



July 14, 2025

To

Kumar Kalwar

("Complainant")

Subject: Response to your email dated July 8, 2025 ("Complaint") addressed to the Securities and Exchange Board of India ("SEBI") in relation to the proposed initial public offering of Smartworks Coworking Spaces Limited ("Company")

Dear Sir,

We are in receipt of your Complaint, as sent to SEBI and as forwarded by SEBI to one of the BRLMs, on July 10, 2025, wherein you have made certain allegations against our Company, Promoters and certain members of our Promoter Group.

Please note that none of the allegations in your Complaint pertain to non-disclosure of material information or incorrect disclosure of material information in the Offer documents, as required to be disclosed in accordance with SEBI ICDR Regulations and other applicable laws. We would like to state that our Company has made all disclosures in accordance with applicable law, in the Red Herring Prospectus dated July 4, 2025 filed with the Registrar of Companies, Delhi & Haryana at New Delhi ("RoC"), SEBI and the Stock Exchanges, read with Addendum to the RHP dated July 10, 2025 ("RHP").

It is evident that your Complaint has been made with a mala fide intention as the Company has received several similar complaints in the recent past from mostly anonymous complainants, which have been suitably responded. In particular, the allegations made in your complaint are almost identical to a letter received from Infrastructure Watchdog pursuant to its letter dated July 3, 2025. The similarity of these allegations with recent ongoing litigations involving the Company and their timing clearly indicate a conspiracy involving a motivated and co-ordinated effort by unnamed persons to derail the IPO of the Company.

We deny all allegations and contentions mentioned in the Complaint. We should not be deemed to have admitted any statement, allegation, contention and/or averment in the Letter for reason of non-traverse or otherwise, unless such statement, allegation, contention and/or averment is specifically admitted.

It is evident that your Complaint has been made with a mala fide intention as the Company has received several similar complaints in the recent past from you and others (mostly anonymous), which have been suitably responded. We deny all allegations and contentions mentioned in your Complaint. We should not be deemed to have admitted any statement, allegation, contention and/or averment in your Complaint for reason of non-traverse or otherwise, unless such statement, allegation, contention and/or averment is specifically admitted.

Specifically, in relation to the allegation pertaining to the loans availed by the Company, we state that all loans have been availed pursuant to valid and enforceable loan documentation and such loans have been adequately disclosed in the financial statements of the Company. To the extent the loans availed are secured, such loans are secured by assets as per the loan documentation. Further, to the extent of the security provided for such loans, the Company has filed relevant charge details with the RoC. The Company has provided all relevant information and details to the lenders as were required by the lenders for availing the loans. In respect of the outstanding loans availed by the Company, the lenders have not issued any notice of breach or default to our Company.

Smartworks Coworking Spaces Limited

(Formerly known as Smartworks Coworking Spaces Private Limited)

Regd. Office: Unit No. 305 - 310, Plot No. 9,10, & 11, Vardhman Trade Centre, Nehru Place, South Delhi - 110 019.

Corporate Office: Golf View Tower, Tower - B, Sector 42, Gurugram - 122002, Haryana

Phone No: 0124-6919 400

CIN: U74900DL2015PLC310656



We state that in accordance with applicable accounting standards certain 'operating and administrative expenses' have been categorized as assets in the Company's audited consolidated financial statements and its Restated Consolidated Financial Information. The Company's audited consolidated financial statements have been audited by its Statutory Auditors i.e., Deloitte Haskins & Sells LLP, Chartered Accountants for Fiscals 2025, 2024 and 2023 in accordance with applicable laws and the Statutory Auditors have issued an unmodified opinion on the audited consolidated financial statements of the Company for Fiscals 2025, 2024 and 2023. Further, we state that EBITDA of the Company for Fiscals 2025, 2024 and 2023 have been certified by Ray & Ray, Chartered Accountants, by way of their certificate dated July 4, 2025. For details, see "*Other Financial Information-Reconciliation of the Non-GAAP Measures*" and "*Basis for Offer Price- 7.Key Performance Indicators ("KPIs")*" on pages 394 and 167 of the RHP. Accordingly, your allegations that the Company has committed accounting fraud and there are suspicions in relation to its financial reporting, are denied as they are baseless and unsubstantiated.

