Jain Jindal & Co.
Chartered Accountants

Shriram Properties Limited

Opinion on the proposed related party transactions for the financial year ending 31 March 2027

Private and Confidential

Context and purpose

We have been engaged by M/s. Shriram Properties Limited ("SPL") vide letter dated 17 April 2026 to provide an assessment of the related party transactions proposed to be entered between SPL and its Subsidiaries including wholly owned subsidiaries, associates, and JVs (collectively referred to as "Associated Enterprises"/ "AE's"), and provide our opinion on the arms' length price ('ALP') of these transactions. In this connection, the various related parties and their transactions were scrutinized and the application of the provisions of Section 188 and Section 177 of the Companies Act, 2013 were considered to arrive at our opinion. The metrics in relation to the transactions were compared wherever possible, to industry metrics for transactions of comparable nature.

The objective of this transfer pricing analysis is to support the arm's length nature of the Related Party Transactions entered into by Shriram Properties Limited (hereinafter referred to as "Shriram Properties" or "The Company") with its Associated Enterprise(s) (hereinafter referred to as "Shriram Group" or "Group Companies" or "AE(s)").

This analysis has been completed in line with the arm's length principle set out in the Indian Transfer Pricing Regulations. This opinion on transfer pricing has been prepared for the proposed transactions for the year 01 April 2026 to 31 March 2027.

Context and purpose (continued)

In our opinion, the proposed transactions which will be entered by SPL with its related parties are on arm's length basis and are in compliance with the relevant regulations. We have prepared this presentation based on the request of the Company. This presentation is not to be circulated or shared without our prior written consent.

For Jain Jindal & Co.
Chartered Accountants
Firm Registration Number: 025817N

DHEERAJ KUMAR DANGRI

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Date: 2026.05.22 15:56:50 +05'30'

Dheeraj Kumar Dangri
Partner
ICAI Membership No.: 501687

Place: Bangalore
Date: 22 May 2026

Company overview

Shriram Properties Limited (the 'Company') was incorporated on 28 March 2000 under the provision of erstwhile Companies Act, 1956. The Company is engaged in the business of real estate construction, development and other related activities. The Company is a public limited company, incorporated and domiciled in India and has its registered office at Lakshmi Neela Rite Choice Chamber, 1st Floor, New No. 9, Bazullah Road, T Nagar, Chennai - 600017. The Company's equity shares are listed on two recognised stock exchanges in India namely, BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE).

Shriram Properties Limited is one of the leading residential real estate development companies in South India, primarily focused on the mid-market and affordable housing categories. The Company has an extensive presence in Bangalore and Chennai and a reputation for providing quality construction for two decades since its inception. The Company is headquartered in Bangalore and has a registered office in Chennai along with regional offices in Kolkata, Vishakhapatnam and Coimbatore.

Definitions

Associated Enterprise

Section 173(b) of the Income-tax Act, 2025 defines the term “enterprise” to means a person (including a permanent establishment of such person), which *inter alia* is or proposes to be engaged in any activity relating to the provision of goods or services of any kind, investment activity, licensing of trademarks, patents, dealing in securities and extending loans.

Section 162 of the Income-tax Act, 2025 defines the term “associated enterprise” to include any enterprise that participates directly or indirectly or through one or more intermediaries in the management or control or capital of another enterprise. Thus, the term includes enterprises under common ownership, management or control. Further, the term is deemed to include enterprises covered by a variety of circumstances including enterprises, which have defined relationship by virtue of borrowing, guarantees, board control, licensing of trademarks, purchases, sales, common control, or where enterprises have “mutual interest” as may be prescribed.

Related party transactions (“RPT”)

Regulation 2(1)(zc) of LODR Regulations defines RPT as any transfer of resources, services or obligations between a listed entity and a related party regardless of whether a price is charged or not and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions.

Where a listed entity or any of its subsidiaries, on one hand, transacts with any other person or entity on the other hand which may or may not be a related party, but the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, such transactions would be covered under the definition of Related Party Transactions.

