

November 17, 2025

## TVS Infrastructure Trust: Rating reaffirmed; assigned for non-convertible debentures

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Issuer Rating	-	-	[ICRA]AAA (Stable); reaffirmed
Non-Convertible Debenture^	-	1,100.00	[ICRA]AAA (Stable); assigned
<b>Total</b>	-	<b>1,100.00</b>	

\*Instrument details are provided in Annexure I; ^Proposed

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 18 locations with a total portfolio of 10.6 million square feet (msf).

### Rationale

The assigned rating factors in the Trust's strong business profile, supported by its strategically diversified portfolio of Grade-A warehousing parks with presence across 18 locations in five states. Its healthy occupancy levels and reputed tenants having robust credit profile, as well as strong debt coverage indicators with five-year average DSCR (FY2026-2030) over 2.0 times provide further comfort. As on September 30, 2025, the InvIT's operational portfolio stood at ~9.2 msf, with healthy occupancy of 99.2%. Another ~1.4 msf (48% pre-leased as of September 2025) was under development with expected operationalisation by March 2026. 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.

The rating continues to draw comfort from the SEBI InvIT regulations that restrict the aggregate consolidated borrowings and deferred payments for the InvIT and its SPVs, thereby limiting the leverage and under-development portfolio that can be undertaken by the Trust. ICRA notes that the Trust plans to issue NCDs of ~Rs 1,100 crore at InvIT level with lower interest rate, which will be primarily used to refinance the debt at the SPV level. The NCDs are expected to have a 20-year tenure and structured amortising repayment schedule, thereby resulting in strong debt 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. As per ICRA's base case scenario, the leverage, measured by the debt to annualised net operating income (NOI) ratio, is estimated to be around 5.0-5.2 times as of March 2026 (Net Debt to Annualised NOI of 4.6 – 4.8 times) and is likely to reduce with the rent commencement of part under-development assets in FY2027, contractual rent escalations and scheduled debt repayment. The net loan-to-asset value (LTV) is expected to be around 34%, following the proposed NCD issuance and is projected to remain below 35% (on a net debt basis) in the medium term.

The Trust, however, remains exposed to tenant concentration risk, with the top five tenants contributing ~62% of rentals as of September 2025. Further, the weighted average lease expiry (WALE) for the leased area of ~9.2 msf (as of September 2025) is ~5.5 years compared to the expected debt maturity of around 20 years, thereby exposing it to lease renewal risk. Nevertheless, this risk is mitigated to an extent by the sponsor's established relationships with reputed tenants and its demonstrated track record of renewing and adding leases, resulting in healthy occupancy levels in the past. While the NCD coupon is fixed for at least 10 years, healthy occupancy and comfortable leverage still provide cushion to withstand additional ~200 bps spike in financing cost, without having a material impact on coverage metrics. The credit profile also remains exposed to the possibility of an increase in leverage due to any large, potential, future debt-funded acquisitions. However, the incremental asset

coverage and stable rental income from such acquisitions, along with regulatory restriction on leverage and under-development portfolio will mitigate the risk to an 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, and retain 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, TVS Industrial & Logistics Parks Private Limited (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. 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 18 locations in five states, with consistently healthy occupancy levels, which is likely to support steady rental generation. The Trust portfolio comprises around 10.6 msf of warehousing and industrial as well as logistics parks. As on September 30, 2025, the InvIT's operational portfolio stood at ~9.2 msf, with healthy occupancy of 99.2%. Another ~1.4 msf (48% pre-leased as of September 2025) was under development with expected operationalisation by March 2026. 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, First Solar India, among others.

**Comfortable leverage and strong debt coverage indicators estimated for the Trust** – ICRA notes that the Trust plans to issue NCDs of ~Rs 1,100 crore at InvIT level with lower interest rate, which will be primarily used to refinance the debt at the SPV level. The NCDs are expected to have a 20-year tenure and structured amortising repayment schedule, thereby resulting in strong debt 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. As per ICRA's base case scenario, the leverage, measured by the debt to annualised net operating income (NOI) ratio, is estimated to be around 5.0-5.2 times as of March 2026 (Net Debt to Annualised NOI of 4.6 – 4.8 times) and is likely to reduce with the rent commencement of part under-development assets in FY2027, contractual rent escalations and scheduled debt repayment. The net loan-to-asset value (LTV) is expected to be around 34%, following the proposed NCD issuance and is projected to remain below 35% (on a net debt basis) in the medium term.

### 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. Notwithstanding future organic/inorganic growth plans, ICRA believes that the Trust is expected to maintain comfortable leverage.

**Exposed to tenant concentration and lease renewal risks** – The Trust is exposed to tenant concentration risk with top five tenants contributing to ~62% of the rentals as of September 2025. Further, the WALE for the leased area of ~9.2 msf (as of September 2025) is ~5.5 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 cash flow from operations will be comfortable to cover the debt-servicing obligations in FY2026 and FY2027. The Trust had free cash and liquid investments of ~Rs. 137.9 crore as of September 2025, which further supports its liquidity position. Going forward, liquidity of ~Rs. 100 crore is likely to be maintained in the form of unencumbered cash balances/overdraft lines with the Trust in the near term.

