

August 04, 2025

## TCG Urban Infrastructure Holdings Private Limited: Ratings downgraded to [ICRA]BBB- (Stable) from [ICRA]BBB(Stable); rated amount enhanced

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – fund-based – term loan	557.00	574.25	[ICRA]BBB- (Stable); Downgraded from [ICRA] BBB (Stable); Assigned for enhanced amount
<b>Total</b>	<b>557.00</b>	<b>574.25</b>	

\*Instrument details are provided in Annexure I

### Rationale

The rating downgrade for the bank facilities of TCG Urban Infrastructure Holdings Private Limited (TCGUIH) factors in the moderate occupancy levels with average consolidated occupancy at 71% as of March 2025 (72% as of March 2024) along with expected increase in indebtedness, resulting in moderation of debt coverage metrics. The total external consolidated debt of the company is expected to remain elevated due to debt funded capex for its co-living managed rental space project in Pune (Maharashtra) which has led to moderation in the debt coverage metrics with expected 5-year average Debt service coverage ratio (DSCR) in the range of 1.05-1.15 times during FY2026-FY2030. The Group<sup>1</sup> is exposed to vacancy risk as around 31% of the leased area will be due for expiry in FY2026 and FY2027. Moreover, the company's cash flows are susceptible to volatility in occupancy or rental rates. TCGUIH also remains exposed to interest rate risk, which may have an impact on its debt coverage metrics.

The Group also faces execution, market and refinancing risk for its ongoing commercial project under its subsidiary, Energetic Construction Private Limited (ECPL). While there is an adequate time available for project completion and leasing, with the scheduled date of commencement of commercial operations (DCCO) being January 01, 2028, any delays in project completion or inadequate leasing may adversely impact ECPL's refinancing ability. Additionally, the company faces execution, market, and funding risks for the Co-living managed rental space project under International Biotech Park Limited (IBPL) and VH Township Private Limited (VHTPL), which are currently in their intermediate stages. Nonetheless, the strong execution and leasing track record of the 'The Chatterjee Group' (TCG) partly mitigate the execution and market risks. The company has made investments in various projects developed in subsidiaries (other than entities that have been consolidated) and extended loans and advances of Rs. 180 crore as of March 2025. Any significant incremental investments in Group companies (other than the support factored in towards its consolidated entities) adversely impacting the liquidity position will be a key monitorable.

The rating draws comfort from the established track record of developing and leasing commercial real estate assets of TCG. TCGUIH is the holding company for the real-estate activities of The Chatterjee Group. The group has a vast track record of developing and leasing commercial properties having completed seven projects spanning 2.4 million square feet (msf) of area across five cities and under-construction portfolio of around 1.7 msf across two cities. The consolidated leverage is expected to be adequate around 6.9-7.1 times as of March 2026 despite debt funded capex. The rating notes the favourable location of its completed commercial office properties and reputed tenant profile, which includes consulates, banking, financial services,

<sup>1</sup> ICRA has considered the financials of TCG Urban Infrastructure Holdings Private Limited (TCGUIH) along with its subsidiaries namely Bengal Intelligent Parks Private Limited (BIPL), BIP Developers Private Limited (BIPDL), International Biotech Park Limited (IBPL), Altius Management Advisors Private Limited (AMAPL), TCG Facility Management Services Private Limited (TCGFMS), VH Township Private Limited (VHTPL) and Energetic Construction Private Limited (ECPL)

insurance (BFSI) entities, IT/ITeS, and petrochemical companies. Most of the lease rental discounting (LRD) facilities have a debt service reserve account (DSRA) equivalent to one quarter of principal and interest (P+I) repayments.

The Stable outlook on the [ICRA]BBB- rating reflects ICRA's opinion that TCGUIH will be able to ramp up its overall leasing owing to the favourable location of its projects while maintaining adequate leverage.