Companies Act provisions for RPT

- **Related parties**: Wholly owned subsidiaries ("WOS") and Joint Ventures ("JV") are related parties within the meaning of Section 2(76)(viii) of the Act read with Regulation 2(1)(zb) of LODR.

- Section 188(1) of the Act specifies some transactions as Related Party Transactions.

- Section 177(4)(iv) of the Act is much wider as it covers all transactions with related parties.

- **Approval of transactions (RPT):**

  (a) Section 177(4)(iv) of the Act:
  The terms of reference of the Audit Committee inter-alia include "Approval or any subsequent modification of transactions of the Company with related parties". The fourth proviso to Section 177(4)(iv) of the Act exempts transactions between the Company and its WOS from the requirement of "approval" of the Audit Committee unless the said transactions or modification thereof are covered under Section 188 of the Act. Accordingly, approval of the Audit Committee (prior/ post facto) would be required for transactions/ modification of transactions with WOS only for transactions "referred to in Section 188" of the Act.

Companies Act provisions for RPT (continued)

- **Section 188 of the Act:** Section 188(1) stipulates consent of the Board of Directors by a resolution passed at a meeting before contracts/ arrangements can be entered into with related parties in respect of certain types of transactions specified in clauses (a) to (g) therein.

- **First proviso** further stipulates that prior approval of shareholders would be required for contracts/ arrangements to be entered into in case of companies having more than a prescribed paid-up capital or where the amount involved is more than a prescribed amount.

- **Fourth proviso** exempts such prior consent/ approval of the Board/ Shareholders if the transactions entered into by the Company are on an arms' length basis and in the ordinary course of its business.

- **Fifth proviso** states that the requirement of passing the resolution under the first proviso shall not be applicable for transactions entered into between a holding company and its wholly-owned subsidiary whose accounts are consolidated with the such holding company and placed before the shareholders at the general meeting for approval.

- Based on the applicability of Section 177, the Arms Length principle for Associates, Subsidiaries, JVs, and Wholly Owned Subsidiaries is tested in the analysis.

Companies Act provisions for RPT (continued)

- **Section 185 of the Act:** Section 185 stipulates that a Company may grant loans, guarantees or securities, to any person in whom a director is interested, provided:

  - A special resolution is passed in the general meeting
  - Loans are utilized by the borrower for principal business activities

- It also states that the loans can be given if appropriate interest is charged, and the loans are utilized by the subsidiaries in their principal business activities.

- The provisions of said section do not apply to loans given by the Holding Company to its wholly owned subsidiaries, subsidiaries and joint ventures, since the loans are used by the SPV's for their principal business activities. Also, the Company is charging interest at the rate of 14% which is above the threshold provided.

- Hence, the Company is in compliance with the provisions for section 185 to the Companies Act, 2013.

Companies Act provisions for RPT (continued)

- **Section 186 read with Schedule VI of the Act:**

  Section 186(5) – No investment shall be made or loan or guarantee or security given by the company unless the resolution sanctioning it is passed at a meeting of the Board with the consent of all the Directors present at the meeting

  Section 186(7) - No loan shall be given under this section at a rate of interest lower than the prevailing yield of one year, three year, five year or ten year Government Security closest to the tenor of the loan

  As per Schedule VI(5) - The term "infrastructural facilities" includes activities related to industrial, commercial and social development and maintenance, including real estate development, industrial parks and SEZs

- The provisions of said sections do not apply to a loan made, guarantee given or security provided by a Company engaged in business of providing infrastructural facilities.

SEBI guidelines related to RPT (continued)

SEBI Guidelines

- SEBI has mandated all listed companies to submit disclosure on Related Party Transactions (RPT), every six months vide its circular no. SEBI/ HO/ CFD/ CMD1/ CIR/P/2021/662, dated November 22, 2021 (as amended by circular no. SEBI/HO/CFD/CMD1/PoD2/CIR/P/0155 dated November 11, 2024 and SEBI/HO/CFD/ CFD-PoD-2/ P/ CIR/2025/18 dated February 14, 2025), and this requirement comes into effect from 1st April 2022.

- RPT needs to be placed before the Audit Committee (AC) for prior approval on an annual basis.

