

March 31, 2026

TVS Industrial & Logistics Parks Private Limited: Rating upgraded to [ICRA]AA-(Stable); removed from rating watch; Stable outlook assigned

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based – Term Loans [^]	535.00	500.00	[ICRA]AA-(Stable); upgraded from [ICRA]A+ and removed from Rating Watch with Developing Implications; Stable outlook assigned
Long-term fund-based facilities-Cash Credit	44.00	0.00	-
Total	579.00	500.00	

*Instrument details are provided in Annexure-I; [^]proposed

Rationale

The upward revision in rating for the bank facilities of TVS Industrial & Logistics Parks Private Limited (TVSILP) factors in the improvement in credit profile on account of a material reduction in debt levels after the transfer of assets in July 2025 to TVS Infrastructure Trust (TVS InvIT/Invit) (rated [ICRA]AAA (Stable)). TVS InvIT is a warehousing InvIT with TVSILP as the sponsor with 33.7% unitholding. This lends exceptional financial flexibility to TVSILP in terms of steady cash inflows and high-quality asset base. Further, TVSILP is projected to generate Rs. 40-45 crore in the first year, in the form of distribution income and management fee from InvIT, which will strengthen the cash flow position. Post transfer of assets to the InvIT and consequent cash inflows, TVSILP is net cash positive and the leverage has improved materially with TVSILP having gross debt of ~Rs. 64 crore as of September 2025.

Following the transfer of 10.6 million square feet (msf) of assets to the TVS InvIT, TVSILP currently has an operational portfolio of 0.3 msf of warehousing assets, under-development assets of 0.4 msf as of September 2025 and planned development/acquisition assets of 3.8 msf over the near term. ICRA notes that the company has capital expenditure plans of ~Rs. 1150 crore (including land) over the near term, which would be funded via a mix of available balance sheet liquidity, internal accruals, external debt and monetisation of assets. Despite the ongoing capex, the leverage and debt coverage metrics are expected to remain comfortable with debt expected to remain at or below Rs. 500 crore over the near term. The rating draws comfort from TVSILP's strong parentage, with ~24.5% stake held by the TVS Supply Chain Solutions (TVSSCS is part of TVS Mobility Group) as on September 30, 2025, and the associated financial and operational flexibility.

The rating is, however, constrained by its exposure to execution risk and market risk for the under-development area and planned projects. Nonetheless, the company's execution and leasing track record and policy of proceeding with warehouse construction only after confirmation from its anchor customer largely mitigates this risk. Going forward, timely monetisation of operational warehouse assets supported by the Right of First Offer (ROFO) arrangement between TVSILP and the InvIT and trajectory of leverage metrics remains a key monitorable. The cashflows remain susceptible to lease expiry risk. The ROFO arrangement and planned transfers of operational warehouse assets to the InvIT broadly mitigate this risk as regards to TVSILP. In addition, TVSILP's established relationship with reputed tenants and its demonstrated track record of renewal/addition of leases offer comfort.

The rating remains sensitive to any further large debt-funded expansion/acquisitions that adversely impact its credit profile. The debt coverage metrics also remain sensitive to any material changes in interest rates.

The Stable outlook on the rating reflects ICRA's expectations that TVSILP will be able to generate steady cash flows from its holding in InvIT and through rental income from planned warehouse developments, improve occupancy levels from reputed tenants and maintain comfortable leverage.

Key rating drivers and their description

Credit strengths

Strong parentage of TVS Group, lending high financial flexibility – TVSILP is part of TVS Mobility Group. The TVS Mobility's group companies provide manufacturing, supply chain solutions, vehicle mobility, aftermarket distribution and services. As on September 30, 2025, ~24.5% stake in TVSILP is held by TVSSCS, 31.7% stake is held by Ravikumar Swaminathan & Associates, 20.5% stake is held by British International Investment (BII) and 20.4% is held by Lingotto Opportunity Fund ILP. However, management control continues to reside with the existing shareholders, i.e. prior to fund infusion by BII. Being a part of the TVS Mobility Group, TVSILP enjoys an established and reputed brand name, along with significant financial and operational flexibility.

Comfortable leverage position – Post transfer of assets to InvIT and consequent cash inflows TVSILP is net cash positive and, the leverage improved materially with TVSILP having gross debt (on a consolidated basis) of ~Rs. 64 crore as of September 2025. ICRA notes that the company has capital expenditure plans of ~Rs. 1150 crore (including land) over the near term, which would be funded via a mix of available balance sheet liquidity, internal accruals, external debt and monetisation of assets. Despite the projected capex, the leverage and debt coverage metrics are expected to remain comfortable with debt expected to remain at or below Rs. 500 crore over the near term. Leverage metrics will be supported by the sizable underlying investment in InvIT as well as NOI from its operational projects. TVSInvIT has a Right of First Offer (RoFO) on with the assets developed by TVSILP, and the monetization of its operational asset will keep overall debt levels under control.

Steady cashflows from its holding in TVS Infrastructure Trust – TVSILP is the sponsor as well as the project manager of the InvIT and holds 33.7% of the InvIT's units. Since its formation, TVSInvIT has declared 2 distributions and TVS ILP has received Rs. 20.1 crore till date as distribution income, apart from 5% management fee (2% as project manager and 3% as investment manager, TVS Infrastructure Investment Manager Pvt Ltd (TVSIIM) is a wholly owned subsidiary of TVSILP) it is receiving from the InvIT. TVSILP is projected to generate Rs. 40-45 crore in the first year in the form of distribution income and management fee from InvIT, which will strengthen the cash flow position. The distribution income from InvIT is expected to remain steady, supported by regulatory stipulation of at least 90% of the net distributable cash flows to be distributed to the InvIT's unitholders. Further, TVSILP also receives rental income from its underlying warehousing assets.

