



HOW RFIN HELPED HANTO WORKSPACES

**RAISE ₹10 CRORE IN CAPEX
FINANCING TO OPEN 2
NEW MANAGED OFFICE
WORKSPACES.**



Sept 2024

CASE STUDY



About Hanto

Hanto hosts exclusive workspaces, cafes, food joints, Airbnbs and terrace gardens enabling various modes of work.

Located on well connected junctions, spaces are passionately crafted with meticulous detail and offer a seamless blend of functionality and aesthetic appeal.

Locations	Bangalore
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Workspaces	9
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Founded	2019
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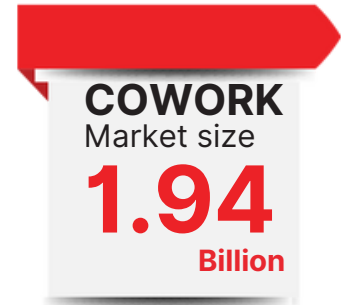
Founder	Aashit Verma
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EMERGING COWORKING SPACE LANDSCAPE IN INDIA

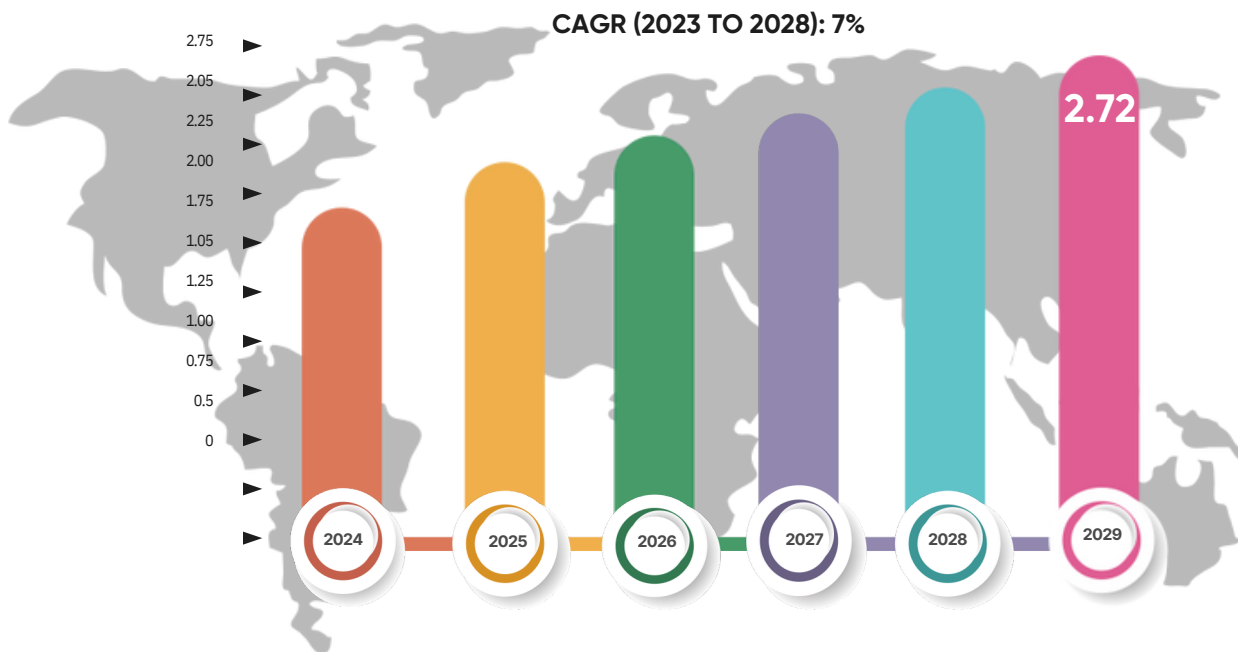
The India coworking office spaces market size was estimated at \$1.94 billion in 2023, and is expected to reach \$2.72 billion by 2029, growing at a CAGR of 7% during the forecast period (2024-2029).

The COVID-19 pandemic accelerated the growth of coworking spaces in the country, as traditional workspaces faced challenges during the crisis. Many enterprises moved towards coworking spaces because of affordable prices and flexibility in working areas.

The sector is driven by increasing demand from freelancers, small and medium-sized enterprises (SMEs), and startups. Because the sector provides top facilities at affordable prices.

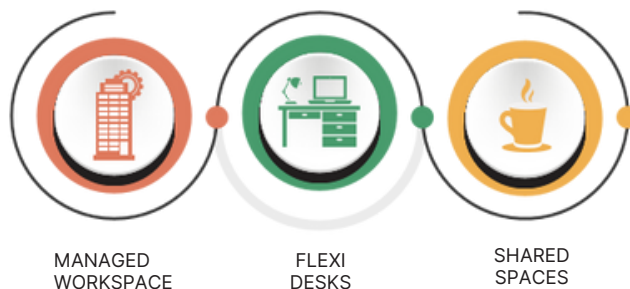


COWORK
Market size
1.94
Billion



While the top seven cities – Bengaluru, Delhi NCR, Mumbai, Chennai, Kolkata, Pune, and Hyderabad account for 90% of this stock, tier 2 cities are showing signs of being the next zones of growth.