- For material related party transactions, the Company should seek the Shareholders' approval in a General meeting by way of ordinary resolution if the material transaction exceeds 10% based on the audited consolidated annual turnover.

- This data is further to be submitted to stock exchanges in the format specified by the SEBI from time to time (currently as per annexure to circular) every six months, on the same day of publication of results.

SEBI guidelines related to RPT

SEBI Guidelines

- With effect from April 1, 2025, a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.

- The listed entity shall provide the audit committee with the information as specified in the Industry Standards on “Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction”, while placing any proposal for review and approval of an RPT.

Transfer pricing regulations and guidelines

The Indian Transfer Pricing Regulations are governed by Section 161 to 173 of the Income-tax Act, 2025 read with Rules 77 to 126 of the Rules. The Rules contain detailed provisions regarding the applicability of each transfer pricing methods, the information and documents to be maintained and the certificate (Form No. 48) to be issued by a Chartered Accountant.

The term "specified domestic transactions" has been defined in Section 164 of the Act as follows.

"Specified domestic transactions in case of an assessee means any of the following transactions (not being an international transaction):

- *any transaction referred to in section 122;*
- *any transfer of goods or services referred to in section 140(9);*
- *any business transacted between the assessee and other person as referred to in section 140(13);*
- *any transaction referred to in any other section under chapter VIII, to which provisions of section 140(9) or (13) of this Act or section 80-IA(8) or 80-IA(10) of the Income-tax Act, 1961 are applicable;*
- *any business transacted between the persons referred to in section 205(4);*
- *any other transaction as may be prescribed,*

and where the aggregate of such transactions entered into by the assessee in a tax year exceeds a sum of twenty crore rupees.

Related Party Transactions

<u>The transactions between the entities assessed are</u>:

1. Interest rate on intercorporate loans given/taken
2. Development management fees & Admin fees charged from Subsidiaries & Joint Ventures
3. Redemption of Debentures
4. Cross-charge of marketing and sales promotion expenses
5. Payment of passthrough items like GST, TDS, and Electricity bills for SPVs
6. Corporate guarantee and commission
7. Security provided by subsidiaries and security fee charged
8. Purchase and sale of Mivan and other materials
9. Interest on financial instruments
10. Interest waiver
11. Impairment of loans and interest accrued

Subsidiaries, Associates and Joint ventures of SPL

Shrivision Homes Private Limited	SPL Estates Private Limited
Shriprop Developers Private Limited	SPL Realtors Private Limited
SPL Homes Private Limited	SPL Towers Private Limited
Shriprop Homes Private Limited	Shriprop Living Space Private Limited
Shriprop Projects Private Limited	Shriprop Hitech City Private Limited
Global Entropolis (Vizag) Private Limited	SPL Housing Projects Private Limited
Shriprop Constructors Private Limited	Shriprop Properties Private Limited
Shriprop Structures Private Limited	Shrivision Towers Private Limited
SPL Constructors Private Limited	Shriprop Malls Private Limited
Shriprop Builders Private Limited	Shriprop Infrastructure Private Limited
Shriram Living Space Private Limited	Shrivision Projects Private Limited
Shriram Upscale Spaces Private Limited	Shrivision Structures Private Limited
Shrivision Elevations Private Limited	Shrivision Estates Private Limited
SPL Palms Developers Private Limited	Shrivision Malls Private Limited
Bengal Shriram Hitech City Private Limited	Shrivision Hitech City Private Limited
Shrivision Upscale Spaces Private Limited	

Procedures performed

- We have been provided with the nature and amounts of proposed transactions with related parties for the year 01 April 2026 to 31 March 2027 for omnibus approval.

- For assessment of ‘Market value’ for Transactions with RPTs, Arms Length Price or the Assessable Open Market value for such services was taken and compared.

- The economic analysis involves the selection of the Company, selecting the most appropriate method, conducting a search for uncontrolled comparables based on the selection of the most appropriate method, selecting a measure of profitability (where appropriate), and finally determining the arm’s length results. The process involves identifying a sample of companies that are comparable to the Company and analyzing the profitability of such comparable companies.

