

awfis

AWFIS SPACE SOLUTIONS LIMITED



(Please scan this QR code to view the Red Herring Prospectus)

Our Company was incorporated as 'Awfis Space Solutions Private Limited' at Delhi, as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated December 17, 2014, issued by the RoC. Thereafter, our Company was converted from a private limited company to a public limited company, pursuant to a resolution passed in the extraordinary general meeting of our Shareholders held on November 24, 2023 and the name of our Company was changed to 'Awfis Space Solutions Limited' with a fresh certificate of incorporation dated December 5, 2023, issued to our Company by the RoC. For further details on the changes in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 249 of the Red Herring Prospectus dated May 14, 2024 filed with the RoC, read with the addendum to the red herring prospectus dated May 18, 2024 ("RHP" or "Red Herring Prospectus").

Registered and Corporate Office: C-28-29, Kissan Bhawan, Qutab Institutional Area, New Delhi - 110 016, India Contact Person: Amit Kumar, Company Secretary and Compliance Officer; Telephone: +91 11 4106 1878; Email: cs.corp@awfis.com; Corporate Identity Number: U74999DL2014PLC274236; Website: www.awfis.com

THE PROMOTERS OF OUR COMPANY ARE AMIT RAMANI AND PEAK XV PARTNERS INVESTMENTS V (FORMERLY KNOWN AS SCI INVESTMENTS V)

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH OF OUR COMPANY ("EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION ("OFFER"). THE OFFER COMPRISES A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 1,280.00 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 12,295,699 EQUITY SHARES ("OFFERED SHARES") AGGREGATING UP TO ₹ [●] MILLION.

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹ 20.00 MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HERINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

DETAILS OF THE OFFER FOR SALE BY SELLING SHAREHOLDERS AND THE WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH

NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF SHARES OFFERED / AMOUNT (₹ IN MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)*^A
Peak XV Partners Investments V (formerly known as SCI Investments V)	Promoter Selling Shareholder	Up to 6,615,586 Equity Shares aggregating up to ₹ [●] million	135.62
Bisque Limited	Other Selling Shareholder	Up to 5,594,912 Equity Shares aggregating up to ₹ [●] million	156.28
Link Investment Trust	Other Selling Shareholder	Up to 85,201 Equity Shares aggregating up to ₹ [●] million	156.28

* As certified by N B T and Co, Chartered Accountants, pursuant to their certificate dated May 21, 2024.

^ Calculated on a fully diluted basis.

We provide a wide spectrum of flexible workspace solutions ranging from individual flexible desk needs to customized office spaces for start-ups, small and medium enterprises as well as for large corporates and multi-national corporations.

The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations
 QIB Portion: Not less than 75% of the Net Offer | Non-Institutional Portion: Not more than 15% of the Net Offer | Retail Portion: Not more than 10% of the Net Offer
 Employee Reservation Portion: Up to [●] Equity Shares aggregating up to ₹20.00 Million

PRICE BAND: ₹364 TO ₹383 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH.

BIDS CAN BE MADE FOR A MINIMUM OF 39 EQUITY SHARES AND IN MULTIPLES OF 39 EQUITY SHARES THEREAFTER.

A DISCOUNT OF ₹ 36 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION.

THE FLOOR PRICE IS 36.4 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 38.3 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.

SINCE BASIC AND DILUTED EPS FOR THE FINANCIAL YEAR 2023 ON RESTATED CONSOLIDATED FINANCIAL INFORMATION OF THE COMPANY IS NEGATIVE, P/E RATIO WILL NOT BE ASCERTAINABLE.

WEIGHTED AVERAGE RETURN ON NET WORTH FOR FISCALS 2023, 2022 AND 2021 IS (38.60)%.

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated May 15, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Offer Price' section of the RHP beginning on page 134 of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in 'Basis for Offer Price' section on page 134 of the RHP, "Risk Factors" section beginning on page 36 of the RHP.

In making an investment decision, potential investors must only rely on the information included in the RHP and the terms of the Offer, including the risks involved and not rely on any other external sources of information about the Offer available in any manner.

