

12. CERTIFICATE ON EMPLOYEE STOCK OPTION SCHEMES

To,
The Board of Directors
Awfis Space Solutions Limited
C-28/29, Kissan Bhawan
Qutab Institutional Area
New Delhi 110016
India

Dear Sir/Ma'am,

Re: Proposed initial public offering of equity shares (the "Equity Shares") of Awfis Space Solutions Limited (the "Company" and such initial public offering, the "Offer")

We, N B T and Co, Chartered Accountants, have been informed that the Company proposes to file the red herring prospectus with the Registrar of Companies, Delhi and Haryana at New Delhi (the "**Registrar of Companies**" / "**RoC**"), the Securities and Exchange Board of India (the "**SEBI**"), BSE Limited and National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**") (the "**RHP**") in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**") and subsequently (i) proposes to file a Prospectus with the SEBI, the Stock Exchanges and the Registrar of Companies (the "**Prospectus**"); and (ii) issue any other documents or materials in relation to the Offer (such documents or materials collectively with the, RHP and Prospectus, the "**Offer Documents**").

We, have been requested by the Company to examine whether the Employee and Director Stock Options Plan, 2015 (the "**ESOP Scheme**"), as approved by the board of directors of the Company on June 8, 2015 and by the shareholders of the Company on June 15, 2015, is in compliance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended (the "**SEBI SBEB & SE Regulations**"), the SEBI ICDR Regulations, the Companies Act, 2013, as amended, along with the Companies (Share Capital and Debentures) Rules, 2014, as amended (together, the "**Companies Act**").

For the purpose of this certificate, we have performed the following procedures:

- a. Reviewed the ESOP Scheme;
- b. Minutes of the meetings of the board of directors of the Company and relevant committees thereof, including nomination and remuneration committee and audit committee and minutes of general meeting of the Company approving the ESOP Scheme; and
- c. Details of ESOPs of the Company including but not limited to grants, vesting, cancellations

Based on the procedures performed by us, and verification of the relevant records, we certify the details in relation to the options granted and the ESOP Scheme as provided in **Annexure A**.

Further, as on the date of this certificate, 2,901,474 options have been granted under the ESOP Scheme out of which 23,78,185 options are outstanding

We further certify that the Company has complied with the relevant provisions of the Companies Act, SEBI SBEB & SE Regulations and the SEBI ICDR Regulations in respect of framing the ESOP Scheme.

We conducted our examination for this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes ("**Guidance Note**") issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

We confirm that the information in this certificate is true, correct, and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

We confirm that this certificate, including any annexures hereto, is for information and for inclusion (in part or full) in the Offer

Documents.

This certificate may be relied upon by the Company, the Book Running Lead Managers and the legal advisors to each of the Company and the Book Running Lead Managers, and to assist the Book Running Lead Managers in conducting and documenting their review of the affairs of the Company in connection with the Offer. We also consent to this certificate being disclosed by the Book Running Lead Managers, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or on the request of the Stock Exchanges or (ii) in seeking to establish a defence in any claims or proceedings in connection with the contents of the Offer Document to the extent covered by our certificate or (iii) for the records to be maintained by the Book Running Lead Managers and in accordance with applicable law

We confirm that on receipt of any written communication from Company of any changes in the information, we confirm that we will immediately inform the Book Running Lead Managers until the date when the Equity Shares commence trading on the Stock Exchanges pursuant to the Offer. In the absence of any such communication from us, you can assume that we are not aware of any change to the above information until the commencement of trading of Equity Shares pursuant to the Offer.

Yours sincerely,

For N B T and Co
Chartered Accountants
ICAI Firm Registration Number: 140489W

CA. Neha Nuwal
Partner
Membership No.: 157137
Place: Mumbai
Date: May 14, 2024
UDIN: 24157137BKFDEI7506

cc:

Book Running Lead Managers			
ICICI Securities Limited ICICI Venture House Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India	Axis Capital Limited 1 st Floor, Axis House, C-2 Wadia International Centre Pandurang Budhkar Marg Worli, Mumbai 400 025 Maharashtra, India	IIFL Securities Limited 24th Floor, One Lodha Place Senapati Bapat Marg, Lower Parel (W) Mumbai 400 013 Maharashtra, India	Emkay Global Financial Services Limited 7th Floor, The Ruby Senapati Bapat Marg, Dadar (W) Mumbai 400 028 Maharashtra, India

