



Smartworks Coworking Ltd.

Issue Opens - July 10, 2025 to July 14, 2025

Price Band

₹387 to ₹407

Issue Size

Fresh Issue

Offer for Sale

Retail Quota

Tentative Allotment

Initiation of Refunds

Credit of Shares to Demat

Smartworks Coworking Spaces

LTD" Listing Day

Face Value

₹10

Issue Size

₹582.56 Cr

Lot Size

36 Shares

Listing At

NSE, BSE

1,43,13,400 shares / ₹582.56 Cr

1,09,33,660 shares / ₹445.00 Cr

33,79,740 shares of ₹10 / ₹137.56 Cr

Min. 35% of the Issue Size

Tue, Jul 15, 2025

Wed, Jul 16, 2025

Wed, Jul 16, 2025

Thu, Jul 17, 2025



Objects of The Offer

The Company proposes to utilize the Net Proceeds towards funding the following objects:

- **Debt Repayment:** ₹1,140.00 million will be used towards repayment, prepayment, or redemption of certain borrowings. This strategic move aims to reduce the Company's outstanding debt, lower interest costs, and enhance internal financial capacity for future growth and expansion.
- **Capital Expenditure:** A total of ₹2,258.40 million is earmarked for setting up new centres. This includes ₹1,750.00 million for interior fit-outs and ₹508.40 million for security deposits across Fiscal 2026 and 2027. The targeted cities for these new centres include Pune, Bengaluru, Hyderabad, Mumbai, Gurugram, and Kolkata, supporting the Company's pan-India expansion strategy.
- **General Corporate Purposes:** A portion of the proceeds, not exceeding 25% of the Gross Issue Size, will be allocated for general corporate purposes. This provides the Company with financial flexibility to address operational needs, adapt to market dynamics, and support strategic initiatives.

Brief profile of the Directors

- **Atul Gautam** is the Chairman and a Non-Executive Director of the Company. He holds a bachelor's degree in science from University of Lucknow and a master's degree in western history from University of Lucknow. Prior to joining the Company, he was associated with Punjab National Bank for over three decades. He has around 42 years of experience in the field of banking and financial sector. He has been associated with the Company as a director since 2024.
- **Neetish Sarda** is the Managing Director of the Company. He is also the founder of the Company. He is responsible for overseeing critical operational and growth-oriented functions of the Company. He directs the C-suite/senior management and teams responsible for sales, business development, operations, product, and technology functions of the Company. He holds a bachelor's degree in science from University of London. He has over nine years of experience in the field of flexible workspaces.
- **Harsh Binani** is an Executive Director of the Company. He is also the co-founder of the Company. He is responsible for overseeing finance, corporate and support functions of the Company. He directs the C-suite/senior management and teams responsible for investor relations, finance and accounts, marketing, and human resources functions of the Company. He holds a bachelor's degree in economics (honours) from Shri Ram College of Commerce, University of Delhi and a master's in business administration from J.L. Kellogg School of Management, Northwestern University, USA with specialisation in finance. He has around fourteen years of experience in management consulting and flexible workspace industry. He has been associated with the Company since 2017.
- **V K Subbura** is an Independent Director of the Company. He holds a bachelor's and master's degree in science with specialisation in agriculture from Tamil Nadu Agricultural University, Tamil Nadu, and a doctor of philosophy in agriculture from Gandhigram Rural University, Tamil Nadu. He was an IAS officer and served as the secretary to the Department of Pharmaceuticals, Ministry of Chemicals and Fertilisers, Government of India. He has been associated with the Company since 2024.



- **Rajeev Rishi** is an Independent Director of the Company. He holds a bachelor's degree in arts and a bachelor's degree in law from Panjab University, as well as a diploma in advanced human resource management from Ross School of Business, University of Michigan, USA. He is a member of the Indian Institute of Banking. He has more than 37 years of experience in the banking sector of India and has been associated with the Company since 2024
- **Pushpa Mishra** is an Independent Director of the Company. She holds a bachelor's degree in law from the University of Calcutta. She has been associated with the Company since 2024.
- **Ho Kiam Kheong**: is a Non-Executive (nominee) Director of the Company, and a nominee of Space Solutions India Pte Ltd. (formerly Lisbrine Pte Limited). He holds a degree in bachelor's of engineering (civil) from the National University of Singapore and a master's of science degree in engineering from the University of Liverpool. He currently serves as the chief executive officer for India. He has more than 35 years of experience in real estate investments, and appointed on the board since 2024

About The Company and Business Overview

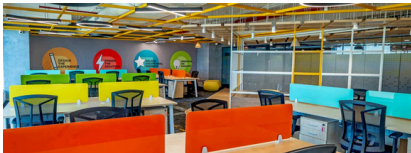
Smartworks India Private Limited operates as an office experience and managed Campus platform in India and Singapore. Its business model focuses on leasing large bare-shell commercial properties from passive and non-institutional landlords and transforming them into fully serviced, tech-enabled managed Campuses catering primarily to mid-to-large Enterprises.