## Key rating drivers and their description

### Credit strengths

**Established track record of TCGUIH in commercial real estate sector** – TCG was founded by Dr. Purnendu Chatterjee in 1989 and has diversified interests, mainly in petrochemicals (Haldia Petrochemicals Limited; rated [ICRA]A+ (Negative)/[ICRA]A1), life sciences and healthcare (TCG Lifesciences Pvt. Ltd.; rated [ICRA]A-(Negative)/[ICRA]A2+) real estate, outsourcing and technology services. It operates in the US, Europe, and South Asia, and serves as the holding company for the real estate activities of TCG. The group has a vast track record of developing and leasing commercial properties, having completed seven projects spanning 2.4 msf across five cities and an under-construction portfolio of around 1.7 msf across two cities.

**Favourable location of properties and reputed tenant profile** – The location of its commercial office properties is favourable, with reputed tenant profile, which includes consulates, BFSI, IT/ITeS, and petrochemical companies.

**Adequate leverage** – The consolidated leverage is expected to be adequate around 6.9-7.1 times as of March 2026 despite the debt funded capex. Further, most of the LRD facilities have a DSRA equivalent to one quarter of principal and interest (P+I) repayments.

### Credit challenges

**Moderate occupancy levels; moderate debt coverage metrics** – The company's average consolidated occupancy for its operational assets stood at 71% as of March 2025 (72% as of March 2024) along with expected increase in indebtedness, resulting in moderation of debt coverage metrics. The total external consolidated debt of the company is likely to remain elevated due to debt funded capex for its co-living managed rental space project in Pune which has led to moderation in the debt coverage metrics with expected 5-year average DSCR in the range of 1.05-1.15 times during FY2026-FY2030. The Group is exposed to vacancy risk as around 31% of the leased area will be due for expiry in FY2026 and FY2027. Moreover, the company's cash flows are susceptible to volatility in occupancy or rental rates. TCGUIH also remains exposed to interest rate risk, which may have an impact on its debt coverage metrics.

**Exposure to execution, market and refinancing risks for ongoing projects; significant investments extended to Group companies** – The Group faces execution, market and refinancing risks for its ongoing commercial project under its subsidiary, ECPL. While there is an adequate time available for project completion and leasing with the scheduled DCCO being January 01, 2028, any delays in project completion or inadequate leasing may adversely impact ECPL's refinancing ability. The company faces execution, market, and funding risks for the Co-living managed rental space project under IBPL and VHTPL, which are currently in their intermediate stages. Nonetheless, the strong execution and leasing track record of TCG partly mitigate the execution and market risks. The company has made investments in various projects developed in subsidiaries (other than entities, that have been consolidated) and extended loans and advances of Rs. 180 crore as of March 2025. Any significant incremental investments in Group companies (other than the support factored in towards consolidated entities) adversely impacting the liquidity position will be a key monitorable.

## Liquidity position: Adequate

The liquidity profile is adequate with the debt repayment obligations expected to be met from its cash flows along with available cash & bank balance. Further, DSRA of around one quarter of principal and interest (P+I) is maintained for most of the LRD facilities. The pending project cost as of March 2025 for ECPL is likely to be funded by Rs. 574 crore of undrawn bank limits and balance equity commitments.

## Rating sensitivities

**Positive factors** – ICRA could upgrade the rating if there is a significant increase in occupancy at adequate rentals resulting in an increase in coverage metrics and liquidity position on a sustained basis. The specific credit metric for an upgrade would be 5-year average DSCR of more than 1.15 times.

**Negative factors** – Negative pressure on the rating could arise if the company is unable to improve occupancy at adequate rental rates leading to pressure on the leverage and debt coverage metrics. Any increase in debt level or significant support to Group companies adversely impacting the liquidity profile could exert pressure on the rating.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Lease Rental Discounting (LRD) Realty - Commercial/Residential/Retail
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the rating, ICRA has considered the financials of TCG Urban Infrastructure Holdings Private Limited (TCGUIH), along with its subsidiaries namely Bengal Intelligent Parks Private Limited (BIPL), BIP Developers Private Limited (BIPD), International Biotech Park Limited (IBPL), Altius Management Advisors Private Limited (AMAPL), TCG Facilities Management Services Private Limited (TCGFMS), VH Township Private Limited (VHTPL) and Energetic Construction Private Limited (ECPL) based on their managerial linkages and strategic importance of these subsidiaries to TCGUIH. Further, TCGUIH has extended corporate guarantees for debt availed by these subsidiaries.