Legal Counsel to the Book Running Lead Managers as to Indian Law	Legal Counsel to the Book Running Lead Managers as to International Law	Legal Counsel to the Company as to Indian Law
Cyril Amarchand Mangaldas Level 1 & 2, Max Towers C-001/A, Sector 16 B Noida 201 301 India	White & Case Pte. Ltd. #41-01, 88 Market Street Capita Spring Singapore 048 948	Khaitan & Co Max Towers, 7 th & 8 th Floors, Sector 16B, Noida, Gautam Buddha Nagar 201301 Uttar Pradesh, India

Annexure A

Particulars	Details				
	Fiscal 2021	Fiscal 2022	Fiscal 2023	From April 1, 2023 till December 31, 2023	From January 1, 2024 till the date of this certificate
Options granted during the period	186,223	10,000	961,110	1,234,798	Nil
Options vested (including options that have been exercised) during the period	55,000	88,837	86,968	405,601	Nil
Options exercised during the period	-	-	-	48,500	175,000
Options forfeited/lapsed/ cancelled during the period	576,882	88,158	196,625	64,418	18,212
Options outstanding (including vested and unvested options) at the end of the period	763,190	685,032	1,449,517	2,571,397	2,378,185
Exercise price of options (in ₹ per Equity Share) of outstanding options	NA	NA	NA	10.00	10.00
Total no. of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options) at the end of the period	763,190	685,032	1,449,517	2,571,397	2,378,185
Variation in terms of options	<p>Employee and Director Stock Option Plan, 2015 (the “EDSOP 2015”) was established with effect from June 15, 2015, to reward senior and critical Employees for their association performance and for retention, reward and motivation till the earlier of (i) its termination by the Board; or (ii) the date on which all of the Options under the EDSOP 2015 have been issued and exercised.</p> <ol style="list-style-type: none"> On January 14, 2022, the shareholders of the Company approved the variance in the terms of EDSOP 2015 by approving for surrender of options. On June 06, 2022, the shareholders of the Company approved the variance in the terms of EDSOP 2015 as amended on January 14, 2022 by providing (a) a 2 (two) year vesting period for options granted as a bonus wherein 50% would vest after the first year and the remainder 50% would vest at the end of the second year; and (b) immediate expiry of non-vested options in case of termination of an employee due to Permanent Disability (c) In the event of the employment of the Optionee with the Company being terminated without cause after two years and resigned after two years with the Company, all Vested Options granted to the Optionee as on the date of such termination shall Vest with the Optionee. d) removing timeline of ten years for exercising the vested options. On September 26, 2023, the shareholders of the Company approved the variance in the terms of EDSOP 2015 as amended, by providing a 10 (ten) year exercise period from respective vesting date w.e.f. June 6, 2022. On December 11, 2023 the shareholders of the Company approved the variance in the terms of EDSOP 2015 as amended, making the EDSOP, 2015 conforming with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, by providing for (a) creation of a committee administration and superintendence of the EDSOP, 2015 in terms of SEBI (LODR), 2015; (b) fair market value of the shares as (i) latest closing price on the exchange wherein the shares are listed or (ii) if shares are not listed, the value calculated in accordance with Indian Accounting Standards (Ind AS) and applicable valuation principles; (c) an exercise period of 15 (fifteen) years from the applicable vesting date; and (d) a nominee in case of death or permanent disability of the employed. On May 1, 2024, the Nomination and Remuneration Committee of the Company decided to extend the vesting period by two months for the options vesting on May 1, 2024, such options shall vest on July 1, 2024 now. 				
Money realised by exercise of options (In ₹ million) during the period	NA	NA	NA	0.49	1.75
Total no. of options in force at the end of the period	763,190	685,032	1,449,517	2,571,397	2,378,185

