July 15, 2026

Tablespace Technologies Limited: Rating upgraded to [ICRA]A (Stable) for bank facilities and assigned [ICRA]A (Stable) for proposed NCD

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long-term – Fund-based – Term loan	1179.49	1014.25	[ICRA]A (Stable); Upgraded from [ICRA]A- (Stable)	RBI
Long-term – Unallocated limits	170.51	-	-	RBI
Long-term – Proposed term loans	-	142.00	[ICRA]A (Stable); Upgraded from [ICRA]A- (Stable)	RBI
Proposed non-convertible debenture	-	300.00	[ICRA]A (Stable); Assigned	MCA
Total	**1,350.00**	**1,456.25**		

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The rating upgrade for Tablespace Technologies Limited (TTL) factors in the estimated increase in its scale of operations and operating profits, backed by sustained healthy occupancy levels on an increased rent paying area and comfortable debt protection metrics. The company's rent paying area stood at 10.1 million square feet (msf) as of March 2026 and increased significantly by 28% and 24% YoY in FY2025 and FY2026, respectively, while maintaining health occupancy above 90%, which is expected to sustain in the medium term. TTL's rental income witnessed significant growth of 55% YoY to Rs. 2,304 crore in FY2026 and is likely to grow by 35-40% in FY2027, due to addition of leasable area at healthy occupancy levels, supported by demand for managed office spaces and the consequent improvement in operating profits. The leverage, as reflected by adjusted total debt (TD)/adjusted OPBITDA[1] is projected to improve to 2.1 times as of March 2027 (2.3 times as of March 2026 and 3.4 times as of March 2025) and expected to remain below 2 times from FY2028 onwards (not factoring in any equity infusion). Given the low leverage, the debt coverage metrics as measured by debt service coverage ratio (DSCR) is estimated to be comfortable during FY2027-FY2028.

The rating considers the company's large and diversified geographical presence with 80+ live centres across eight cities – Bangalore, Hyderabad, Chennai, Mumbai, Pune, New Delhi, Delhi NCR (Gurgaon and Noida), Bhubaneshwar. It predominantly caters to reputed clients such as Google, Microsoft, Shell Corporation, among others. The rating factors in the low tenant concentration risk, wherein, the top 10 tenants contributed ~36% and 28% to the total revenue in FY2025 and FY2026 respectively. The rating factors in the extensive experience of the promoters as well as the management in the corporate real estate and managed workspace segments, favourable location of its workspaces and presence of back-to-back leasing arrangements with the clients and landlords for a portion of its revenues, insulating it from the vacancy risk to an extent. The company derived ~62% and ~54% of the total revenue from the back-to-back business model in FY2025 and FY2026 respectively.

[1]Adjusted TD/Adjusted OPBITDA = (Total Debt - Lease Liabilities)/(OPBITDA - Rental expense)

These strengths are partially offset by the large expansion plans with proposed addition of 4.0-6.0 msf over FY2027-FY2028 with a cumulative outlay of around Rs. 1,200-1,800 crore, exposing it to market risk for the new capacities. However, substantial part of the company's capex will only be incurred if there is customer pre-leasing in place. The proposed capex is likely to be funded through a combination of debt and internal accruals. TTPL has raised equity of Rs. 1,325 crore ($175 million) from AGS TS II Holdings Pte Ltd. over FY2023-FY2025. Further, it has an undrawn committed line of $125 million, which could be used to expand its business operations and fund its working capital requirements, if required. The proposed NCDs may be utilised towards inorganic growth plans/investments for the company. The customer leases contributing to ~24% and 17% of the total revenue are coming up for renewal in FY2027 and FY2028, respectively, exposing it to lease renewal risk. Notwithstanding the healthy lease renewal rates in the past, the renewal rates for the future lease expiries will remain a monitorable. The company is vulnerable to the cyclicality in the office leasing segment and vulnerability to external factors. Further, the debt coverage metrics remain susceptible to material changes in occupancy and interest rates.

