

10. CERTIFICATE ON FINANCIAL INDEBTEDNESS

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**").

Based on our review of the restated consolidated financial statements of the Company as of and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and as of and for the nine month period ended December 31, 2023, and the examination report thereon, prepared in accordance with Indian Accounting Standards and section 133 of the Companies Act, 2013, read with the rules made thereunder, as amended ("**Companies Act**"), and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), and such financial statements, the "**Restated Financial Statements**", loan agreements and sanction letters approved by the banks/financial institutions, deeds of hypothecation, memoranda of deposit, other letters and correspondence between the lenders and the Company, confirmations on outstanding loan amount from group companies, bank statements and bank balance confirmations on outstanding loan amount from lenders, minutes of the meetings of the board of directors of the Company (the "**Board**"), minutes of annual general meetings and extra-ordinary general meetings of the Company, minutes of the meetings of various committees of the Board, returns of charge filed by the Company with the relevant registrar of companies and other relevant records. On the basis of such verification and according to information and explanation given to us, we confirm the following:

- 1) The financial indebtedness including summary of the borrowings sanctioned to the Company and outstanding, as of March 31, 2024 is stated in **Annexure A**. Except as included in **Annexure A** there are no other loans or facilities availed by the Company.
- 2) The principal terms of the borrowings and assets charged as security by the Company are stated in **Annexure B**.
- 3) Except as stated in **Annexure C**, the Company has not provided any guarantees for the repayment of any loans availed by other entities.

We confirm that, as on the date of this certificate, none of the banks or institutions from whom the Company has availed debt facilities, have accelerated payment of the facility in full or in part on account of default in the repayment in any instalment or interest due or for violation of any other terms of any of the outstanding loans/ debt facilities granted to the Company.

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 hereby confirm that while providing this certificate we have complied with the Code of Ethics and 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, issued by the ICAI.

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 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 Documents 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: 24157137BKFDEG2301

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

As of April 30, 2024, the outstanding borrowings aggregated to ₹ 318.65 million. The details of the indebtedness of the Company (on a consolidated basis) as on April 30, 2024, are provided below:

(in ₹ million)

Category of borrowings	Sanctioned Amount	Outstanding amount as on April 30, 2024
Secured		
Term Loan	650.00	314.04
Working capital facilities (Overdraft/WCDL/WCTL)	400.00	Nil
Vehicle Loan	5.12	4.62
Total	1,055.12	318.65

Notes:

1. Sanctioned amount includes amount sanctioned for fund and non-fund based facilities.
2. As on March 31, 2024, the Subsidiary of the Company has not availed any borrowings.

Annexure B

The details provided below are indicative and there may be additional terms, conditions and requirements under the various financing documentation executed by the Company in relation to its indebtedness.

1. **Interest:** The applicable rate of interest for the various facilities in India availed by the Company are typically linked to benchmark rates, such as the long term lending rate (LTLR) and marginal cost of lending rate (MCLR), of a specified lender over a specific period of time plus a specified spread per annum and are subject to mutual discussions between the relevant lenders and the Company. In most of its facilities, a spread per annum is charged above these benchmark rates.
2. **Tenor and repayment:** The tenor of certain working capital facilities availed by the Company ranges up to 12 months from the date of sanction and are subject to renewal on yearly basis, whereas the term loan facilities availed by the Company typically has a tenor ranging from 46 to 48 months. Certain of the Company's working capital facilities are repayable on demand while certain are repayable on the basis of a mutually agreed repayment schedule.
3. **Penal Interest:** The terms of certain financing facilities availed by the Company prescribe penalties for non-compliance of certain obligations by the Company. These include, *inter alia*, breach of financial covenants, non-renewal of insurance policy in a timely manner, diversion of facilities to inter-corporate deposits, debentures, stocks and shares, non-submission of annual financial statements, periodic reports, etc. The terms of certain borrowings availed by the Company prescribe a penalty interest rate that ranges from 1.00% to 6.00% per annum over and above the applicable interest rate depending on account of non-compliance of certain obligations or as may be mutually agreed between the Company and the respective lenders.
4. **Pre-payment penalty:** The Company's borrowings typically have pre-payment provisions which allow for pre-payment of the outstanding amount at any given point in time, subject to the conditions specified in the borrowing arrangements. Certain of the working capital facilities and term borrowings availed by the Company carry a pre-payment penalty which ranges from 1.00% to such higher rate on the pre-paid amount based on lenders extant guidelines or as may be mutually agreed between the Company and the respective lenders. The pre-payment penalty does not apply in certain circumstances of equity raise.
5. **Security:** The Company's borrowings are typically secured, *inter alia*, by way of mortgage of fixed assets, cash flow escrows, hypothecation of moveable assets including and charge over entire current assets (both present and future) and receivables of the Company. There may be additional requirements for creation of security under the various borrowing arrangements entered into by the Company.
6. **Key Covenants:** The financing arrangements entered into by the Company entail various restrictive conditions and covenants restricting certain corporate actions and the Company is required to take the prior approval of the lenders before carrying out such activities.

For instance, certain corporate actions for which the Company require the prior written consent of the lenders include:

- (a) Effecting any change in its shareholding pattern or capital structure of certain shareholders.
 - (b) Making any amendments to the constitutional documents of the Company.
 - (c) Effecting any change in the ownership, control or management of the Company.
 - (d) Pre-paying our outstanding loans in whole or part.
 - (e) Entering into any new banking arrangement
7. **Events of default:** The borrowing facilities availed by the Company contain certain standard events of default, including:
 - (a) Default in payment / repayment of interest or instalment amount on relevant due dates or on extended period as agreed with the lender.
 - (b) Non-compliance of financial covenants.
 - (c) Any default under any other facility from any bank or financial institution.
 - (d) The occurrence of any cross default.
 - (e) any change of ownership, control and/or management of the Company without the prior consent of the lenders.
 - (f) Breach of security arrangements.
 8. **Consequences of occurrence of events of default:** In terms of the Company's borrowing arrangements, due to the occurrence of events of default, the Company lenders may include:

- (a) Declare all amounts outstanding in respect of facility due and immediately payable.
- (b) Demand to furnish more security.
- (c) Recall advance or the entire loan and take any recovery action.
- (d) Enforce security or change any of the terms of sanction.
- (e) Impose penal interest on the principal amount.
- (f) Appoint a nominee director on Board of the Company.

The above is an indicative list and there may be additional consequences of an event of default under the various borrowing arrangements entered into by the Company.

Annexure C

Nil