



July 13, 2025

To

Infrastructure Watchdog

B-5/ 51, Paschim Vihar
New Delhi - 110 063

Subject: Response to letters dated July 7, 2025 and July 3, 2025 received from Infrastructure Watchdog (“Complainant”) against Smartworks Coworking Spaces Limited (“Company”)

Dear Sir/ Madam,

We are in receipt of a copy of your letter dated July 7, 2025 addressed to the Securities and Exchange Board of India (“SEBI”) and your letter dated July 3, 2025 addressed to Reserve Bank of India, which letter have been shared with us by certain of the BRLMs.

The contents of the letter dated July 7, 2025 is similar to the letter from you dated May 21, 2025, received by the BRLMs from SEBI on July 8, 2025, which we have already responded through our advocate’s letter dated July 9, 2025. The said letter dated July 7, 2025 raises allegations in relation to *inter alia* reports of the Income Tax Department, benami transactions and financial transactions through shell companies which we have responded to pursuant to our advocate’s letter dated July 9, 2025. Further, your allegations pertaining to the EBITDA and the classification of certain expenses in the Restated Consolidated Financial Information of the Company have been responded to herein below.

We are also in receipt of a copy of your letter dated July 3, 2025 to the Reserve Bank of India (“RBI”), which was received by certain of the BRLMs on July 10, 2025 and July 11, 2025 and shared with us on July 10, 2025 (“**Complaint**”).

As we understand from the prayer of the Complaint, you have sought for necessary orders from RBI to regulated entities in public interest, for due-diligence of the Company to adequately protect their exposures, strictly in accordance with the RBI norms. Accordingly, to the extent of related contents in the Complaint, we have no comments/ response to offer. However, there are certain allegations against the Company in the Complaint, which we deny at the very outset.

Please note that none of the allegations in the 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 you and others (mostly anonymous), which have been suitably responded. 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 Complaint for reason of non-traverse or otherwise, unless such statement, allegation, contention and/or averment is specifically admitted.

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 the allegations in your Complaint are unsubstantiated and that there are no specific statements / facts / details / evidence have been adduced in relation to any of the allegations in your Complaint. Thus, your Complaint is *prima facie* without any merit, devoid of facts, baseless, unsubstantiated, false, frivolous and evidently made with a *mala fide* intention and with the ulterior motive to malign the Company and its Promoters, cause disruption in the lawful business of the Company and cause delay to the proposed initial public offering by the Company.

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.

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 there are serious doubts about accounting standards followed by the Company 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.

Further, we have adequately responded to allegations that our Company, certain Promoter Group companies and Group Companies are under investigation, as mentioned in our advocates letter dated July 9, 2025.

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 Complaint 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.

Neetish Sarda
Managing Director
Smartworks Coworking Spaces Limited

CC:

JM Financial Limited
7th Floor, Cnergy, Appasaheb Marathe Marg
Prabhadevi, Mumbai 400025
Maharashtra, India

BOB Capital Markets Limited
1704, B Wing, 17th Floor
Parinee Crescenzo, Plot No. C – 38/39
G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India

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

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. 27, G Block
Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India