Particulars	Details									
	Fiscal 2021		Fiscal 2022		Fiscal 2023		From April 1, 2023 till December 31, 2023		From January 1, 2024 till the date of this certificate	
Employee wise details of options granted to (during the period)										
(i) Key managerial personnel / Senior management personnel	Name	Number of Options	None		Name	Number of Options	Name	Number of Options	Not Applicable	
	Manu Dhir	9,173			Manu Dhir	33,333	Manu Dhir	40,500		
	Sumit Lakhani	13,087			Sumit Lakhani	214,275	Sumit Lakhani	463,849		
	Deepayan Sen	4,830			Deepayan Sen	33,333	Deepayan Sen	142,500		
	Amit Kumar	1,340			Amit Kumar	16,667	Amit Kumar	16,200		
					Ravi Dugar	50,000	Ravi Dugar	25,000		
(ii) Any other current employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year/period (Other than KMP/SMP)	Name	Number of Options	Name	Number of Options	Name	Number of Options	Not Applicable		Not Applicable	
	Gaurav Bhatia*	10,120	Vimal Verma*	10,000	Jitesh Bhugra*	55,667				
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant (Other than KMP/SMP)	None		None		None		None		Not Applicable	
Fully diluted EPS on a pre-Offer basis pursuant to the issue of equity shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share' (in ₹)	Not Applicable		Not Applicable		Not Applicable		Not Applicable		Not Applicable	
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this	Not applicable since the options were priced at fair value on the date of grant by using Black Scholes model.									

Particulars	Details				
	Fiscal 2021	Fiscal 2022	Fiscal 2023	From April 1, 2023 till December 31, 2023	From January 1, 2024 till the date of this certificate
difference on profits and EPS of the Company					
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	As per details below^				
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI SBEB Regulations in respect of options granted in the last three years	Not applicable because the Company had followed the accounting policies specified in Regulation 15 of the SEBI SBEB Regulations i.e., as per the Indian Accounting Standard.				
Intention of the key managerial personnel, senior management and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the initial public offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any	None of the whole-time directors, key managerial personnel and senior management personnel who hold Equity Shares in the Company, allotted on exercise of options granted under an employee stock option scheme/ employee stock purchase scheme, intend to sell their Equity Shares within three months after the date of listing of the Equity Shares in the initial public offer.				
Intention to sell Equity Shares arising out of an employee	None of the whole-time directors, key managerial personnel, senior management personnel and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions), holding vested employee stock option, intend to sell				

Particulars	Details				
	Fiscal 2021	Fiscal 2022	Fiscal 2023	From April 1, 2023 till December 31, 2023	From January 1, 2024 till the date of this certificate
stock option scheme or allotted under an employee stock purchase scheme, within three months after the date of listing, by directors, key managerial personnel, senior management personnel and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	any Equity Shares in the Company arising out of an employee stock option scheme or allotted under an employee stock purchase scheme.				

*Ceased to be an employee at a later date post grant

Grant Date	October 1, 2020	Grant Date	April 1, 2021	Grant Date	July 1, 2022	December 9, 2022
Exercise price (INR)	27.78	Exercise price (INR)	27.78	Exercise price (INR)	27.21-162.00	144.00
Dividend yield (%)	0.00%	Dividend yield (%)	0.00%	Dividend yield (%)	0.00%	0.00%
Expected life (years)	11 to 14	Expected life (years)	11 to 14	Expected life (years)	6 to 9	6 to 9
Expected volatility (standard dev - annual) (%)	85.00	Expected volatility (standard dev - annual) (%)	85.00	Expected volatility (standard dev - annual) (%)	50.00	50.00
Risk free interest rate (%)	6.65-6.87	Risk free interest rate (%)	7.02-7.16	Risk free interest rate (%)	7.38-7.58	7.38-7.58

Grant Date	May 1, 2023	Grant Date	July 1, 2023	September 1, 2023	December 1, 2023
Exercise price (INR)	144.00	Exercise price (INR)	90.00	144.00	273.10
Dividend yield (%)	0.00%	Dividend yield (%)	0.00%	0.00%	0.00%
Expected life (years)	6 to 7	Expected life (years)	6 to 7	6 to 9	6 to 9
Expected volatility (standard dev - annual) (%)	50.00	Expected volatility (standard dev - annual) (%)	50.00	50.00	50.00
Risk free interest rate (%)	7.38-7.44	Risk free interest rate (%)	7.31	7.31	7.31