

March 30, 2026

TVS Infrastructure Trust: Rating reaffirmed

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	830.00	830.00	[ICRA]AAA (Stable); reaffirmed
Non-convertible debenture^	270.00	270.00	[ICRA]AAA (Stable); reaffirmed
Total	1,100.00	1,100.00	

*Instrument details are provided in Annexure I; ^Proposed

ICRA has undertaken a consolidated financial analysis of 10 special purpose vehicles (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 rating reaffirmation 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 comfortable debt coverage indicators with five-year average DSCR (FY2026-2030) over 1.75 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 partly by March 2026 and FY2027. 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 draws 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. The Trust has issued non-convertible debentures (NCDs) of Rs. 830 crore. The SPV debt outstanding of Rs. 221.2 crore as of February 2026, currently has interest rate of below 7%. The Trust may raise NCDs to refinance this SPV debt as and when the interest rates are competitive. The NCDs have a 20-year tenure and structured amortising repayment schedule, thereby resulting in comfortable debt coverage metrics, 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 at 4.8-5.0 times as of March 2026 (Net Debt to Annualised NOI of 4.3-4.5 times) and remain comfortable in the near term. The net loan-to-asset value (LTV) 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 remains exposed to the possibility of

an increase in leverage due to any large, potential, future debt-funded acquisitions. Nevertheless, 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 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 partly by March 2026 and FY2027. 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 debt coverage indicators estimated for the Trust – The Trust has issued NCDs of Rs. 830 crore and plans to issue NCDs of ~Rs 270 crore at InvIT level with lower interest rate, which will be primarily used to refinance the debt at the SPV level. The NCDs have a 20-year tenure and structured amortising repayment schedule, thereby resulting in comfortable debt coverage metrics, 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 NOI ratio, is estimated at 4.8-5.0 times as of March 2026 (Net Debt to Annualised NOI of 4.3 – 4.5 times) and remain comfortable in the near term. The net LTV 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 FY2027. The Trust had free cash and liquid investments of Rs. 157.6 crore as of February 2026, 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	Corporate Credit Rating Methodology Infrastructure Investment Trusts (InvITs) Real Estate Investment Trusts (REITs)
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 National Stock Exchange 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 develops 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							
Instrument	Type	Amount rated (Rs. crore)	Mar 30, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Issuer rating	Long term	-	[ICRA]AAA (Stable)	Nov 17, 2025	[ICRA]AAA (Stable)	Jan 24, 2025	[ICRA]AAA (Stable)	-	-	-	-
				Jul 24, 2025	[ICRA]AAA (Stable)	-	-	-	-	-	-
Non-convertible debenture	Long term	830.00	[ICRA]AAA (Stable)	Nov 17, 2025	[ICRA]AAA (Stable)	-	-	-	-	-	-
Non-convertible debenture [^]	Long term	270.00	[ICRA]AAA (Stable)	Nov 17, 2025	[ICRA]AAA (Stable)	-	-	-	-	-	-

[^] Proposed to be listed

Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer rating	Not applicable
Non-convertible debenture	Complex

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)
INE1JNC07015	Non-convertible debenture	14-Jan-2026	NA	30-Sep-2045	830.00	[ICRA]AAA (Stable)
NA	Non-convertible debenture [^]	NA	NA	NA	270.00	[ICRA]AAA (Stable)

Source: Company; [^] 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

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