Transfer Pricing Methods

The Indian Transfer Pricing Regulations (i.e., Section 165 of the Income-tax Act, 2025 read with Rule 79 of the Income-tax Rules, 2026) as well as the OECD Transfer Pricing Guidelines provide the following 5 common transfer pricing methods for evaluating the related party transactions undertaken between entities

Comparable Uncontrolled Price Method ('CUP')

Resale Price Method ('RPM')

Cost Plus Method ('CPM')

Profit Split Method ('PSM')

Transactional Net Margin Method ('TNMM')

Selection of most appropriate Transfer Pricing Method

We have considered these methods, to the extent relevant and applicable. The application of any particular method of transfer pricing depends on the nature of the transactions. Our choice of the methodology of transfer pricing has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner is based on our previous experience of assignments of a similar nature.

Out of the 5 common Transfer Pricing methods, we have selected Comparable Uncontrolled Price (CUP Method) for the Interest rate on intercorporate loans given/taken and corporate guarantees given/ taken & Transactional Net Margin Methods (TNNM) for all other transactions as the basis for identifying the Arms Length price of transactions of SPL.

Detailed notes of each method and their applicability for the Company are given later in the report.

Economic Analysis – Arms Length Results – Summary

NATURE OF TRANSACTION	TRANSFER PRICING METHOD	OMNIBUS APPROVAL FOR FY 2026-27 (IN RS. CRORES)	MARGIN/ RATE OF SPL FY 2026-27	COMPARABLE MARGIN/RATES (BASED ON COMPARATIVE ANALYSIS)
Interest rate on intercorporate loans given / taken	CUP	Loan Given – 2,860 Loan Taken – 2,460	14%	10.5% to 16% (Based on Market rates of uncontrolled transactions (external comparables) for similar loans. Loans availed by SPL carry interest rates averaging at 11.50% p.a. Interest charged will be simple interest @ 14% p.a. from 01 April 2026. These transactions are at Arm's Length price.
Cross charge of marketing and sales promotion expenses	NA	83	NA	Since these are reimbursed on actual basis, there is no mark-up and requirement for Arm's Length pricing.
Payment of passthrough items like GST, TDS, Electricity bills for SPV's	NA	72	NA	Since these are reimbursed on actual basis, there is no mark-up and requirement for Arm's Length pricing.
Redemption of Debentures	NA	150	NA	Considering this transaction is being carried out based on the Fair market valuation issued by the registered valuer, it is determined that the transaction is carried out at an Arm's length price.
Interest on financial instruments	NA	21	NA	Considering the transaction is being carried out based on the fair market valuation arrived by the registered valuer, it is determined that the transaction is carried out at an Arm's length Price.

Economic Analysis – Arms Length Results – Summary (continued)

NATURE OF TRANSACTION	TRANSFER PRICING METHOD	OMNIBUS APPROVAL FOR FY 2026-27 (IN RS. CRORES)	MARGIN/ RATE OF SPL FY 2026-27	COMPARABLE MARGIN/RATES (BASED ON COMPARATIVE ANALYSIS)
Development management fees & Admin fees	TNMM	216	Ranging from 3% to 18%	DM fees is charged between 5% to 18% based upon nature and volume of work requirements on external transactions. Similar DM fees are charged for uncontrolled transactions (internal comparables). No external comparable were available for comparison under CUP method. Based on the explanation and information provided to us for comparison of the internal uncontrolled transactions, it is considered at Arm's length price.
Corporate Guarantee Commission	CUP	Given by SPL– 46 Taken by SPL – 13	1%	CIT/ITAT have recommended a rate of 0.5% as the arm's length price. However, the CBIC has prescribed a minimum guarantee commission of 1% of the guarantee amount.
Security provided	NA	Given by SPL-300 Taken by SPL-900	1%	Considering that the corporate guarantee commission is in the range of 0.5%-1%, the security charges are at arm's length pricing.
Corporate guarantee given by SPL	CUP	2,600	1%	SPL will give guarantees for the projects for which 1% p.a. will be charged as a guarantee commission. However, CIT/ ITAT has recommended a rate of 0.50% as the Arm's length price.
Corporate guarantee received by SPL	CUP	900	1%	SPL will take guarantees for the projects for which 1% p.a. will be charged as a guarantee commission. However, CIT/ ITAT has recommended a rate of 0.50% as the Arm's length price.