RISK TO INVESTORS

- We have a history of net losses, negative earnings per share ("EPS") and return on net worth ("RoNW"). We need to generate and sustain increased revenues while managing our expenses to achieve profitability, and our inability to achieve these goals may have an adverse effect on our business, results of operations, cash flows and financial condition. The following table sets forth our restated loss, our basic and diluted EPS and RoNW as at and for the period / year:

Particulars	As at and for the Fiscal			As at and for nine months ended December 31, 2023
	2021	2022	2023	
	(in ₹ million, unless otherwise stated)			
Restated loss for the period/year	(426.42)	(571.56)	(466.37)	(189.42)
Earnings/(Loss) per equity share (basic) (₹)	(8.38)	(10.68)	(8.11)	(3.05)
Earnings/(Loss) per equity share (diluted) (₹)	(8.38)	(10.68)	(8.11)	(3.05)
Return on Net Worth (in %)	(28.29)%	(60.34)%	(27.54)%	(7.66)%

- We have experienced negative cash flows in previous Fiscals and may continue to have negative cash flows in the future. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. Our consolidated cash flow for the period / years are set forth in the table below:

Particulars	For Fiscals			For nine months ended December 31, 2023
	2021	2022	2023	
Net cash flows from Operating Activities (A)	574.44	826.94	1,951.88	1,946.61
Net cash flows used in Investing Activities (B)	(377.39)	(72.16)	(1,701.07)	(1,623.69)
Net cash flows used in Financing Activities (C)	(166.86)	(798.56)	(277.74)	(263.11)
Net increase/(decrease) in cash and cash equivalents (D=A+B+C)	30.19	(43.79)	(26.93)	59.81

- We may not be able to attract new clients in sufficient numbers, continue to retain existing clients, a portion of whom enter into service agreements ("Client Agreement") with short-term commitments, or agree sufficient rates to sustain and increase our client base or at all. The following table sets forth the number of clients by tenure and percentage of our occupied seats by tenure for the periods indicated:

Tenure	As of							
	March 31, 2021		March 31, 2022		March 31, 2023		December 31, 2023	
	Number of clients	Percentage of occupied seats	Number of clients	Percentage of occupied seats	Number of clients	Percentage of occupied seats	Number of clients	Percentage of occupied seats
Less than 12 months	664	29.38%	888	25.22%	863	14.05%	783	11.73%
12-23 months	370	41.77%	662	36.63%	1,031	27.16%	1,401	31.35%
24 months or more	49	28.85%	108	38.16%	254	58.79%	326	56.92%

- We have substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements and will have to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures or working capital needs in the future, which could have a material adverse effect on our results of operations, cash flows and financial condition. The following table sets forth our historical working capital requirements and addition in property plant & equipment (or capital expenditure) for the period as indicated:

	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023	As at December 31, 2023
Total working capital requirements	1,030.65	27.97	(212.15)	356.30
Addition in property plant & equipment	402.11	510.17	1,637.97	756.47

- We will not receive any proceeds from the Offer for Sale portion and the same will be received by the Selling Shareholders.
- Average cost of acquisition of Equity Shares for our Selling Shareholders in the Offer is as stated in the below table and the Offer Price at the upper band of the price band is ₹383.

Name	Number of Equity Shares	Average Cost of Acquisition per Equity Share (in ₹)*
Peak XV Partners Investments V	14,281,319	135.62
Bisque Limited	15,687,893	156.28
Link Investment Trust	238,904	156.28

Note: Average cost of acquisition of Equity Shares of the Company held by the Selling Shareholders in respect of their respective shareholding in the Company is calculated as per FIFO Method.

*As certified by N B T and Co, Chartered Accountants, pursuant to their certificate dated May 21, 2024.

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7. Weighted average cost of acquisition of all shares transacted in the three years, 18 months and one year preceding as on date (May 21, 2024)

Period	Weighted average cost of acquisition per Equity Share (in ₹)	Cap Price is 'x' times the weighted average cost of acquisition*	Range of acquisition price per Equity Share: lowest price – highest price (in ₹)
Last one year	157.27	2.44	Nil [^] - 383.00
Last 18 months	157.27	2.44	Nil [^] - 383.00
Last three years	157.27	2.44	Nil [^] - 383.00

*For arriving at Equity Shares acquired in last one year, 18 months and three years, date of acquisition for Equity Shares allotted on conversion of Preference Shares/CCDs (which were acquired at an earlier date) has been considered from the date of conversion into Equity Shares.

[^]Nil is the lowest price since one of the Promoters of the Company, Amit Ramani, was allotted 150,000 sweat equity shares on September 27, 2023.

As certified by N B T and Co, Chartered Accountants by way of their certificate dated May 21, 2024.

8. Since basic and diluted EPS for the financial year 2023 on Restated Consolidated Financial Information of the Company is negative, P/E will not be ascertainable. P/E ratio of the NIFTY 50 is 21.33.

