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Naman Joshi
Founding Partner

Signature
6/2/24

CCNY (R. Sampati)

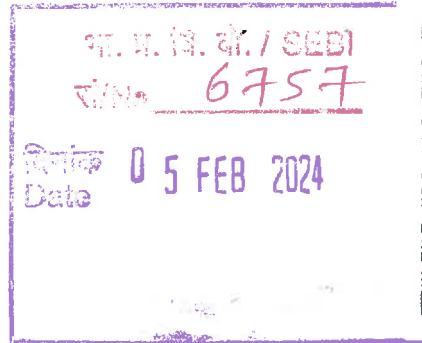
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BY SPEED POST | BY EMAIL

What is this case about? 01.02.2024
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DIT (vs) P. dms
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SMT. MADHABI PURI BUCH,
CHAIRPERSON,
SECURITIES AND EXCHANGE BOARD OF INDIA ["SEBI"],
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SEBI/WW/P/20240205/000006757

Subject: Representations dated 5.01.2024 and 17.01.2024 & request for cessation of
Awfis Space Solutions Private Limited's Initial Public Offering

Am (AR)

Dear Ma'am,

I am writing to you on behalf of DoIT Urban Ventures [India] Private Limited [hereinafter "Client"] who is the majority shareholder in Awfis' group company, Ncube Planning and Design Private Limited ["Ncube"]. Under instruction from my Client, I state as under:

1. By and under 2 [two] detailed representation(s) dated 5.01.2024 and 17.01.2024 ["Representation"] addressed to your good-office, my Client had demonstrated that Awfis Space Solutions Private Limited ["Awfis"] has deliberately failed to fully disclose ongoing disputes / litigation between its group company, Ncube and my Client in its Draft Red-Herring Prospectus submitted your good-office on 21.12.2023 ["DRHP"]. Although, for the sake of brevity the contents of the Representations are not being repeated herein and the same may be read as part and parcel of the present letter, it is pertinent to



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emphasize that Awfis has deliberately failed to fully disclose the disputes / litigation between Ncube and my Client in the DRHP with a clear intent to conceal which amounts to a fraud being perpetrated by Awfis and its promoters. Further, an *ex-facie* false averment has been made in the DRHP *inter alia* attributing the sale of shares by Mr. Amit Ramani in Ncube due to litigation initiated by my Client when, in fact, Mr. Ramani had commenced the process of selling his shares in Ncube much before my Client initiated any litigation against Ncube. These deliberate omissions / misrepresentations have been made in the DRHP to ostensibly / artificially evade the taint of mismanaging a company which could potentially be subject to initiation of the Corporate Insolvency Resolution Process. Further, for ready reference, copies of the Representations are also enclosed as documents, herewith.

2. The present letter shall demonstrate that the promoter and director of Awfis, Mr. Amit Ramani has siphoned / diverted a large quantum of funds and business from Ncube to Awfis in order to superficially inflate the valuation of Awfis whose Initial Public Offering ["IPO"] is (im)pending. Given these circumstances and the pendency of litigation between Ncube and my Client which *inter alia* involves issues of diversion of funds from Ncube to Awfis, allowing the IPO to proceed will cause irretrievable loss / damage to prospective investors, particularly since mere disclosure of such litigation in the DRHP [which has also not been done faithfully by Awfis, as elaborated in the Representations] does not [and cannot] represent a true and fair picture of the affairs of Awfis. Accordingly, the IPO should not be allowed to proceed until such time your good-office has fully investigated into the affairs of Awfis and/or until the litigation pending between my Client and Awfis' group company, Ncube attains finality.



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3. At the very outset, it is submitted that although my Client has the highest reverence for the ongoing arbitral proceedings between Ncube and my Client as well as Section 42A of the Arbitration Act, it is trite that an honest, fair and full disclosure of all material facts is the hallmark of the disclosure requirements under *inter alia* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ["ICDR Regulations"], the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ["LODR Regulations"] etc., which have been enacted with a view to ensure that prospective investors take an informed decision while investing in a company bound for an Initial Public Offer ["IPO"]. Accordingly, the factual background given hereinbelow is necessary so that your good-office can take appropriate step(s) / action(s) in respect of the IPO.

Factual background in brief

4. Sometime in 2013, Mr. Amit Ramani approached my Client and induced it to invest in Ncube. Induced by the sweet talk and tall promises made by Mr. Ramani, an SPA dated 14.11.2013 was executed between my Client and Mr. Ramani / his family members as per which, *inter alia*, my Client invested an amount of Rs. 13.44 Crores [Rupees Thirteen Crore Forty-Four Lakh Only] in the Ncube and became a 60% shareholder in it by primarily purchasing the shareholding of Mr. Amit Ramani and his family members.
5. Shortly thereafter, on 17.12.2014, Awfis was incorporated with Mr. Amit Ramani and his father, Mr. Bhagwan Kewal Ramani as its Promoters and Directors. In hindsight it is realized that as a confidence trick and in order to ensure that there is no oversight / detailed scrutiny of the books of Awfis



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and/or the siphoning of funds from Ncube to Awfis at the behest of Mr. Amit Ramani, my Client [and an associate group company] were offered to acquire 50.10% shareholding in Awfis. Accordingly, by and under an agreement dated 15.06.2015 executed between my Client, Mr. Amit Ramani and Awfis, my Client acquired 50.10% shareholding in Awfis while also significantly supporting Mr. Amit Ramani in making his financial commitment towards his equity contribution of Awfis inasmuch as Rs.13.44 Crores, being my Client's investment in Ncube, had been diverted by Mr. Ramani for his investment in Awfis.

