July 27, 2026

WeWork India Management Limited: Rating upgraded to [ICRA]A+ (Stable)

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 Loans	501.00	501.00	[ICRA]A+ (Stable); Upgraded from [ICRA]A (Stable)	RBI
Long-term – Overdraft	65.00	100.00	[ICRA]A+ (Stable); Upgraded from [ICRA]A (Stable)	RBI
Long-term – Non-fund based – Bank Guarantee	-	20.00	[ICRA]A+ (Stable); Upgraded from [ICRA]A (Stable)	RBI
Long-term – Unallocated	234.00	179.00	[ICRA]A+ (Stable); Upgraded from [ICRA]A (Stable)	RBI
Total	**800.00**	**800.00**		

**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 WeWork India Management Limited (WeWork) factors in the estimated growth in its scale of operations and operating profits, backed by the sustained healthy occupancy levels on an increased desk capacity, low net debt levels and comfortable debt protection metrics. The company's desk capacity rose by 16% YoY in FY2026, and the committed occupancy levels stood healthy at 86% as of March 2026 (improved from 79% as of September 2025). WeWork's revenues are expected to grow by 20-25% YoY in FY2027 due to addition of new desk capacities at healthy occupancy levels, supported by the demand for co-working spaces and the consequent improvement in operating profits. The leverage, as reflected by adjusted total debt (TD)/adjusted OPBITDA[1] is projected to remain comfortable at 0.7 times as of March 2026 (PY: 0.8 times) and estimated to remain below 1.0x during FY2027-FY2028. Further, the company is expected to maintain a net debt-free position or low net debt levels over the medium term. Given the low leverage, the debt coverage metrics as measured by debt service coverage ratio (DSCR) is estimated to remain comfortable during FY2027-FY2028.

The rating takes comfort from WeWork's large and diversified presence with 1.27 lakh operational desks as of March 2026 at 76 locations spread across the eight cities of Bengaluru, Mumbai, Delhi, Gurgaon, Noida, Pune, Chennai and Hyderabad. The rating favourably factors in the low customer concentration risk, wherein the top 10 clients generated around 23% of the total revenues in FY2026. ICRA notes the extensive experience of WeWork's promoter, the Embassy Group, which is one of the largest commercial real estate developers in the country.

These strengths are partially offset by the entity's exposure to market risk due to proposed capex plans in FY2027 and FY2028 (addition of 15,000-25,000 desks each year at annual capex outlay of Rs. 300-450 crore), which is likely to be funded largely through internal accruals (70-75%) and the balance through debt. WeWork remains exposed to high lease renewal risks, given that short-term leases (less than two years) account for around 40% of customer leases. Further, around 53% and 26% of the customer leases are coming up for renewal in FY2027 and FY2028, respectively. Despite the healthy renewal rates in the past, that of upcoming lease expiry will remain a key monitorable. ICRA will continue to monitor the support extended by WeWork India to its group companies, which could adversely impact its liquidity profile. The company is exposed to the cyclicality in the

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

office leasing segment and vulnerability to external factors. Further, the debt coverage ratios remain susceptible to material changes in occupancy and interest rates.

The Stable outlook reflects ICRA's expectation that the company would sustain healthy occupancy levels and operating profits, supported by a large and diversified presence across key markets and estimated comfortable debt protection metrics.

Key rating drivers and their description

Credit strengths

Healthy occupancy, estimated improvement in scale while maintaining comfortable debt protection metrics – The committed occupancy stood healthy at 86% as of March 2026 (improved from 79% as of September 2025). The company's operational desk capacity increased by 16% to 1.27 lakh desks as of March 2026. WeWork's revenues are expected to grow by 20-25% in FY2027 due to addition of new desks at healthy occupancy levels, supported by the demand for co-working spaces and the consequent improvement in operating profits. The leverage, as reflected by adjusted TD/adjusted OPBITDA is projected to remain comfortable at 0.7x as of March 2026 (PY: 0.8 times) and likely to remain below 1.0x during FY2027-FY2028. Further, the company is anticipated to maintain a net debt-free position or low net debt levels over the medium term. Given the low leverage, the debt coverage metrics as measured by debt service coverage ratio (DSCR) is estimated to remain comfortable during FY2027-FY2028.