Key Components of the Business Model:

- **Campus Leasing & Transformation:** Smartworks leases entire/large bare shell commercial properties, primarily from passive or non-institutional landlords who struggle to manage or lease their assets effectively. These properties are then transformed into branded, fully serviced managed Campuses with long-term lease agreements (typically 10-15 years with up to 5-year lock-in periods).
- **Enterprise-Focused Client Base:** The company serves a wide spectrum of clients, including Indian corporates, MNCs, and startups, with a focus on mid-to-large enterprises requiring over 300 seats. Clients span sectors like IT, engineering, e-commerce, ed-tech, insurance, and consulting.
- **Pan-India Presence & Scale:** As of March 31, 2025, Smartworks operates 50 Centres across 15 cities in India with a total Super Built-up Area (SBA) of 8.99 million sq. ft. and 203,118 capacity seats. The company also operates two Centres in Singapore with 35,036 sq. ft., serving 83 clients.



- **Value-Added Services (VAS) & FaaS:** Through partnerships with brands like Chaipoint, Park+, Nutritap, ClearTax, and CloudKitch, Smartworks provides daily-life and aspirational amenities like cafeterias, gyms, medical centers, crèches, and smart stores under revenue-sharing models. It also launched Fit-out-as-a-Service (FaaS) in 2024 for custom-designed office build-outs with upfront client payments.
- **Proprietary Technology & Design:** Smartworks uses its in-house design team and proprietary tech platform BuildX for fit-out project management. Its tech stack supports space booking, visitor and parking management, digital cafeterias, access control, and facility management to deliver a modern office experience.
- **Occupancy & Client Retention:** As of June 30, 2025, the company had a committed occupancy rate of 89.03% with 728 clients and 169,541 committed seats. The seat retention rate was 86.83% in FY25, and 31.90% of rental revenue came from multi-city clients.
- **Revenue Generation:** Smartworks earns rental revenue from leasing managed office spaces to enterprise clients. In FY25, 88.49% of total rental revenue (₹11,345.68 million out of ₹12,821.65 million) was from enterprise clients. VAS and FaaS serve as asset-light, margin-accretive ancillary revenue streams.
- **Growth and Expansion:** Founded in 2016, the company transitioned from co-working to a managed campus model in 2019, targeting large enterprises. A strategic investment of ₹1,772.19 million from Singapore-based Keppel Ltd in FY20 helped scale operations. Between FY23 and FY25, it added 2.83 million sq. ft. of SBA with a CAGR of 20.80%.



Financial ratios

Financial ratios	ROCE	PE	ROE	EV / EBITDA
AWFIS Space Solutions Ltd	12.60	102.00	23.60	12.60
Smartworks Coworking Ltd.	42.30	62.62 - 65.85	58.76	

Statement of Profit and Loss



Smartworks Coworking Ltd.

(All amounts are in Indian Rupees millions, unless otherwise stated)

Particulars	FY 2024-25	FY 2023-24	FY 2022-23
I. Income			
1. Revenue from Operations	13,740.56	10,393.64	7,113.92
2. Other Income	356.13	737.46	326.78
Total Income (1 + 2)	14,096.69	11,131.10	7,440.70
II. Expenses			
(a) Operating Expenses	4,160.34	3,029.41	2,200.24
(b) Employee Benefits Expense	653.69	496.08	408.37
(c) Finance Costs	3,363.38	3,283.18	2,366.56
(d) Depreciation & Amortisation	6,359.98	4,727.20	3,562.46
(e) Other Expenses	353.89	271.45	265.33
Total Expenses	14,891.28	11,807.32	8,802.96
III. Loss Before Tax (I - II)	(794.59)	(676.22)	(1,362.26)
IV. Tax Expense / (Credit)			
(a) Current Tax	0.96	-	-
(b) Deferred Tax	(163.76)	(176.65)	(351.80)
Total Tax Credit	(162.80)	(176.65)	(351.80)
V. Loss for the Year (III - IV)	(631.79)	(499.57)	(1,010.46)
VI. Other Comprehensive Income / (Loss)			
Net Gain on Foreign Currency Translation	3.68	-	-
Remeasurement of Defined Benefit Plans	(0.47)	1.73	0.35
Income Tax on Above	0.12	(0.49)	(0.09)
Total Other Comprehensive Income (Net of Tax)	3.33	1.24	0.26
VII. Total Comprehensive Loss for the Year (V + VI)	(628.46)	(498.33)	(1,010.20)
VIII. Earnings Per Equity Share (Face Value ₹10 each)			
Basic	(6.18)	(5.18)	(10.57)
Diluted	(6.18)	(5.18)	(10.57)

