

## BASIS OF OFFER PRICE

The Price Band and Offer Price will be determined by our Company in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 5/- each and the Floor Price is 13 times the face value and the Cap Price is 14 times the face value.

Bidders should read the below mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Restated Consolidated Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 31, 180, 253 and 395, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

Some of our qualitative factors and strengths which form the basis for computing the Offer Price are as follows:

- Focused on tollway collection business.
- Roads, flyovers and Bridge construction
- Order Book of tollway collection, roads, flyovers and bridge construction projects from various government agencies,
- Strong execution capabilities with industry experience.
- Experienced management team

For further details, see “*Our Business – Competitive Strengths*” on page 183.

### Quantitative Factors

Certain information presented below, relating to our Company, is derived from the Restated Consolidated Financial Information. For further details, see “*Restated Consolidated Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 253 and 395, respectively.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

#### 1. Basic and Diluted Earnings Per Share (“EPS”), as adjusted for changes in capital:

As derived from the Restated Consolidated Financial Information of our Company:

Financial Period	Basic & Diluted EPS (in ₹)	Weight
Fiscal 2025	3.40	3
Fiscal 2024	3.28	2
Fiscal 2023	2.03	1
<b>Weighted Average</b>	<b>3.13</b>	

*Notes: Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33.*

#### 2. Price/Earning (“P/E”) ratio in relation to Price Band of ₹ 65/- to ₹ 70/- per Equity Share:

Particulars	P/E at the Floor Price (no. of times)*	P/E at the Cap Price (no. of times)*
Based on Basic/ Diluted EPS for Fiscal 2025	19.12	20.59
Based on Basic/ Diluted EPS for Fiscal 2024	19.82	21.34
Based on Basic/ Diluted EPS for Fiscal 2023	32.02	34.48

### 3. Industry Peer Group P/E ratio

Based on the comparable peers of the Company, information (excluding our Company) given below is the industry peer group P/E ratio:

Particulars	P/E Ratio	Company Name
Highest	44.38	IRB Infrastructure Developers Limited
Lowest	14.00	H.G. Infra Engineering Limited
<b>Average</b>	<b>29.19</b>	

Source: Industry peer group data provided below in this chapter.

Udayshivakumar Infra Limited has negative EPS in Fiscal 2025 so its P/E cannot be determined and therefore not considered for the purposes of industry peer group P/E ratio.

Our peer group companies may not be comparable to us due to size, revenue composition, nature & size of projects, profitability, etc. For details, please see, “8. Comparison of Key Performance of Indicators with our listed industry peers”.

### 4. Return on Net Worth (“RoNW”)

As derived from the Restated Consolidated Financial Information of our Company:

Particulars	RoNW (%)	Weight
As at March 31, 2025	19.03	3
As at March 31, 2024	21.37	2
As at March 31, 2023	18.45	1
<b>Weighted Average</b>	<b>19.71</b>	

Notes:

- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year / Total of weights.
- Return on Net Worth (%) = Net profit after tax divided by Net worth as at the end of the year.
- Net worth has been defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation

### 5. Net Asset Value per Equity Share (Face value of ₹ 5/-)

Net Asset Value per Equity Share	(₹)
As at March 31, 2025	20.37
As at March 31, 2024	17.34 <sup>^</sup>
As at March 31, 2023	12.95 <sup>^</sup>
After the completion of the Offer	
- At the Floor price	29.57
- At the Cap Price	30.01
Offer Price	[●]*

\*To be computed after finalising Offer Price

<sup>^</sup>As adjusted for sub-division and bonus issue

Note:

Net Asset Value per Equity Share means Net worth divided by number of Equity Shares outstanding at end of the year.

## 6. Comparison of Accounting Ratios with Listed Industry Peers

Name of the Company	Total Revenue (₹ in million)	Face Value per Equity Share (₹)	Closing Price as on June 27, 2025 (₹)	EPS (Basic and Diluted) (₹)	NAV (₹ per share)	P/E Ratio	RoNW (%)
Highway Infrastructure Limited	4,957.15	5.00	N.A.	3.40	20.37	N.A.	19.03
<b>Listed Peers</b>							
Udayshivakumar Infra Limited	2,891.27	10.00	38.12	(1.18)	30.43	#N.A.	(4.28)
IRB Infrastructure Developers Limited	76,134.67	1.00	49.71	1.12	32.83	44.38	32.69
H.G. Infra Engineering Limited	50,561.82	10	1,050.20	75.04	452.62	14.00	17.13

# due to negative EPS, written as Not Applicable

Source: Audited financial statements of Fiscal 2025 on a consolidated basis (unless otherwise available only on standalone basis), submitted to stock exchanges, except in case of EPS which has been computed after excluding exceptional items.

Our peer group companies may not be comparable to us due to size, revenue composition, nature & size of projects, profitability, etc. For details, please see “8. Comparison of Key Performance of Indicators with our listed industry peers”.

Notes:

- P/E Ratio has been computed based on the closing market price of equity shares on NSE as on June 27, 2025, divided by EPS.
- RoNW (%) = Net profit after tax divided by Net worth as at the end of the year/ period.
- Net worth has been defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
- Net Asset Value per Equity Share means Net worth divided by number of Equity Shares outstanding at end of the year.