Economic Analysis – Arms Length Results – Summary (continued)

NATURE OF TRANSACTION	TRANSFER PRICING METHOD	OMNIBUS APPROVAL FOR FY 2026-27 (IN RS. CRORES)	MARGIN/ RATE OF SPL FY 2026-27	COMPARABLE MARGIN/RATES (BASED ON COMPARATIVE ANALYSIS)
Interest expenses	CUP	14% interest on loans amount	14%	10.5% to 16% (Based on Market rates of uncontrolled transactions (external comparables) for similar loans. Loans availed by SPL carry interest rates averaging at 11.50% p.a. Interest charged will be simple interest @ 14% p.a. from 01 April 2026. These transactions are at Arm's Length price.
Security fees	NA	14	1%	Considering that the corporate guarantee commission is in the range of 0.5%-1%, the security charges are at arm's length pricing. However, the CBIC has prescribed a minimum guarantee commission of 1% of the guarantee amount.
Interest waivers	NA	On actuals	NA	Interest waiver will be given based upon assessment of recoverability of interest.
Impairment of loans and interest accrued	NA	On actuals	NA	Impairment of loans and interest accrued will be given based upon assessment of recoverability of loan balances and interest accrued.
Purchase/ Sale of Mivan	NA	100	NA	The Company values shuttering material (Mivan) at the realisable value computed by the technical team. The realisable value is computed based upon remaining number of repetitions i.e., total number of expected repetitions which are expected to be done for the product as reduced by actual number of repetitions till the transfer date.

Interest rate on intercorporate loans given/taken interest

CUP method has been adopted for this transaction. The comparable uncontrolled price ("CUP") method evaluates the arm's length character of a controlled transaction by comparing the price charged in the controlled transaction to the amount charged in a comparable uncontrolled transaction in comparable circumstances. We compared the prevailing market rates of business loans (external comparable) and loans availed by SPL (internal comparable), and 14% has been charged for the transactions between Subsidiaries/JV and other group companies where SPL is not the Party. The range of interest rates for business loans was from 10.5% to 16% based on their tenure and quantum. The loans availed by SPL carry interest rates averaging 11.50%, thus instituting the Arms' length principle. The interest rates for all RPT transactions will be calculated on the basis of simple interest rate.

The RPM is most useful when applied to selling and distribution operations wherein the reseller/ distributor does not add substantial value to the "product" through the use of the tangible or intangible property. Further, the applicability of RPM to a distributor is dependent on the availability of data for gross margin. Since such data is not available for this transaction, the RPM method is not appropriate for this transaction.

The Cost Plus Method tests the arm's length character of a transfer price in a controlled transaction by reference to the profit markup realized in a comparable uncontrolled transaction. Since the required data is not available for this transaction this method is not adopted.

Profit Split Method: The profit split methods are designed to be applied where transactions are very interrelated. the operations of SPL and AEs are distinct such that there is no difficulty in evaluating the entities independently. Having regard to these factors, PSM is not considered as the most appropriate method.

Development management fees & Admin fees

The comparable uncontrolled price ("CUP") method evaluates the arm's length character of a controlled transaction by comparing the price charged in the controlled transaction to the amount charged in a comparable uncontrolled transaction in comparable circumstances. In this transaction, we have taken the Development Management Fee charged by SPL to other third parties and their income rates to be compared with rates charged to RPTs.

The DM/ admin fee charged by SPL for their Subsidiaries/Wholly Owned Subsidiaries/Joint Ventures (JVs) ranged from 3% to 18% of the project value based on the tenure, scope and geographic locations of the project, however there were other internally comparable transactions with much higher charges in the range of 5% to 18% entered between SPL & third parties (Uncontrollable transactions) using past years data. We were provided with further information on the development fee charged by SPL to the third parties and the rationale under the transactions to understand the establishment of Arm's Length Price.