Post filing of the DRHP with SEBI, certain Promoters had sold a portion of their shareholding in the Company through secondary transfers, in accordance with applicable law. In this regard, intimation were made to the Stock Exchanges and a public announcement was made in accordance with applicable laws.

Other than as is disclosed in "*Outstanding Litigation and Material Developments*" on page 443 of the RHP, there are no outstanding income tax disputes involving the Company. Particularly, in respect of the allegations made by you, the Company has not received any notice of claim/demand or order of claim/ demand from the Income Tax Department.

Your allegations pertaining to "land scam" is frivolous, absurd and without any substance, and is not connected to the Company in any manner. You have failed to provide any information/ evidence.

The investment by NS Niketan LLP and SNS Infrarealty LLP ("**LLPs**") in the equity share capital of the Company was sourced from the respective partners of the LLPs by way of capital contribution from their respective bank accounts through banking channels, or through borrowings by the LLPs from certain companies/HUFs through banking channels and such companies are "active" as per the "Master Data" on the MCA's portal as on date. Since the source of funds for the investment are identifiable and consideration has been paid, for which the property (i.e., the equity shares of the Company) have been transferred to the same parties, the allotment of equity shares of the Company to the LLPs cannot be called 'benami transactions' (as defined under Section 2(9) of the Benami Transactions (Prohibition) Act, 1988 i.e., transactions in which property is transferred to one person for a consideration paid or provided by another person or transactions where property is held for the immediate or future benefit of the person who has provided the consideration. Accordingly, we deny the allegation that our Company has received illicit funding through a network of shell companies.

Further, we have also adequately responded to allegations that our Company, certain Promoter Group companies and Group Companies are under investigation, as disclosed in the RHP and the addendum to the RHP dated July, 10, 2025.

We deny the allegations that our Promoters and certain members of the Promoter Group have misappropriated loans obtained by other companies and failed to repay lenders pursuant to which they were blacklisted by lenders, as the same is false, baseless and incorrect.

We understand that you have sought for *inter alia* immediate stoppage of the Company's initial public offering and a probe by regulatory authorities into alleged benami transactions, land scams, banking lapses, audit of our financials etc. However, you have failed to provide any evidence to substantiate the allegations made in your Complaint and thus, there are no grounds mentioned in your complaint for stoppage of the Company's IPO or for initiation of investigation against the Company. Lastly, we have no comments/ response to offer to your prayer for necessary orders from RBI to regulated entities in public interest, for due-diligence of the Company in accordance with the RBI norms. We deny that the Company has violated any RBI norms in relation to its borrowings.

Our statements and submissions herein are without prejudice to all our legal rights in relation to this Complaint, including the right to take recourse to appropriate legal remedies available to us against the Complainant in relation to this matter.

As stated above, this Complaint is *prima facie* without any merit, devoid of facts, false, frivolous and evidently made with a *mala fide* intention and with the ulterior motive to malign our Company and cause disruption in the lawful business of our Company and to delay the ongoing initial public offering of our Company.

We call upon you to refrain from making incorrect, frivolous, unsubstantiated and baseless allegations, failing which we shall be constrained to take appropriate legal actions against you, both criminal and civil.

Capitalised terms used in this letter but not defined shall have the same meaning as ascribed to such terms in the RHP and the addendum to the RHP dated July, 10, 2025.



Company Secretary & Compliance Officer
Smartworks Coworking Spaces Limited

CC:

JM Financial Limited

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Prabhadevi, Mumbai 400025
Maharashtra, India

BOB Capital Markets Limited

1704, B Wing, 17th Floor
Parinee Crescenzo, Plot No. C – 38/39
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Maharashtra, India

IIFL Capital Services Limited

(formerly known as IIFL Securities Limited)
24th Floor, One Lodha Place
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Lower Patel (West)
Mumbai 400 013
Maharashtra, India

Kotak Mahindra Capital Company Limited

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