasing visibility. Further, the balance inventory (0.037 msf) in TRIL's residential project in Kochi is expected to be liquidated in FY2026. The performance across the four operational toll road projects remains robust, with combined toll collections of Rs. 827.5 crore in FY2025 (FY2024: 751.6 crore) against gross debt of Rs. 2,715.0 crore in FY2025 (FY2024: 2,688.0 crore). These assets remain self-sufficient and with minimal support required from TRIL. The Dharamshala ropeway project, that achieved commercial operations date on January 19, 2022, may need minimal support in FY2026, given its moderate performance.

### Credit challenges

**Exposed to refinancing risk** – The company is exposed to moderate refinancing risks owing to high proportion of medium-term debt, resulting in Rs. 995 crore of debt repayment obligations during the next 21 months. However, ICRA has taken comfort from the strong financial flexibility enjoyed by the company, being a part of the Tata Group, which is evident from the demonstrated track record of timely debt refinancing in the past at competitive rates.

**Equity requirement towards its portfolio and explicit support to some of the investee companies** – The ratings are partially offset by TRIL's considerable equity commitments towards under-construction projects over the next two years, which are expected to be met through additional debt. Timely commissioning of under-construction projects, within their budgeted costs, would remain a key monitorable and any materially higher-than-expected debt-funded support to its investee companies would remain a rating sensitivity.

## Liquidity position: Adequate

The company's liquidity position remains adequate with unencumbered cash balance and liquid investments of Rs. 14.9 crore as on March 31, 2025. Further, it has an unutilised overdraft limit of Rs.75 crore as on March 31, 2025, which supports the liquidity profile. TRIL is expected to refinance its borrowings in a timely manner as and when they fall due.

## Rating sensitivities

**Positive factors** – The crystallisation of scenarios for any rating upgrade is unlikely.

**Negative factors** – Pressure on TRIL's ratings could arise if there is any higher-than-anticipated increase in leverage due to any significant cost overruns in the ongoing projects, or any substantial under-performance of its operational assets leading to enhanced refinancing risks. Further, deterioration in the credit profile of the parent or a decrease in shareholding or strategic importance of TRIL, will also remain a key rating sensitivity.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Investment Companies</a>
Parent/Group support	Parent Company: Tata Sons Private Limited (TSPL) ICRA expects TRIL's parent, TSPL [rated <b>[ICRA]AAA (Stable)/[ICRA]A1+</b> ], to be willing to extend financial support, in case of a need, given the high strategic importance that TRIL holds for TSPL for meeting its diversification objectives and out of its need to protect its reputation from the consequences of a Group entity's distress.
Consolidation/Standalone	For arriving at the ratings, ICRA has fully consolidated 5 entities and has used limited consolidation approach for 14 entities, under which the proposed equity investments for under-construction projects and funding support required to various subsidiaries towards debt servicing and operational shortfall have been considered. The list of companies that are consolidated to arrive at the ratings are given in Annexure II.

## About the company

TRIL, a 100% subsidiary of TSPL, was incorporated on March 2, 2007, for undertaking various infrastructure and real estate projects by establishing special purpose vehicles (SPVs). TRIL's various business interests can be categorised into three segments, namely real estate, infrastructure and services. It has invested directly in the real estate projects but the investments in roads and urban transport projects, however, are through holding companies. Its operational portfolio consists of multiple commercial real estate projects, one retail mall cum parking space, two ropeway, four road projects and one metro project. It also provides project management and asset management services to its various SPVs.

## Key financial indicators (audited)

TRIL Standalone	FY2024	FY2025
Operating income	167.8	164.6
PAT	-112.3	-191.8
OPBDIT/OI	6.3%	-12.9%
PAT/OI	-66.9%	-116.5%
Total outside liabilities/Tangible net worth (times)	0.3	0.2
Total debt/OPBDIT (times)	213.8	-74.8
Interest coverage (times)	0.1	-0.1

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

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

**Any other information: None**

**Rating history for past three years**

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
	Type	Amount rated (Rs crore)	Sep 12, 2025	Date	Rating	Date	Rating	Date	Rating
<b>Commercial Paper</b>	Short Term	2,200.00	[ICRA]A1+	Sep 12, 2024	[ICRA]A1+	Sep 13, 2023	[ICRA]A1+	Sep 13, 2022	[ICRA]A1+
<b>NCD</b>	Long Term	1,975.00	[ICRA]AA+ (Stable)	Sep 12, 2024	[ICRA]AA+ (Stable)	Sep 13, 2023	[ICRA]AA+ (Stable)	Sep 13, 2022	[ICRA]AA+ (Stable)

**Complexity level of the rated instruments**

Instrument	Complexity indicator
<b>Non-convertible debenture</b>	Very Simple
<b>Commercial paper</b>	Very Simple

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
INE371K08219	NCD	7-Aug-2023	8.25%	6-Aug-2026	210.0	[ICRA]AA+(Stable)
INE371K08235	NCD	3-May-2024	8.20%	3-May-2026	225.0	[ICRA]AA+(Stable)
INE371K08243	NCD	12-Jun-2024	8.15%	12-Jun-2027	100.0	[ICRA]AA+(Stable)
Yet to be placed	NCD	-	-	-	1,440.0	[ICRA]AA+(Stable)
INE371K14CX7	CP	11-Jun-25	6.27%	10-Sep-25	310.0	[ICRA]A1+
INE371K14CY5	CP	16-Jun-25	6.15%	15-Sep-25	250.0	[ICRA]A1+
Yet to be placed	CP	-	-	-	1,640.0	[ICRA]A1+

Source: Company

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

Company Name	TRIL Ownership	Consolidation Approach
TRIL Roads Private Limited	100.00%	Limited Consolidation
Hampi Expressways Private Limited	100.00%	Full Consolidation
Uchit Expressways Pvt. Ltd.	100.00%	Limited Consolidation
Pune Solapur Expressways Private Limited	50.00%	Limited Consolidation
Durg Shivnath Expressways Pvt. Ltd	100.00%	Limited Consolidation
TRIL Urban Transport Private Limited	100.00%	Limited Consolidation
Dharamshala Ropeway Ltd	74.00%	Full Consolidation
Matheran Ropeway Private Limited	70.00%	Limited Consolidation
Pune IT City Metro Rail Limited	74.00%	Full Consolidation
International Infrabuild Private Limited	26.00%	Limited Consolidation
TRIL IT4 Private Limited	100.00%	Limited Consolidation
Tata Housing Development Co Ltd	99.98%	Full Consolidation
Arrow Infra estate Pvt. Ltd.	51.00%	Limited Consolidation
Gurgaon Constructwell Pvt. Ltd.	51.00%	Limited Consolidation
Gurgaon Realtech Ltd.	51.00%	Limited Consolidation
Industrial Minerals and Chemicals Private Limited	74.00%	Limited Consolidation
Mikado Realtors Private Limited	74.00%	Full Consolidation
Infopark Properties Limited	51.00%	Limited Consolidation
TRIL Constructions Limited	19.54%	Limited Consolidation

Source: Company

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