TNNM Method for this transaction may be adopted for this transaction based on the Data Base availability of similar entities in the same turnover & profit band.

The TNMM of comparable entities with the Industry Profit Level Indicator of Profit Before Taxes/ Operating Expenses was tested for 347 entities and an Industry band of 4.49% to 17.27% was arrived at.

The RPM, CPM & PSM were not particularly appropriate to identify the ALP.

Provision of Corporate Guarantee to Subsidiaries

Since there are no specific guidelines for determining ALP for Corporate guarantees given for domestic subsidiaries (Specified Domestic Transactions). We have referred to the below-mentioned case laws to determine the common range of Guarantee/ commissions and their Arm's Length Prices.

- Rate of 0.5 percent guarantee fee/commission would be at arm's length where rates of guarantee commission charged by various banks were found to be in the range of 0.15 percent to 3 percent (Godrej Household Products Ltd. V. Addl. CIT [2014] 41 taxmann.com 386 (Mum.- Trib.)

- ITAT held that TPO should adopt 0.5 percent as arm's length guarantee commission charges in respect of the corporate guarantee given by the assessee for its foreign AE (Aditya Birla Minacs Worldwide Ltd. [2015] 56 taxmann.com 317 (Mumbai – Trib.))

- Rate of 0.5 percent charged by the assessee for giving corporate guarantee to its AE was appropriate (Hindalco Industries Ltd. [2015] 62 taxmann.com 181 (Mumbai – Trib.))

Also, the Central Board of Indirect Taxes and Customs (CBIC), vide Notification No. 52/2023 dated 26 October 2023, has prescribed a minimum corporate guarantee commission of one percent on the guarantee amount.

Based on the above, the entity's rate of 1% commission is within the ALP. The RPM, CPM & PSM were not particularly appropriate to identify the ALP.

Provision of Security Guarantees to Subsidiaries

CUP method is adopted for this transaction. The comparable uncontrolled price ("CUP") method evaluates the arm's length character of a controlled transaction by comparing the price charged in the controlled transaction to the amount charged in a comparable uncontrolled transaction in comparable circumstances.

No compensation in the form of interest or commission is made to the subsidiary by the Holding company for its service of providing a security guarantee. However, a clear benefit has accrued to SPL by the security provided by BSHCPL as it improved creditworthiness, and hence 1% Fee is charged on new loans from 01 April 2022 for using Bengal land & other subsidiaries land as security, and the same 1% fee as be charged by the Subsidiaries/JV's and other group companies where the listed entity is not a party.

Others

Nature	Procedure performed
Cross-charge of marketing and sales promotion expenses/ payment	Since these transactions are cross charged by SPL to related parties & between Subsidiaries/JV's and other group companies where the listed entity is not party on actuals and without any markup, the arm's length principle is naturally established. Hence, no other methods of computation of the Arm's Length Price are necessary.
Payment of passthrough items like GST, TDS, Electricity bills for SPV's	Since these transactions are passthroughs between SPL & related parties and between Subsidiaries/JV's and other group companies, where the listed entity is not party on actuals and without any markup, the arm's length principle is naturally established. Hence, no other methods of computation of the Arm's Length Price are necessary.
Redemption of Debentures	Considering this transaction is being carried out based on the Fair market valuation issued by the registered valuer, it is determined that the transaction is carried out at an Arm's length price.
Interest on financial instruments	Considering the transaction is being carried out based on the fair market valuation arrived by the registered valuer, it is determined that the transaction is carried out at an Arm's length Price.

Others (continued)

Nature	Procedure performed
Interest waiver	Considering the recoverability assessment performed by the management, the interest waivers will be provided.
Impairment of loans and interest accrued	Considering the recoverability assessment performed by the management, the impairment of loans and interest accrued will be provided.
Purchase/ (Sale) of Mivan	The Company values shuttering material (Mivan) at the realisable value computed by the technical team. The realisable value is computed based upon remaining number of repetitions i.e., total number of expected repetitions which are expected to be done for the product as reduced by actual number of repetitions till the transfer date. There are no comparable available for this transaction.

Thank you