Large and diversified presence with low customer concentration risk – As of March 2026, the company had 1.27 lakh operational desks across 76 locations spanning eight cities – viz., Bengaluru, Mumbai, Delhi, Gurgaon, Noida, Pune, Hyderabad and Chennai. The assets stand in Grade-A commercial buildings of prominent micro-markets, thereby enhancing their marketability. Further, the company faces low customer concentration risk, with its top 10 clients generating around 23% of its total revenues in FY2026.

Extensive experience of Embassy Group in real estate sector – The company is promoted by the Embassy Group, which currently holds 49.42% of its shares and is one of the largest commercial real estate developers in the country with interests in real estate segments such as commercial, residential and hospitality. It has developed and/or managed over 100 million square feet (msf).

Credit challenges

High customer lease renewal risk – WeWork remains exposed to high lease renewal risks, given that short-term leases (less than two years) account for around 40% of customer leases. Further, around 53% and 26% of the customer leases are coming up for renewal in FY2027 and FY2028, respectively. Despite the healthy renewal rates in the past, that of upcoming lease expiry will remain a key monitorable.

Exposed to market risk due to large expansion plans – The company has large capex plans in FY2027 and FY2028 (addition of 15,000-25,000 desks each year at annual capex outlay of Rs. 300-450 crore), exposing it to market risk for the new capacities. The proposed capex is likely to be funded by internal accruals (70-75%) and the balance through debt.

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

Environmental and social risks

Environmental Considerations: Environmental risks are relatively low for flexible workspace operators due to their asset-light business model and limited direct environmental footprint. However, increasing focus on sustainability, energy efficiency, waste management, and compliance with evolving environmental standards across leased assets remains a key monitorable.

Social Considerations: Social risks are moderate, given the importance of maintaining health and safety standards, employee welfare, customer experience, data security, and workplace governance. Any adverse event affecting member satisfaction or brand reputation could impact occupancy levels and business growth.

Liquidity position: Strong

The company's liquidity position is strong with cash and liquid investments of Rs. 308.6 crore and undrawn overdraft limits of Rs. 100.0 crore as on March 31, 2026. The debt repayment obligations in FY2027 and FY2028 can be comfortably serviced through estimated cash flow from operations. Despite its sizeable capex plans, the liquidity position is expected to remain strong with the company likely to maintain liquidity in the form of investments (in mutual funds/bank balances) and undrawn lines, going forward.

Rating sensitivities

Positive factors – The rating could be upgraded if there is a healthy increase in the scale of operations and profitability, with the company becoming net debt free while maintaining comfortable debt coverage metrics and a strong liquidity position on a sustained basis.

Negative factors – The rating could be downgraded if there is a material decline in occupancy or profitability and/or significant debt-funded expansion resulting in weakening of debt protection metrics and liquidity position. Specific credit metric for a rating downgrade would be Adjusted Total Debt/Adjusted OPBITDA of above 2.0x 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	Standalone

About the company

WeWork India Management Limited was established in 2016. It is promoted by the Bangalore-based Embassy Group, which holds 49.42% of its shares (as of March 2026), and by 1 Ariel Way Tenant Limited, a Group company of WeWork Inc., which holds 15.17%. The company was listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) on October 10, 2025. It manages co-working spaces under the WeWork brand across 76 centres covering around 8.6 msf in Bengaluru, Hyderabad, Mumbai, Delhi, Gurgaon, Noida, Chennai and Pune with an operational desk capacity of around 1.27 lakh as of March 2026.

Key financial indicators (audited)

Standalone (as per IndAS financials)	FY2025	FY2026
Operating income	1941.8	2431.8
PAT	130.5	72.2
OPBDIT/OI	63.7%	64.7%
PAT/OI	6.7%	3.0%
Total outside liabilities/Tangible net worth (times)	23.4	21.2
Total debt/OPBDIT (times)	3.5	3.5
Interest coverage (times)	2.1	2.6