Strengths



- **Market Leadership and National Presence** – Smartworks is India's largest managed campus operator with 8.99 million sq. ft. across 50 centres in 15 cities. With a 20.80% CAGR in managed area (FY23-FY25), its scale enables strong market capture and operational leverage.
- **Enterprise-Centric Client Base** – The company primarily serves mid-to-large enterprises, handling deals of 6,300+ seats in FY25. With 86.83% seat retention and a diversified client portfolio, it ensures revenue stability and reduced client concentration risk.
- **Capital-Efficient Business Model** – By using customer deposits to fund part of its fit-out CapEx and maintaining high occupancy (83.12% in FY25), Smartworks achieves faster payback periods at the centre level, improving capital efficiency and ROI.
- **Proprietary Tech Infrastructure** – Smartworks operates through in-house platforms (e.g., SW App, BuildX, Hive) that enhance client experience and operational efficiency. Its tech-first approach allows scalable, cost-effective service delivery across locations.
- **Stable and Experienced Leadership** – Led by Founder Neetish Sarda and Co-founder Harsh Binani, the company benefits from a seasoned team with zero attrition in senior roles over the past 3 years, ensuring continuity in long-term strategic execution.

Key Risk Factors

- **Revenue Concentration in Select Cities and Sectors** – 75%+ of FY25 rental revenue comes from just four cities and heavily relies on IT clients. This creates vulnerability to regional or sector-specific slowdowns.
- **Lease Tenure Mismatch Risk** – The company signs long-term fixed lease agreements (10-15 years), while client contracts have shorter lock-in periods. This exposes Smartworks to revenue gaps if clients exit prematurely or fail to renew at favourable terms.
- **History of Losses and Financial Exposure** – Smartworks and its subsidiaries have incurred losses over the past three fiscals. The business also carries contingent liabilities, faces payment delays in statutory dues, and lacks dividend history—raising concerns around profitability and financial discipline.
- **Operational Scalability Challenges** – Rapid scale-up may not sustain due to delays in fit-outs, regulatory approvals, or underperformance of new centres. The flexible workspace sector also faces increasing competition, oversupply, and price pressure, impacting long-term scalability.
- **Governance and Legal Uncertainties** – The company has received anonymous complaints, faces ongoing litigations involving promoters and directors, and engages in related-party transactions. These issues could impact reputation, raise governance concerns, and distract senior management.

Valuation and Outlook



Smartworks Coworking Spaces IPO is expected to be priced between ₹387 to ₹407 per share. At this price, the company is valued at Price-to-Earnings (P/E) ratio of **62.62x** while the Peer P/E is around **102x**

Particulars	Revenue from Operations	Face Value per Equity Share (₹)	Closing Price (₹/share)	P/E Ratio (x)	EPS (Basic) (per share)	EPS (Diluted) (per share)	RoNW (%)	Net Asset Value (NAV) (₹)	NAV per Share	Market Capitalization (₹m)
Smartworks Coworking	11,780.56	10.00	-	-	(6.18)	(6.38)	-59%	1,078.81	10.55	-
Awfis Space Solutions	12,075.35	10.00	600.95	63.18	9.75	9.67	15%	4,592.19	65.97	43,354.81

Smartworks is India's largest managed campus workspace operator with a national footprint of 8.99 million sq. ft. across 50 centres in 15 cities, primarily serving mid-to-large enterprises. With a strong tech-driven, asset-light model and high seat retention (86.83%), the company has demonstrated a 39% revenue CAGR over FY23-FY25, reaching ₹13,740 crore in FY25. However, it continues to report net losses due to high depreciation and finance costs. At the upper IPO price band of ₹407, the company is valued at a P/E of ~65.85x based on projected FY25 earnings, making it appear expensive relative to peers despite operational strengths. Governance concerns, history of losses, and lease mismatch risk could weigh on near-term investor sentiment.

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