6. Thereafter, Mr. Amit Ramani planned the entire fraud i.e., systematic destruction of Ncube in such a careful and pre-mediated manner that it also resorted to insisting on incorporation of a term in the Series B Shareholders' agreement of Awfis as per which *inter alia* he resigned as the Managing Director of Ncube and also appointed a 'dummy CEO / Manager' who worked under his direct instructions. This was done by Mr. Ramani to superficially / ostensibly cover up his strong link with Ncube as a related party where he had 40% beneficial ownership so that his complicity / involvement in any wrongdoing in the affairs of Ncube is completely effaced, while the core competencies and intrinsic value of Ncube are migrated into Awfis. Over the next few years, Mr. Amit Ramani very systematically destroyed the entire business of Ncube, siphoned huge funds to Awfis while using my Client as the entity to secure the loan obligations of Ncube.
7. By and under an order dated 25.05.2023, the Hon'ble NCLT passed an order of reduction of capital under Section 66 of the Companies Act, 2013 in respect of Awfis as per which *inter alia* my Client was prematurely made to exit from Awfis before an IPO at an undervalued amount of Rs.250 Crores



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[approximately] for its majority shareholding in Awfis held for over 8 years since inception including growth capital while the Mr. Amit Ramani and his family members continued to remain the shareholders / directors of Awfis.

8. In hindsight, my Client realised that the entire scheme hatched by Mr. Ramani commencing from:-

- (i) incorporating Awfis in 2014;
- (ii) inducing my Client to become a shareholder in Awfis;
- (iii) Mr. Ramani resigning as the Managing Director of Ncube to ostensibly / superficially sever his involvement in managing the affairs of Ncube with a proxy CEO / Manager; and
- (iv) my Client's ultimate coercive exit from Awfis at an undervalued amount without concurrently ensuring transparently valued exit for my Client as it was indeed my Client's sale proceeds for 60% shares in Mcube1 in 2013 which was the genesis of Awfis / source of funds for Mr. Ramani

was done to artificially inflate the valuation of Awfis by *inter alia* siphoning / misappropriating amount(s) from Ncube by Mr. Ramani with the hope that my Client will not unearth the link between these 2 [two] entities after being coerced to sell its shareholding in Awfis prematurely before the contemplated IPO.

9. Further, while Mr. Ramani and his family members are positioned to reap huge returns from the IPO of Awfis, my Client has been left in the lurch inasmuch as:-



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- (i) my Client was fully exploited in Ncube after the funds received from it were used by Mr. Ramani to invest in Awfis;
- (ii) Mr. Ramani systematically destroyed / exploited Ncube to inflate the value of Awfis;
- (iii) Mr. Ramani coerced my Client's exit from Awfis; and
- (iv) Mr. Ramani deliberately failed to resolve the Ncube's admitted obligations / equity returns towards my Client by questionably selling its shareholding in Ncube to another entity without any shareholder consent. This sale was done solely to evade such admitted obligations towards my Client and also in order to concoct a frivolous plea of having ostensibly 'dissociated' from Ncube thereby, hoodwinking the prospective investors of Awfis as well as your good-office after systematically eroding the value of Ncube.

10. It is further submitted that the issues of *inter alia* siphoning / diversion of Ncube's funds and business by Mr. Ramani to Awfis is pending adjudication before an arbitral tribunal constituted by the Hon'ble High Court of Delhi in by and under an order dated 17.10.2024 in *Arb. Pet. No. 1064/2023*.

11. Therefore, a mere disclosure of the litigation between Awfis' group company, Ncube and my Client in the DRHP [which has also not been done faithfully by Awfis, as elaborated in the Representations] does not [and cannot] represent a true and fair picture of the affairs of Awfis and allowing the IPO to proceed will cause irretrievable loss / damage to prospective investors, particularly in view



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of the fact that the equity base forming the substratum of Mr. Ramani's equity contribution in Awfis has been fraudulently projected in the DRHP when, in fact, Rs.13.44 Crores, being my Client's investment in Ncube, had been diverted by Mr. Ramani for his equity contribution in Awfis. Since, the entire issue is pending adjudication before an arbitral tribunal, any decision with respect to Awfis' IPO, including allowing the IPO to open, runs the risk of being vitiated.

12. Accordingly, in view of the above, it is humbly submitted that your good-office pass appropriate directions for immediate cessation of Awfis' IPO until such time your good-office has fully investigated into the affairs of Awfis and/or until the litigation pending between my Client and Awfis' group company, Ncube attains finality.
13. This representation is being issued without prejudice to the rights and remedies available to my Client.

Best Regards,


[Naman Joshi]

CC:

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5. **SHRI S V MURALI DHAR RAO, EXECUTIVE DIRECTOR**
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