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

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					
	FY2027			FY2026		FY2025		FY2024	
Instrument	**Type**	**Amount rated (Rs crore)**	**Jul 27, 2026**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Non-fund based-Bank guarantee	Long Term	20.00	[ICRA]A+ (Stable)	-	-	-	-	-	-
Fund-based-Overdraft	Long Term	100.00	[ICRA]A+ (Stable)	Jan 22, 2026	[ICRA]A (Stable)	Jan 23, 2025	[ICRA]A- (Stable)	-	-
Fund-based-Term loan	Long Term	501.00	[ICRA]A+ (Stable)	Jan 22, 2026	[ICRA]A (Stable)	Jan 23, 2025	[ICRA]A- (Stable)	Mar 22, 2024	[ICRA]BBB (Stable)
Unallocated limits	Long Term	179.00	[ICRA]A+ (Stable)	Jan 22, 2026	[ICRA]A (Stable)	Jan 23, 2025	[ICRA]A- (Stable)	Mar 22, 2024	[ICRA]BBB (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund-based – Term loans	Simple
Long term – Overdraft	Simple
Long term – Non Fund based - Bank Guarantee	Simple
Long term – Unallocated	Not Applicable

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	**Term loans**	FY2025	NA	FY2032	501.00	[ICRA]A+ (Stable)	RBI
NA	**Overdraft**	NA	NA	NA	100.00	[ICRA]A+ (Stable)	RBI
NA	**Bank Guarantee**	NA	NA	NA	20.00	[ICRA]A+ (Stable)	RBI
NA	**Unallocated**	NA	NA	NA	179.00	[ICRA]A+ (Stable)	RBI

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 – Not applicable

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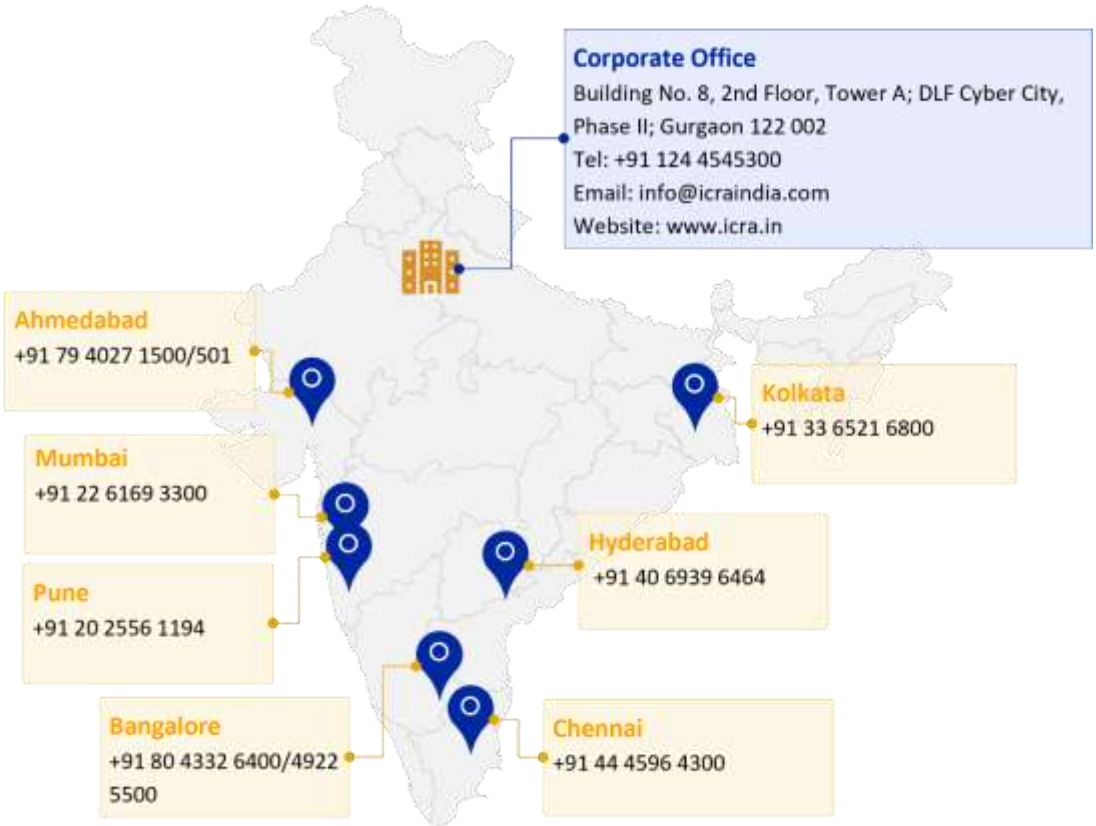

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