9. Weighted Average Return on Net Worth for the Financial Years 2023, 2022 and 2021 is (38.60)%.

10. The four BRLMs associated with the Offer have handled 73 public issues in the past three financial years, out of which 21 issues closed below the Offer Price on listing date:

Name of the BRLMs	Total issues	Issues closed below IPO Price on listing date
ICICI Securities Limited*	16	2
Axis Capital Limited*	13	3
IIFL Securities Limited*	15	5
Emkay Global Financial Services Limited*	2	2
Common Issues handled by the BRLMs	27	9
Total	73	21

*Issues handled where there were no common BRLMs

ANCHOR INVESTOR BIDDING DATE : TUESDAY, MAY 21, 2024

BID/OFFER OPENS ON : WEDNESDAY, MAY 22, 2024

BID/OFFER CLOSURES ON : MONDAY, MAY 27, 2024[#]

BID/ OFFER PROGRAMME

[#]The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Date.

ASBA[#] Simple, Safe, Smart way of Application!!!
(APPLICATION SUPPORTED BY BLOCKED AMOUNT)

[#] Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA below.

Mandatory in public issues. No cheque will be accepted.

UPI UPI-Now available in ASBA for Retail Individual Bidders and Non-Institutional Bidders applying for amount upto ₹ 5,00,000/-, applying through Registered Brokers, DPs and RTAs. UPI Bidder also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020, CBDT circular no. 7 of 2022 and press release dated June 25, 2021, read with press release dated September 17, 2021, March 30, 2022 and March 28, 2023

ASBA has to be availed by all the investors except anchor investors. UPI may be availed UPI Bidders. For details on the ASBA and UPI process, please refer to the details given in the Bid Cum Application form and abridged prospectus and also please refer to the section "Offer Procedure" beginning on page 439 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. ASBA bid-cum-application forms can be downloaded from the websites of the BSE Limited and National Stock Exchange of India Limited and can be obtained from the list of banks that is displayed on the website of Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35 and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=43>, respectively as updated from time to time. List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. ICICI Bank Limited and HDFC Bank Limited have been appointed as Sponsor Banks for the Offer, in accordance with the requirements of the SEBI Circular dated November 1, 2018 as amended. For offer related queries, please contact the BRLMs on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail id: ipo.upi@npci.org.in.

SECOND ADDENDUM TO THE RHP ("Second Addendum")

This is in furtherance of the red herring prospectus of the Company dated May 14, 2024 ("RHP"), filed with the Registrar of Companies, Delhi and New Delhi ("RoC"), read with the addendum dated May 18, 2024 ("First Addendum"), it is hereby informed that certain Equity Shares have been transferred by (i) Emerge Capital Opportunities Scheme in favour of Anurag Kalra, Madhav Agarwal, Kundan & Zeya Limited, Vikram Agarwal and Aaryan Mirai Industries LLP and (ii) Shri Brahma Creation Trust in favour of quant Dynamic Asset Allocation Fund ("Secondary Transfers").

The potential Bidders may note the following:

1. Pursuant to the Secondary Transfers, the details with respect to the weighted average cost of acquisition of all shares transacted in the three years, 18 months and one year preceding the date of the Red Herring Prospectus, that was included in the RHP, as updated vide the First Addendum in the section titled "Summary of Offer Document" section on page 35 of the RHP will be further updated, as on date, as follows:

Period	Number of Equity Shares transacted of face value ₹ 10 each	Weighted average cost of acquisition per Equity Share (in ₹)	Cap Price is 'x' times the weighted average cost of acquisition*	Range of acquisition price per Equity Share: lowest price – highest price (in ₹)
Last one year preceding the date of this Second Addendum	53,248,916	157.27	2.44	Nil [^] - 383.00
Last 18 months preceding the date of this Second Addendum	53,248,916	157.27	2.44	Nil [^] - 383.00
Last three years preceding the date of this Second Addendum	53,248,916	157.27	2.44	Nil [^] - 383.00

*For arriving at Equity Shares acquired in last one year, 18 months and three years, date of acquisition for Equity Shares allotted on conversion of Preference Shares/CCDs (which were acquired at an earlier date) has been considered from the date of conversion into Equity Shares.

[^]Nil is the lowest price since one of the Promoters of the Company, Amit Ramani, was allotted 150,000 sweat equity shares on September 27, 2023.

As certified by N B T and Co, Chartered Accountants by way of their certificate dated May 21, 2024.

2. Pursuant to the Secondary Transfers, the "Capital Structure" section beginning on page 90 of the RHP will be suitably updated in the Prospectus, including the details under: (a) "Shareholding Pattern of our Company"; and (b) "Major Shareholders".

