

Date: July 03, 2026

To, National Stock Exchange of India Limited ("NSE") Listing Department Exchange Plaza, C-1 Block G, Bandra Kurla Complex Bandra [E], Mumbai – 400051	To, BSE Limited ("BSE") Listing Department Corporate Relationship Department Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400001
<b>NSE Scrip Symbol:</b> AWFIS	<b>BSE Scrip Code:</b> 544181
<b>ISIN:</b> INE108V01019	<b>ISIN:</b> INE108V01019

**Subject: Intimation of Credit Rating pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR")**

Dear Sir/Madam,

Pursuant to Regulation 30 read with Clause 3 of Para A of Part A of Schedule III of SEBI LODR, it is hereby informed that India Ratings and Research Pvt Ltd ("India Ratings") vide their letter dated July 03, 2026, has affirmed the Company's ratings w.r.t. bank loan facilities. A copy of aforesaid credit rating issued by India Ratings is enclosed herewith for your reference.

The above information will also be available on the website of the Company at <https://www.awfis.com/investor-relations/initial-public-offer/compnayAnnouncement>.

You are requested to take the same on record.

Thanking You.

**For Awfis Space Solutions Limited**

**Shweta Gupta**  
**Company Secretary and Compliance Officer**  
**M. No. F8573**  
**Address:** C-28-29, Kissan Bhawan,  
Qutab Institutional Area, New Delhi – 110016

*Enclosed: as above*

## Corporate and Regd. Office

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**www.awfis.com** | **Email:** info@awfis.com | **Phone:** 011- 41103497

CIN: L74999DL2014PLC274236

## India Ratings Affirms Awfis Space Solutions's Bank Loan Facilities at 'IND A+/Stable; Rates Additional Limits

Jul 03, 2026 | Awfis Space Solutions Limited (Formerly Awfis Space Solutions Private Limited) | Residential | Commercial Projects

India Ratings and Research (Ind-Ra) has affirmed Awfis Space Solutions Limited's (ASSL) bank loan facilities as follows:

### Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating Assigned with Outlook/Watch	Rating Action
Bank loan facilities	-	-	-	INR1,300	IND A+/Stable/IND A1+	Assigned
Bank loan facilities	-	-	-	INR1,200	IND A+/Stable	Affirmed

### Analytical Approach

Ind-Ra has revised its analytical approach to taking a fully consolidated view of ASSL and its wholly-owned subsidiaries - Awliv Living Solutions Private Limited and Awfis Transform Private Limited - from a standalone view, to arrive at the ratings, following the ongoing transfer of the Design & Build (D&B) business to its wholly owned subsidiary, Awfis Transform Pvt. Ltd. (ATPL). This change is unlikely to have any material impact on the group's overall credit risk profile.

### Detailed Rationale of the Rating Action

The affirmation reflects ASSL's strong market position in the flexible workspace industry, healthy growth in scale of operations, and a sustained improvement in profitability. The gross revenue increased 26% yoy to INR15,861 million in FY26 and operating EBITDA by 37% yoy to about INR5,500 million, leading to a rise in the margin to 36.8% (FY25: 33.3%), supported by healthy occupancy, increasing contribution from enterprise and global capability centre (GCC) clients and growth in allied services. The ratings also continue to factor in the company's diversified tenant profile and asset-light business model, which support scalability. Furthermore, the agency draws comfort from the group's continued net cash position as of FY26.

The ratings, however, remain constrained by ASSL's moderate asset-liability management (ALM) risk arising from lease maturity mismatches, ongoing significant capex commitments for expansion, and the inherent cyclicality of the flexible workspace industry, which may impact occupancy levels and cashflow generation during adverse market conditions.

### List of Key Rating Drivers

## Strengths

- Strong market presence
- Asset-light business model
- Diversified clientele reduces tenant concentration risk
- Strong operational performance
- Adequate liquidity

## Weaknesses

- Moderate ALM risk
- Significant capex requirements
- Exposure to cyclicalities in economic downturn

## Detailed Description of Key Rating Drivers

**Strong Market Presence:** ASSL continues to be the largest flexible workspace operator in India in terms of the number of centres. The company had over 1,56,000 of operational seats as of March 2026 spread across more than 250 locations with over 7.7 million square feet (msf) of leasable space in 18 cities, indicating significant network and geographical diversification. ASSL caters to various segments - co-working services (Awfis, Awfis Gold and Elite), as well as offers comprehensive design and build solutions (Awfis Transform). ASSL transferred the D&B business to its wholly owned subsidiary, ATPL, which was incorporated on 3 December 2025, for operational efficiency and better management control. The company's GCC presence continues to expand to over 100 clients, who contribute about 23% to the rental revenue. Rising demand from GCCs and Fortune 500 firms is strengthening ASSL's revenue visibility and enhancing client stickiness, with 14 key mandates closed in FY26 and another 13 mandates in the pipeline.