POPULAR OFFERINGS OF COWORKING OPERATORS



COST OPERATIONS OF COWORKING SPACES

A cowork operator's business comprises of revenue and cost operations. Revenue operations include sales and marketing through channels like property consultants, digital marketing (SEM, SEO, Google adwords), social media marketing (FB, Instagram, LinkedIn), events (networking, workshops, open mics), referrals, content marketing & PR. These strategic initiatives are pivotal for enhancing visibility and footfall, ultimately leading to client acquisition and revenue generation.



On the other hand, cost operations of a cowork company can be broadly divided into 3 major activities

01

LEASING - Renting from the Owner:

- COWORK companies benefit from engaging with space owners with a commitment of 7-10+ years, securing rental rates 20-30% lower than those for traditional office seekers.

FIT-OUTS & FURNISHING:

- Architects and projects heads continuously value engineer interior design to achieve a functional, aesthetically pleasing, and agile workspace.
- Fit-out and furnishing projects involve activities such as demolition, civil works, tiling, electrical, HVAC, plumbing, furniture & carpentry, painting, wallpapers, landscaping, and planters.

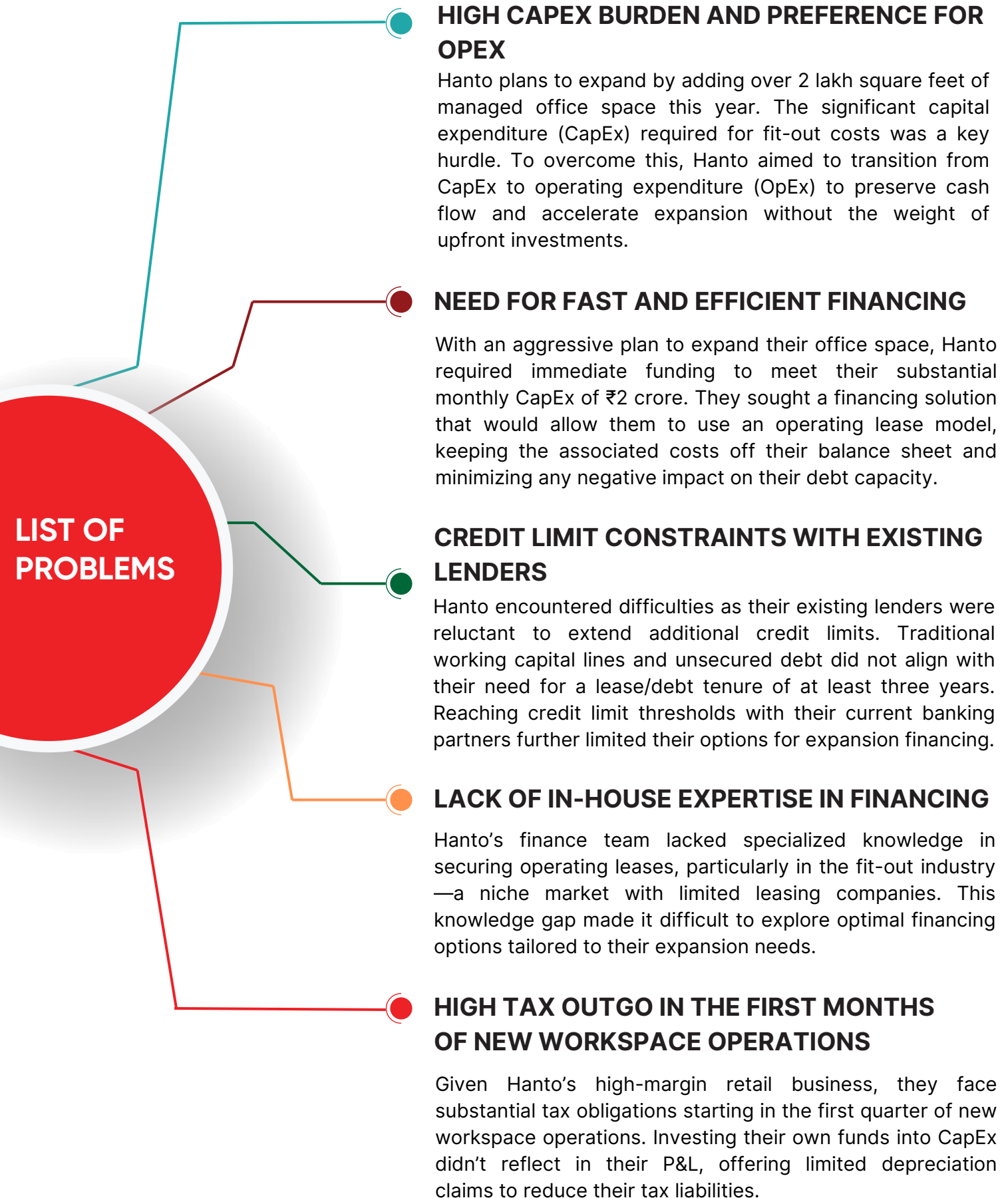
02

03

MANAGING or RUNNING THE SPACE:

- Utilities (electricity, maintenance, repairs, leased internet lines, housekeeping, pantry consumables, basic stationery, etc.)
- Salaries of office assistants, housekeeping and security staff, community managers, sales managers, accounts team, etc.
- Other costs like compliance, insurance, and accounting.