The Stable outlook reflects ICRA's expectation that the company will maintain healthy occupancy levels and operating profits, supported by its large and diversified presence across key markets, while sustaining comfortable debt protection metrics.

Key rating drivers and their description

Credit strengths

Healthy occupancy and comfortable debt protection metrics – The company's rent paying area stood at 10.1 msf as of March 2026 and increased significantly by 28% and 24% YoY in FY2025 and FY2026 respectively, while maintaining health occupancy above 90%, which is anticipated to sustain in the medium term. TTL's rental income witnessed significant growth of 55% YoY to Rs. 2,304 crore in FY2026 and is likely to grow by 35-40% in FY2027, due to addition of leasable area at healthy occupancy levels, supported by demand for managed office spaces and the consequent improvement in operating profits. The leverage, as reflected by adjusted total debt (TD)/adjusted OPBITDA is projected to improve to 2.1 times as of March 2027 (2.3 times as of March 2026 and 3.4 times as of March 2025) and expected to remain below 2 times from FY2028 onwards (not factoring in any equity infusion). Given the low leverage, the debt coverage metrics as measured by debt service coverage ratio (DSCR) is estimated to be comfortable during FY2027-FY2028.

Reputed client profile and low tenant concentration risk – The company has large and diversified geographical presence with 80+ live centres across eight cities – Bangalore, Hyderabad, Chennai, Mumbai, Pune, New Delhi, Delhi NCR (Gurgaon and Noida), Bhubaneshwar. It predominantly caters to reputed clients such as Google, Microsoft, Shell Corporation, among others. The rating factors in the low tenant concentration risk, wherein, the top 10 tenants contributed ~36% and 28% to the total revenue in FY2025 and FY2026 respectively. The rating factors in the extensive experience of promoters and management in the corporate real estate and managed workspace segments, favourable location of its workspaces and presence of back-to-back leasing arrangements with the clients and landlords for a portion of its revenues, insulating it from the vacancy risk to an extent. The company derived ~62% and ~54% of the total revenue from the back-to-back business model in FY2025 and FY2026 respectively. In terms of area, back-to-back model has a share of 64% for FY2026 (as against 66% for FY2025) within managed workspace.

Extensive experience of promoters and management in commercial real estate and managed workspace segment – The company was promoted by the Late Amit Banerji (MD and Promoter), along with Mr. Karan Chopra in 2017. Mr. Karan Chopra, who is currently the Chairman and co-CEO has 17+ years of experience in running various start-ups in media, entertainment and real estate, with extensive experience in converting user requirements into technology solutions. Kunal Mehra, who is currently the President and co-CEO, has 18+ years of experience across hospitality and commercial real estate and has led projects encompassing over 20 msf of space in office leasing with global enterprises and held leadership roles at Taj Hotels and JLL. The management's extensive work experience in real estate, technology, hospitality industry, etc, has aided the company in ramping up significantly over the last few years.

Credit challenges

Exposure to market risk due to large expansion plans – The company has large expansion plans with proposed addition of 4.0-6.0 msf over FY2027-FY2028 with a cumulative outlay of around Rs. 1,200-1,800 crore, exposing it to market risk for the new capacities. However, substantial part of the company's capex will only be incurred if there is customer pre-leasing in place. The proposed capex is likely to be funded through a combination of debt and internal accruals. TTPL has raised equity of Rs. 1,325 crore ($175 million) from AGS TS II Holdings Pte Ltd. over FY2023-FY2025. Further, it has an undrawn committed line of $125 million, which could be used to expand its business operations and fund its working capital requirements, if required.

Moderate lease renewal risk – The customer leases contributing to ~24% and 17% of the total revenue are coming up for renewal in FY2027 and FY2028, respectively, exposing it to lease renewal risk. Notwithstanding the healthy lease renewal rates in the past, the renewal rates for the future lease expiries will remain a monitorable.