## Rating sensitivities

**Positive factors** – Not Applicable.

**Negative factors** – Material decline in occupancy or substantial increase in indebtedness leading to moderation in debt protection metrics may lead to downgrade in rating. Further, dilution in valuation or increase in debt leading to increase in LTV beyond 40% 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>
Parent/Group support	Not applicable
Consolidation/Standalone	The rating is based on the consolidated financials of the issuer (list of entities in Annexure below)

## About the company

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, while TVS Infrastructure Investment Manager Private Limited (TVSIIM) is the investment manager.

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. As on September 30, 2025, TVS Supply Chain Solutions holds 24.5% stake in TVSILP, 31.65% stake is held by Ravikumar Swaminathan Affiliates & Associates, 20.5% stake is held by BII and 20.4% is held by Lingotto Opportunity Fund ILP, which is an Ireland-based investment management company.

## Key financial indicators (audited)

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 Sundararjan 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)	Nov 17, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
<b>Issuer rating</b>	Long term	-	[ICRA]AAA (Stable)	Jul 24, 2025	[ICRA]AAA (Stable)	Jan 24, 2025	[ICRA]AAA (Stable)	-	-	-	-
<b>Non-Convertible Debenture<sup>^</sup></b>	Long term	1,100.00	[ICRA]AAA (Stable)	-	-	-	-	-	-	-	-

<sup>^^</sup> Proposed to be listed

### Complexity level of the rated instruments

Instrument	Complexity indicator
<b>Issuer rating</b>	Not applicable
<b>Non-Convertible Debenture</b>	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
NA	Issuer rating	NA	NA	NA	-	[ICRA]AAA (Stable)
NA	Non-Convertible Debenture <sup>^</sup>	NA	NA	NA	1,100.00	[ICRA]AAA (Stable)

Source: Company; <sup>^</sup> Proposed

**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 (wholly-owned subsidiary of Marudhamalai Industrial & Logistics Parks Private Limited)	100.00%	Full Consolidation

Source: Company; ICRA Research

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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



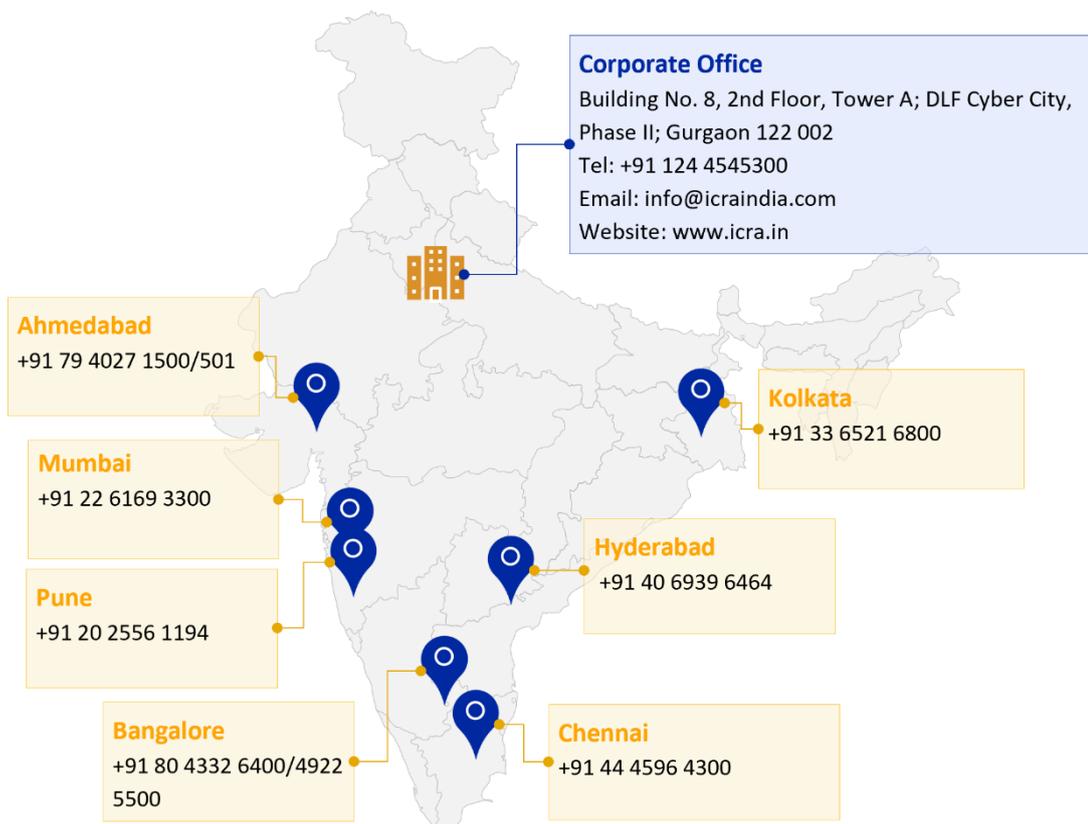
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