To,
The Audit Committee / Board of Directors
Afcons Infrastructure Limited
Afcons House, 16,Shah Industrial Estate,
Veera Desai Road, Azad Nagar,
Andheri (West) Mumbai- 400 053

Dear Sir(s) /Madam

Re: Review of proposed related party transaction between Afcons Construction Mideast LLC and Shapoorji Pallonji Mideast LLC.

1. We have been requested by the Afcons Infrastructure Limited ***("the Company")***, a listed entity, to issue this certificate in connection with a proposed related party transaction involving subcontracting services in the nature of infrastructure works package(s) to be undertaken by Afcons Construction Mideast LLC (a wholly owned subsidiary of the Company incorporated in UAE) (hereinafter referred to as ***"Afcons"***) for Shapoorji Pallonji Mideast LLC (a subsidiary of Shapoorji Pallonji and Company Private Limited, the Promoter Company, incorporated in UAE hereinafter referred to as ***"the Related Party"***), who is participating for the execution of the Project [redacted] Ph-1A_SPUI in Abu Dhabi ***("Project")*** of [redacted] ***("Developer")***. The aggregate value of the proposed subcontract works (in the nature of related party transaction) considering the final scope, phasing, and award of additional works/packages under the Project (in one or more tranches) is estimated to be up to ₹3,000 crore (in equivalent AED). Additionally, the proposed related party transaction includes provision of Corporate Guarantee (in lieu of Bank Guarantee) to Shapoorji Pallonji Mideast LLC pursuant to the terms of the Sub-contract (as may be awarded to Afcons Construction Mideast LLC), estimated at approximately 30% of the subcontract value [covering 10% toward performance of the work, 10% towards mobilization advance and 10% in lieu of cash retention for the value of the subcontract works under the Project] which would be around ₹900 crore (in equivalent AED).

2. As informed to us, for the purpose of compliance of Section 188 of the Companies Act, 2013, read with applicable rules thereunder, and Regulation 23 of the SEBI (Listing and Obligations and Disclosure Requirements) Regulation 2015, read with SEBI Master Circular no. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, SEBI Circular no. SEBI /HO /CFD/CFD-PoD-2/P/CIR/2025/93 dated June 26, 2025 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/135 October 13, 2025 (collectively referred to as 'SEBI Circular') to the extent applicable, the Management of the Company, for the purpose of the seeking prior approval of the Audit Committee / Board of Directors/

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

Shareholders of the Company to the proposed Related party Transaction, is desirous of obtaining our independent judgement for ascertaining whether the proposed related party transactions will be conducted on an arm's length basis and whether they fall within the ordinary course of business, in accordance with the Proviso and the Explanation to Section 188(1) of the Companies Act, 2013.

3. We have performed the procedures in accordance with the requirements of the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI'). Our Scope of work did not included verification of compliance with other requirements of the other circulars and notifications issued by regulatory authorities from time to time and any other laws and regulation applicable to the Company.

   Further, our scope of work did not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial Information or the financial results of the Company, taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such an opinion.

4. 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.

5. In this connection, the Company has presented to us the following documents for the said proposed transaction :
   i. Tender Document.
   ii. Estimated contract value for the work to be undertaken under different packages were shown to us.
   iii. Quotation of certain work to be subcontracted thereunder by Afcons Construction Mideast LLC were also shown to us
   iv. Benchmarking conducted by the independent professional firm for past related party transactions of the Company.
   v. Internal Guidelines for various categories of the Related Party Transactions of the Company.
   vi. Brief Details on the Project (including tenure, key terms and condition and justification of related party transaction for the Project).
   vii. Minimum Information pursuant to Clause 4 of the Industry Standards read with SEBI Circular and applicable provisions of the Companies Act, 2013 of the proposed related party transaction as intended to be placed before the Audit

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

Committee and Board for consideration while seeking prior approval of the proposed Related party Transaction.

viii. Management Representation

6. Our scope was limited to:
   - Review of tender document submitted by Afcons.
   - Understanding the nature of proposed transaction
   - Examination of written representation provided by the management of the Company
   - Comparison of the budgeted margin of the proposed related party transaction with the past budgeted margin of other infrastructure projects undertaken by the company and also based on the benchmarking conducted by independent professional firm and as represented by management.
   - Providing our independent judgement of the proposed related party transactions adheres to arm's length pricing and the ordinary course of business of the Company and its Subsidiary.

7. We have not:
   - Conducted an audit, review, valuation or transfer pricing study
   - Examined or verified detailed cost break-ups, pricing workings, or underlying past contract documentation nor verified actual examination margins of prior contracts as the same were not made available to us due to confidentiality considerations.

   Our review is based solely on information and explanations provided by management and documents made available to us and exercise of our independent judgement of the proposed related party transaction.

8. Based on the information, explanations, and representations provided to us and based on our independent judgement of the proposed Related Party transaction, we note that:
   a) the proposed transaction relating to sub-contracting services is consistent with the ordinary course of business of the Company and its subsidiary.

   b) the budgeted margin for the proposed transaction relates to sub-contracting services is represented to be approximately 10% of the subcontract value, which is consistent with the historical trends and budgeted margins of similar contracts executed by the Company, as represented by management.
   Further, relying on the benchmarking of other EPC service providers conducted by an independent professional firm using the Transactional Net Margin Method (TNMM) indicates that the range of operating margins is the range of 2.51% to 12.14%, with a median of 5.56%. The Afcon's budgeted margin for the proposed subcontract work (related party transaction) of ~10% falls within this range and is therefore considered reasonable from an arm's length perspective.

VATSARAJ & CO. ★ CHARTERED ACCOUNTANTS ★ FRN 111327W

c) Provision of Corporate Guarantee (in lieu of Bank Guarantee) appears to be a standard business practice in the infrastructure construction industry and does not involve any pricing element requiring arm's length assessment and is more of commercial point of consideration which is consistent with the historical practice of the Company and the Subsidiary. Therefore, in our view, it did not require our independent verification of arm's length pricing on this aspect.

9. Conclusion:

Based on the above and subject to the scope limitations stated herein, nothing has come to our attention that causes us to believe that the proposed related party transaction between Company' Subsidiary i.e. Afcons Construction Mideast LLC with Shapoorji Pallonji Mideast LLC, Related Party of the Company is not in the ordinary course of business or not at arm's length, for the purposes of Section 188 of the Companies Act, 2013, read with applicable rules thereunder and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable.

10. Restriction on Use

The certificate is addressed to and provided to the Company solely for the purpose of enabling it to submit to it's Audit Committee/ Board of Director and to be relied by the shareholders of the Company conveying our independent judgement of the ordinary course and arm's length pricing of the proposed Related Party transaction and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Vatsaraj & Co.
Chartered Accountants
FRN: 111327W

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

NDedhia

CA Nitesh K. Dedhia
Partner
Membership No.: 114893
UDIN: 26114893CDXFEM3400
Date:07th January, 2026
Place: Mumbai