Credit challenges

Exposure to execution and market risks – The company is exposed to execution risk and market risk for the under-development area and planned projects. Following the transfer of 10.6 msf of assets to the InvIT, TVSILP currently has an operational portfolio of 0.3 million square feet (msf) of warehousing assets, under-development assets of 0.4 msf and planned development/acquisition assets of 3.8 msf as of September 2025. Nonetheless, the company's execution and leasing track record and policy of proceeding with warehouse construction only after confirmation from its anchor customer largely mitigates the risk.

Cashflows susceptible to lease expiry and interest rate risk - The cashflows will remain susceptible to lease expiry risk. The ROFO arrangement and planned transfers of operational warehouse assets to the InvIT broadly mitigate this risk as regards to TVSILP. Further, TVSILP's established relationship with reputed tenants and its demonstrated track record of renewal/addition of leases offer comfort. Further, the debt coverage metrics also remain sensitive to any material changes in interest rates.

Liquidity position: Adequate

The company's consolidated liquidity position is adequate. As on September 30, 2025, TVSILP had an unencumbered cash balance and liquid investments of Rs. 383 crore. The projected capex of ~Rs. 1150 crore (including land acquisitions) for under-development and planned projects would be funded through existing liquidity, internal accruals, debt and monetisation of assets.

Rating sensitivities

Positive factors – The rating could be upgraded if there is significant increase in rental income and significantly higher distribution income from TVS Infrastructure Trust, leading to an improvement in leverage and debt coverage metrics on a sustained basis.

Negative factors – Negative pressure on the rating could arise in case there is significant decline in rental income or significantly lower distribution income from InvIT or weakening credit profile of TVS Infrastructure Trust or significant increase in indebtedness impacting the leverage and coverage metrics and liquidity position on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Lease Rental Discounting (LRD) Investment Companies
Parent/Group support	Not Applicable
Consolidation/Standalone	ICRA has considered the consolidated financials of TVSILP. As on September 30, 2025, the company had 3 SPVs, that are enlisted in Annexure II.

About the company

TVS Industrial & Logistics Parks Private Limited, was set up in 2005 as a 50:50 JV between TVSSCS, and Ravikumar Swaminathan & Associates. As on September 30, 2025, TVSSCS holds 24.5% stake, while 31.65% is held by Ravikumar Swaminathan & Associates, ~20.5% by BII and ~20.4% is held by Lingotto Opportunity Fund ILP. TVSILP creates industrial infrastructure facilities such as industrial and warehouse buildings, and logistics infrastructure parks. It is also the sponsor and project manager of TVS Infrastructure Trust and holds 33.7% units in the Trust.

Key financial indicators (audited)

TVSILP (Consolidated)	FY2024	FY2025	H1FY2026*
Operating income	176.2	226.3	68.3
PAT	17.0	22.4	702.9
OPBDIT/OI	76.4%	75.1%	57%^
PAT/OI	9.7%	9.9%	1028.4%
Total outside liabilities/Tangible net worth (times)	4.0	4.2	0.2
Total debt/OPBDIT (times)	10.1	1.8	0.9
Interest coverage (times)	1.6	1.7	1.2

^ OPBDIT excludes Rs. 55.2 Crs towards expenses attributable to transfer of assets to InvIT and other one-time expenses.

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; *Provisional

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 TVSILP. 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					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount Rated (Rs. crore)	Mar 31, 2026	Date	Rating	Date	Rating	Date	Rating
Long term-cash credit-fund based	Long Term	0.00	-	Jan 30, 2025	[ICRA]A+ Rating Watch with Developing Implications	30-OCT-2023	[ICRA]A+ (Stable)	13-JUL-2022	[ICRA]A+ (Stable)
			-	-	-	17-NOV-2023	[ICRA]A+ (Stable)	-	-
			-	-	-	06-DEC-2023	[ICRA]A+ (Stable)	-	-
Long term-term loan-fund based	Long Term	500.00	[ICRA]AA-(Stable)	Jan 30, 2025	[ICRA]A+ Rating Watch with Developing Implications	30-OCT-2023	[ICRA]A+ (Stable)	13-JUL-2022	[ICRA]A+ (Stable)
			-	-	-	17-NOV-2023	[ICRA]A+ (Stable)	-	-
			-	-	-	06-DEC-2023	[ICRA]A+ (Stable)	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Term loans	Simple
Long-term fund-based facilities	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	Term loan [^]	NA	NA	NA	500.0	[ICRA]AA-(Stable)

Source: Company; [^] proposed

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership*	Consolidation Approach
Kamakhya Industrial & Logistics Parks Private Limited	100.0%	Full Consolidation
TVS Infrastructure Investment Manager Private Limited (formerly Mahaveer Industrial and Logistics Parks Private Limited)	100.0%	Full Consolidation
Annamalai Industrial & Logistics Parks Private Limited	100.0%	Full Consolidation

*As on September 30, 2025, Source: Company data, ICRA Research

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