**Asset-Light Business Model:** ASSL maintains its asset-light business strategy, with the managed aggregation (MA) model accounting for around 60% of the supply mix as of March 2026, reflecting its sustained focus on an asset-light approach. The MA model requires the fit-out costs of the centre to be borne by both the space owner and ASSL in exchange for a share in revenue/profits, vis-a-vis the entire fit-out costs being borne by ASSL under straight leases. This shift towards the MA model led to an improvement in the return on capital employed to about 60% as of March 2026 (March 2021: about 11%).

**Diversified Clientele Reduces Tenant Concentration Risk:** ASSL has a diversified client base of more than 3,500 active tenants as of March 2026, which reduces tenancy risk due to granular concentration. The top five clients accounted for less than 20% of the total revenue in FY26 and the single-largest client for about 7%, indicating reduced tenant concentration risk. The tenant mix is moderately diversified with 39% of the tenants being from the information technology industry, and exposure to large corporates/multinational companies at about 63% and start-ups at about 15%.

**Strong Operational Performance:** ASSL's Ind-Ra-adjusted EBITDA increased to INR2,250 million in FY26 reflecting a strong growth trajectory with a CAGR of over 100% over FY21-FY26. The company has also significantly expanded its scale, with the number of operational centres rising to around 250 as of March 2026 (March 2021: 58) and operational seats increasing to approximately 156,600 (about 30,000). Management expects growth momentum to continue, with 22,000-25,000 gross seats being added during FY27. Despite the substantial addition of seats, occupancy levels improved

to about 76% in March 2026 (March 2021: around 60%), underscoring robust demand and execution capability. These operating trends reflect strong performance, with Ind-Ra expecting occupancy to remain stable at 70%-75% over FY27-FY29.

**Adequate Liquidity:** Refer to the liquidity section below.

**Moderate ALM Risk:** Cash outflows primarily lease payments, employee costs and other fixed expenses are largely stable in nature, whereas cash inflows remain relatively volatile, driven by fluctuations in occupancy levels. However, the increasing share of the MA model has mitigated some of the lease rental risk. Additionally, while co-working spaces typically exhibit lower customer stickiness compared to traditional commercial real estate with long-term leases and established tenants, the increasing presence of GCCs as tenants has led to an improvement in client stickiness. The weighted average lease tenure with clients is about 33 months compared to 60-120 months with lessors, leading to an ALM mismatch in case of non-renewals. However, the risk is moderated as many centres have completed their lock-in periods. Ind-Ra takes comfort from the lock-in period of about 24 months and low monthly net churn rate of 1.2%. The lease tenure expiry with tenants in the next two years lowered to 20%-25% as of December 2025 (December 2024: 30%-35%). The lease agreements typically have a rental reset of 10%-15% every three years for the space-owners and about 5% annually for the tenants.

**Significant Capex Requirements:** ASSL has been expanding its business operations in India and is required to incur fit-out and other fixed costs associated with the opening of each new centre. Although the asset-light MA model accounts for 60% of supply mix, ASSL is still required to incur a significant amount towards fit-outs and these costs have been funded by cash accruals, investor funding and initial public offering proceeds. The agency expects the annual capex outflows to be about INR1,700 million-2,000 million in the medium term, to be largely funded through internal accruals with low debt component.

**Exposure to Cyclicity in Economic Downturn:** The real estate sector in India is cyclical and volatile, resulting in high fluctuations in cash inflows because of volatility in realisations. Rental collections (key source of revenue) are susceptible to economic downturns, which constrain tenants' business risk profile, and thereby, occupancy and rental rates. Additionally, about 37% of the company's clients are small and medium enterprises, start-ups and freelancers; thus, any funding-related risk to these can adversely impact ASSL's income. Any downturn in economic cycles can negatively impact the company's rental income. The cash flow volatility is partly offset by the lock-in clauses and security deposits being stipulated in the tenant leases, along with lower fixed rental outflows due to managed aggregation supply-side strategy majorly adopted by ASSL, resulting into lower profit shares to space-owners in periods of stress and low leverage levels, leading to lower debt payments.