Exposure to cyclicality in the real estate sector – The company is exposed to the cyclicality in the office leasing segment and vulnerability to external factors. Further, the debt coverage metrics remain susceptible to material changes in occupancy and interest rates.

Liquidity position: Adequate

The company's liquidity position is adequate with free cash and cash equivalents of Rs. 125.9 crore and undrawn overdraft limits of Rs. 55.8 crore as on March 31, 2026. The repayment obligations in FY2027 and FY2028 can be adequately serviced through its estimated cash flow from operations. Notwithstanding the sizeable capex plans, the liquidity position is expected to remain adequate with the company likely to maintain liquidity of around Rs. 100 crore in the form of free cash and undrawn lines going forward.

Rating sensitivities

Positive factors – The rating could be upgraded if there is a sustained increase in scale of operations and profitability, along with improvement in debt protection metrics and liquidity position.

Negative factors – The rating could be downgraded if there is a material decline in occupancy or profitability and/or significant speculative debt-funded expansion resulting in weakening of debt coverage metrics and liquidity position. Specific credit metric for a rating downgrade would be DSCR below 1.6 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty – Leasing
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the consolidated financial statements of the rated entity.

About the company

Tablespace Technologies Limited (TTL) was founded in 2017 as a managed workspace operator, providing a range of services including workspace rentals and customisable office spaces to corporate clients. TTL has 80+ live centres across Bangalore, Hyderabad, Chennai, Mumbai, Pune, New Delhi, Delhi NCR (Gurgaon and Noida) and Bhubaneshwar. It has an operational rent paying area of 10.1 msf spread across seven cities as on March 31, 2026.

TTL is a B2B organisation and mainly operates under two business models. The first one is the back-to-back model, under which the company enters a back-to-back arrangement with both its client and the landlord at the same time, insulating it from the vacancy risk. The second model is the growth model, wherein the company leases the assets based on the estimated demand, wherein, the company identifies the demand beforehand and then taps opportunities in micromarkets with high demand.

Key financial indicators (audited)

TTL (consolidated)	FY2025	FY2026*
Operating income	1360.5	2259.7
OPBDIT/OI	46.2%	52.0%
Total debt/OPBDIT (times)	8.3	5.7
Interest coverage (times)	2.0	2.5

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; *Provisional numbers*
OPBDIT: Operating profit before depreciation, interest, taxes and amortisation
Note: The above key financial indicators are prepared in accordance with Ind AS accounting standards and may not accurately represent the company's actual cash flows

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current rating (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Jul 15, 2026	Date	Rating	Date	Rating	Date	Rating
Term loan - Fund-based	**Long-term**	1014.25	[ICRA]A (Stable)	Nov 28, 2025	[ICRA]A- (Stable)	Aug 20, 2024	[ICRA]A- (Stable)	-	-
Unallocated	**Long-term**	-	-	Nov 28, 2025	[ICRA]A- (Stable)	Aug 20, 2024	[ICRA]A- (Stable)	-	-
Proposed term loans	**Long-term**	142.00	[ICRA]A (Stable)	-	-	-	-	-	-
Proposed Non-Convertible Debenture	**Long-term**	300.00	[ICRA]A (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	Simple
Long-term – Proposed term loans	Simple
Proposed non-convertible debenture	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	Financial Sector Regulator#
NA	**Fund-based – Term loan**	FY2022-FY2027	NA	FY2027-FY2032	1014.25	[ICRA]A (Stable)	RBI
NA	**Proposed term loans**	NA	NA	NA	142.00	[ICRA]A (Stable)	RBI
Yet to be placed	**Proposed NCDs**	NA	NA	NA	300.00	[ICRA]A (Stable)	MCA

Source: Company

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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
Tablespace Services Private Limited	100.00%	Full consolidation
Tablespace Constructions Private Limited	100.00%	Full consolidation
Tablespace Care Private Limited	100.00%	Full consolidation
Table Space Inc.	100.00%	Full consolidation

Source: Company; ICRA Research

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ABOUT ICRA LIMITED

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