DIVING INTO A COWORKING COMPANY'S CHALLENGES



SOLVING THE PROBLEM

Keeping the Hanto Workspaces's problems in mind, the customer success team of RFin implemented a set of solutions for the client.

1

RFIN'S QUICK FINANCIAL ANALYSIS

RFin's credit team conducted a swift financial analysis of Hanto's needs, delivering results within 48 hours using proprietary tools. This analysis helped identify the optimal financing structure to secure external funding for their CapEx needs.

2

SEAMLESS DIGITAL ONBOARDING

RFin streamlined the entire onboarding and paperwork process, completing it digitally on their platform. This reduced administrative delays and improved operational efficiency.

3

ENHANCED CASE PRESENTATION

Hanto initially struggled with lengthy sanction and disbursement processes from traditional lenders. RFin stepped in to help refine their case presentation, significantly shortening the approval cycle.

4

TAILORED FINANCING SOLUTION

RFin identified three operating lease companies best suited to Hanto's needs, securing offers with favorable terms. The final arrangement included a ₹10 crore credit line, disbursed in two tranches, with a 3-year tenure and less than 15% post-tax IRR. This operating lease allowed Hanto to fund the fit-out of over 50,000 square feet of office space immediately, with further capacity to expand to their 2 lakh square feet target.

SOLVING THE PROBLEM

Keeping the Hanto Workspaces’s problems in mind, the customer success team of RFin implemented a set of solutions for the client.

5

TRANSPARENT COMMUNICATION AND EFFICIENT PROCESSING

RFin provided Hanto with timely updates and clear guidelines on documentation, expediting deal closure and ensuring seamless transactions.

6

COST EFFICIENCY AND FLEXIBLE UTILIZATION

Hanto’s monthly CapEx need of ₹1.5–2 crore was well-suited to a 6-month operating lease model, proving more cost-effective than traditional loans. The structure reduced financing costs while preserving debt capacity, enabling Hanto to execute its expansion plans efficiently.

7

SIGNIFICANT TAX SAVINGS

Converting CapEx to OpEx resulted in substantial tax savings for Hanto, reducing their total cost of ownership by 30%. Instead of claiming just 10% depreciation on CapEx, Hanto could now claim approximately 35% of the original CapEx annually in their P&L over the three-year lease period, significantly lowering their tax burden.



RESULTS

▶▶ Interest @15% Post tax IRR and a 3-year tenure

The partnership with RFin delivered exceptional outcomes, providing a single ₹10 crore credit facility at under 15% post-tax IRR with a 3-year tenure. This flexible facility can be expanded through fresh assessments, ensuring continued financial support for Hanto's ambitious growth plans. The process was efficient, cost-effective, and aligned with Hanto's long-term goals.

▶▶ ₹ 10 Crore Sanctioned

Hanto successfully raised over ₹10 crore within one month through RFinance, enabling them to open 50,000 square feet of new workspace immediately, with the flexibility to scale up to 2 lakh square feet in the near future.

RFin has truly transformed our business, particularly in handling the significant debt burden of our managed office spaces venture. In the past, we explored both internal as well the DSA model, but it never quite met our needs. However, since teaming up with RFin, they swiftly understood our challenges, carefully reviewed our financial records, and provided invaluable advice, much like a trusted guardian. They helped us navigate the complexities of securing the right loan amount and structure for sustainable business growth. Remarkably, In just the past 2-3 months, they facilitated a 5 Cr disbursement and secured sanctions up to 15 Cr for future use as per projected growth and Capex funding requirements through syndication and resolved a longstanding issue with a single transaction. I wholeheartedly endorse integrating RFin as your debt funding partner.

Aashit Verma Founder and CEO



BUSINESS GROWTH. FINANCED.

OpLease

▶ Fitout Finance ▶ Equipment Finance

Supply Chain Finance

▶ Anchor based Dealer Finance ▶ Anchor based Vendor Finance

CorpLend

▶ Term Loan ▶ Working Capital Loan ▶ Cash Credit

Builder Finance ▶ Lease Rental Discounting ▶ Loan Against Property

100 Cr+

Loan Disbursed

75 +

Lenders Onboarded

3 X

Quicker Disbursement

Trusted by Leading Banking Partners and **75+ Lenders.**

 CSB Bank

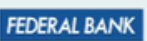
 SBI

 YES BANK

 Chola

 kotak

 ICICI Bank

 FEDERAL BANK



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