## **Liquidity**

**Adequate:** ASSL's Ind-Ra-adjusted cash flow from operations nearly quadrupled to INR2,007 million in FY26 from INR518 million in FY24 (FY25: INR1,132 million), owing to strong operational performance. The cash and cash equivalents excluding encumbered fixed deposits were INR1,262 million at FYE26 (FYE25: INR1,166 million). ASSL has a strong balance sheet with negative net debt levels. The total debt outstanding was about INR510 million at FY26 with undrawn bank limits of about INR1,090 million. Additionally, ASSL is in advanced discussion with banks for a new term loan of INR750 million at lower interest rate, which will further reduce the cost of funds. Given the low debt levels, undrawn limits

and scheduled debt repayment (FY27: about INR160 million), ASSL is likely to maintain a comfortable average cash debt service coverage ratio of above 5.0x over FY27-FY29, supported by healthy cash flow generation.

### Rating Sensitivities

**Positive:** A substantial improvement in the operating profitability, counterparty mix and business profile on a sustained basis with reducing churn rate leading to better cash flow visibility while maintaining the credit metrics could lead to a positive rating action.

**Negative:** A substantial decline in the operational profitability, deterioration in counterparty mix, an increase in the churn rates and/or unexpected debt-funded capex leading to Ind-Ra-adjusted net leverage (net debt/Ind-Ra-adjusted EBITDA) exceeding 2.0x could lead to a negative rating action.

### Any Other Information

Not applicable

### About the Company

Incorporated in 2014, ASSL provides flexible workspace solutions. The company has a presence in 18 cities in India across 58 micro-markets with about 7.7msf chargeable area across 250 centres operational as of FY26.

### Key Financial Indicators

Particulars	FY26	FY25
Gross revenue (INR million)	15,861	12,546
Ind-Ra adjusted EBITDA (INR million)	2,251	2,032
Reported EBITDA margin (%)	36.8	33.3
Cash interest paid (INR million)	34	31
Interest coverage (x)	84.8	64.5
Net leverage (x)	NM	NM
Source: ASSL; Ind-Ra		
Note: Ind-Ra Adjusted EBITDA is EBITDA less cash lease payments including other income		
NM – not meaningful as net cash position		

### Status of Non-Cooperation with previous rating agency

Not applicable

### Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook	
	Rating Type	Rated Limits (million)	Current Rating	16 May 2025	22 April 2024

Bank loan facilities	Long-term/Short-term	INR2,500	IND A+/Stable/IND A1+	IND A+/Stable	IND A/Stable
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## Bank wise Facilities Details

### Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

## Annexure

### List of instruments and names of regulators of the instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

#### A. Rating Activity

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)*	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI

Sr. No.	Instrument / activity Name	Regulator of the instrument
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA

\* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), India Ratings shall separately capture the rated quantum details along with names of respective regulators.

# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

#### B. Other activities:

Sr. No.	Activity Name	Regulator of the activity
1	Monitoring Agency	SEBI
2	Research activities, incidental to rating, such as research for Economy, Industries and Companies @	NA

@ permitted by SEBI vide SEBI Master Circular for CRAs.

Note: For instruments or activities falling under the purview of regulators other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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## About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely, and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

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## Solicitation Disclosures

Additional information is available at [www.indiaratings.co.in](http://www.indiaratings.co.in). The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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## APPLICABLE CRITERIA AND POLICIES

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### Evaluating Corporate Governance

### Corporate Rating Methodology

### Short-Term Ratings Criteria for Non-Financial Corporates

### The Rating Process

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sale, then the Investor's investments may have to bear an impact depending on its exposure to that particular Security. It is not possible to predict if, and to what extent, a secondary market may develop in the debt securities or at what price the debt securities will trade in the secondary market or whether such market will be liquid or illiquid. The more limited the secondary market is, the more difficult it may be for holders of the debt securities to realise value for the debt securities prior to redemption of the debt securities. If the debt securities are unlisted, then the ability of the Investors to resell or trade them may be limited, leading to liquidity and price risk on the debt securities. The returns from a particular asset class may underperform returns from other asset classes. The changes in government policy in general and changes in taxation may impact the returns to investors. There can be external risks arising out of geopolitical situations which can lead to volatility in/impact the performance of the individual securities. Issuers/Users/readers are advised to note that SEBI's investor protection mechanisms and SEBI's grievance or dispute redressal mechanisms are not applicable to ratings assigned by India Ratings that fall under the purview of other FSRs. Should you have any grievance with instruments under the purview of other FSRs, please write to [infogrp@indiaratings.co.in](mailto:infogrp@indiaratings.co.in). For any grievance with instruments under the purview of SEBI, please write to [investor.grievances@indiaratings.co.in](mailto:investor.grievances@indiaratings.co.in).

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