3. Please note that the Equity Shares transferred through the Secondary Transfers shall be subject to lock-in requirements in accordance with Regulation 17 of the SEBI ICDR Regulations, as applicable.

The above changes are to be read in conjunction with the RHP and the First Addendum, and accordingly their references in the RHP and the First Addendum stand updated pursuant to this Second Addendum. The information in this Second Addendum supplements the RHP and the First Addendum and updates the information in the RHP, the First Addendum and the price band advertisement dated May 15, 2024, as applicable.

Investors should read this Second Addendum in conjunction with the RHP and the First Addendum, filed with the RoC, the SEBI, and the Stock Exchanges, before making an investment decision in the Offer. However, please note that this Second Addendum does not reflect all the changes that have occurred between the date of filing of the RHP with the RoC and the date hereof, and accordingly does not include all the changes and/or updates that will be included in the Prospectus. Please note that the information in the RHP will be suitably updated, including to the extent stated in the First Addendum and this Second Addendum, as may be applicable, in the Prospectus, as and when filed with the RoC, the SEBI, and the Stock Exchanges.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

COMPANY SECRETARY AND COMPLIANCE OFFICER

 ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025, Maharashtra, India Telephone: + 91 22 6807 7100 E-mail: awfisipo@icicisecurities.com Investor Grievance E-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Sumit Singh / Nikita Chirania SEBI Registration No.: INM000011179	 Axis Capital Limited 1 st Floor, Axis House, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai - 400 025 Maharashtra, India Telephone: + 91 22 4325 2183 E-mail: awfis.ipo@axiscap.in Investor Grievance E-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Pavan Naik SEBI Registration No.: INM000012029	 IIFL Securities Limited 24 th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400 013 Maharashtra, India Telephone: +91 22 4646 4728 E-mail: awfis.ipo@iiflcap.com Investor Grievance E-mail: ig_ib@iiflcap.com Website: www.iiflcap.com Contact Person: Pawan Kumar Jain/ Yogesh Malpani SEBI Registration No.: INM000010940	 Emkay Global Financial Services Limited 7 th Floor, The Ruby, Senapati Bapat Marg, Dadar (W) Mumbai - 400 028, Maharashtra, India Telephone: +91 22 6612 1212 E-mail: awfis.ipo@emkayglobal.com Investor Grievance E-mail: ibg@emkayglobal.com Website: www.emkayglobal.com Contact Person: Pranav Nagar / Pooja Sarvankar SEBI Registration No.: INM000011229	 Bigshare Services Private Limited Office No S6-2, 6 th Floor, Pinnacle Business Park Next to Ahura Centre, Mahakali Caves Road Andheri (East), Mumbai - 400 093, Maharashtra, India Telephone: +91 22 6263 8200 E-mail: ipo@bigshareonline.com Investor Grievance E-mail: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Jibu John SEBI Registration No.: INR000001385	Amit Kumar C 28-29, Kissan Bhawan, Qutab Institutional Area New Delhi - 110 016, India Telephone: +91 11 4106 1878, Email: cs.corp@awfis.com Investors may contact the Company Secretary or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Investors may also write to the BRLMs.
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For Awfis Space Solutions Limited
On behalf of the Board of Directors

Sd/-

Amit Kumar

Company Secretary and Compliance Officer

Place: New Delhi
Date: May 21, 2024

AWFIS SPACE SOLUTIONS LIMITED is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offering of its Equity Shares and has filed the RHP with RoC, read with the addendum to the RHP dated May 18, 2024 ("RHP"). The RHP is available on the website of SEBI at www.sebi.gov.in, as well as on the websites of the Stock Exchanges i.e. BSE and NSE at www.bseindia.com and www.nseindia.com, respectively, on the website of the Company at www.awfis.com and on the websites of the BRLMs, i.e. ICICI Securities Limited, Axis Capital Limited, IIFL Securities Limited and Emkay Global Financial Services Limited at www.icicisecurities.com, www.axiscapital.co.in, www.iiflcap.com and www.emkayglobal.com, respectively. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see "Risk Factors" on page 36 of the RHP. Potential Bidders should not rely on the DRHP filed with SEBI for making any investment decision instead investors shall rely on RHP filed with the RoC.

This announcement is not an offer of securities for sale in the United States or elsewhere. This announcement has been prepared for publication in India only and is not for publication or distribution, directly or indirectly, in or into the United States. The Equity Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. There will be no offering of securities in the United States.