## About the company

TCGUIH, a part of The Chatterjee Group (TCG), is a commercial real estate development company focused on construction of IT parks, laboratory spaces and city-centric office spaces in India. The group has a vast track record of developing and leasing commercial properties having completed seven projects spanning 2.4 msf of area spread across five cities and an under-construction portfolio of around 1.7 msf across two cities. Among these projects, TCG Financial Centre (TCG FC) in the Bandra Kurla Complex (BKC), Mumbai, and First India Place (FIP) in Gurgaon (Haryana) are held directly under TCGUIH with a total leasable area of 0.2 msf. BSPL has been merged into TCGUIH (standalone), which receives service rent from First Technology Park (FTP) and Bengal Intelligent Park (BIP). The assets under BIPL, AMAPL, BIPD and IBPL are diversified across Kolkata, Bangalore and Pune, with a total leasable area of around 2.1 msf. TCGFMS primarily caters to the maintenance of three assets (TCGFC, FIP, BIPL) from which it derives Common Area Maintenance (CAM) income. ECPL, held by TCGUIH, is developing a mixed-use project comprising commercial office and high street retail space branded as World Trade Centre with a total leasable area of 1 msf. The project has a scheduled DCCO of January 01, 2028.

### Key financial indicators (audited)

TCGUIH (Consolidated)	FY2024	FY2025*
Operating income	293.3	294.6
PAT	36.4	85.6
OPBDIT/OI	33.5%	54.7%
PAT/OI	12.4%	29.1%
Total outside liabilities/Tangible net worth (times)	2.3	2.2
Total debt/OPBDIT (times)	18.1	12.5
Interest coverage (times)	1.1	1.5

Source: Company, ICRA Research; \* Provisional numbers; 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					
	Type	Amount rated (Rs. crore)	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024			Date & rating in FY2022	
			August 4, 2025	June 11, 2024	Aug 31, 2023	June 30, 2023	May 05, 2023	Feb 18, 2022	
1 Term loan	Long-term	574.25	[ICRA]BBB- (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	

### Complexity level of the rated instruments

Instrument	Complexity indicator
Term loan	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 loans	FY2018-FY2024	-	FY2038-FY2040	574.25	[ICRA]BBB- (Stable)

Source: Company

[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
TCGUIH (Standalone)	100% (rated entity)	Full Consolidation
Bengal Intelligent Parks Private Limited	87.47%	Full Consolidation
BIP Developers Private Limited	89.50%	Full Consolidation
Altius Management Advisors Private Limited	100%	Full Consolidation
International Biotech Park Limited	87.93%	Full Consolidation
TCG Facilities Management Services Private Limited	100%	Full Consolidation
VH Township private Limited	-	Full Consolidation
Energetic Construction Private Limited	61.07%	Full Consolidation

Source: Company; ICRA Research

## ANALYST CONTACTS

**Ashish Modani**  
+91 22 6169 3300  
[ashish.modani@icraindia.com](mailto:ashish.modani@icraindia.com)

**Anupama Reddy**  
+91 40 6939 6427  
[nupama.reddy@icraindia.com](mailto:nupama.reddy@icraindia.com)

**Sweta Shroff**  
+91 124 454 5307  
[sweta.shroff@icraindia.com](mailto:sweta.shroff@icraindia.com)

**Shruti Aggarwal**  
+91 124 454 5845  
[shruti.aggarwal@icraindia.com](mailto:shruti.aggarwal@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**  
+91 22 6114 3406  
[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**  
Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## 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



### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.