## 7. Key Performance Indicators:

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated July 23, 2025. and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Red Herring Prospectus. Further, the KPIs herein have been certified by Statutory Auditors, by their certificate dated July 23, 2025.

The KPIs of our Company have been disclosed in the sections titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators” on pages 182 and 396, respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” on page 1.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the completion of the proceeds of the Fresh Offer as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

The disclosure on appropriate KPIs for this section, why they are material to understand the business of the Company and how they have been used by the management historically to analyse, track or monitor the operational and/or financial performance of the Offeror Company is further detailed under *Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators*” on Page 396.

### Key Performance Indicators of our Company

Key Financial Performance	Metric	Fiscal 2025	Fiscal 2024	Fiscal 2023
Revenue from operations <sup>(1)</sup>	₹ in millions	4,957.15	5,734.54	4,551.33
EBITDA <sup>(2)</sup>	₹ in millions	313.22	384.42	276.87
EBITDA Margin <sup>(3)</sup>	%	6.32	6.70	6.08
PAT <sup>(4)</sup>	₹ in millions	223.98	214.14	138.00
PAT Margin <sup>(5)</sup>	%	4.44	3.71	3.02
Debt-Equity Ratio <sup>(6)</sup>	times	0.61	0.69	0.85
ROCE <sup>(7)*</sup>	%	16.56	24.45	19.47
ROE <sup>(8)*</sup>	%	19.03	21.37	18.45
Revenue CAGR (Fiscal 2023 to Fiscal 2025) <sup>(9)</sup>	%	4.36		
EBITDA CAGR (Fiscal 2023 to Fiscal 2025) <sup>(9)</sup>	%	6.36		
Tolls Operated <sup>(10)</sup>	Number	15	7	12
Operation in states <sup>(11)</sup>	Number	7	5	8

<sup>(1)</sup> Revenue from operation means revenue from operating activities

<sup>(2)</sup> EBITDA means Earnings before interest, taxes, depreciation and amortisation expense, arrived at by obtaining the profit before tax/ (loss) for the year and adding back finance costs, depreciation and amortisation and impairment expense and reducing other income.

<sup>(3)</sup> 'EBITDA Margin' is calculated as EBITDA as a percentage of revenue from operations.

<sup>(4)</sup> PAT represents total net profit after tax for the year.

<sup>(5)</sup> 'PAT Margin' is calculated as PAT divided by total income.

<sup>(6)</sup> Debt Equity Ratio: is calculated as total debt divided by total equity. Total debt is the sum of total current & non-current borrowings; total equity means Net worth

<sup>(7)</sup> ROCE is calculated as EBIT divided by capital employed where (i) EBIT means EBITDA minus depreciation and amortisation expense and (ii) Capital employed means Net worth + total current & non-current borrowings – cash and cash equivalents and bank balance appearing under current assets.

<sup>(8)</sup> ROE is calculated as PAT divided by Net worth.

<sup>(9)</sup> CAGR = Compounded Annual Growth Rate

<sup>(10)</sup> Tolls Operated is number of tolls operated during the fiscal.

<sup>(11)</sup> Operation in states means the number of states in which the company operated /did business, in a particular year.

### Explanation for Key Performance Indicator metrics

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business of the Group and in turn helps assess the overall financial performance of the Group and size of business of the Group.
EBITDA	EBITDA provides information regarding the operational efficiency of the Group business.
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of the business of the Group.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business of the Group.
Debt-Equity ratio (times)	The debt to equity ratio compares an organization's liabilities to its shareholders' equity and is used to gauge how much debt or leverage the organization is using.
ROE (%)	ROE provides how efficiently the Group generates profits from shareholders' funds.
ROCE (%)	ROCE provides how efficiently the Group generates earnings from the capital employed in the business.

Revenue CAGR (%)	Revenue CAGR provides information regarding growth in revenue over a period
EBITDA CAGR (%)	EBITDA CAGR provides information regarding growth in EBITDA over a period
Tolls Operated	Tolls Operated shows the number of tolls operated by the company during the Fiscal.
Operation in states	Operations in states shows the number of states in which the company operated /did business, in a particular year.

**Explanation of the historic use of the Key Performance Indicators by our Company to analyse, track or monitor the operational and/or financial performance of our Company**

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Statements. These KPIs may not be defined or presented under Ind AS and hence, should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our performance, liquidity, profitability or results of operations. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. However, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends. Investors are encouraged to review the Ind AS financial measures and to not rely on any single financial or operational metric to evaluate our business.

**8. Comparison of Key Performance of Indicators with our listed industry peers**

We believe following is our peer group which has been taken on the basis of listed companies operating in somewhat similar lines of businesses in which our Company operates, however, the identification or composition of segments, business verticals, nature and size of projects undertaken and the business model of our company are quite different than such listed peer companies. While their business operations or segments may look to be similar, in part or full, as our business segments, however, the same may not be comparable in size, business portfolio, product and service profile, customer profiles, risk profile, operating environment, profitability, on a whole with that of our Company. Our listed peers may be operating, to a limited extent, in similar industry segments and may have similar offerings or end service applications, however, their revenue composition, focus area, geographic presence and nature of business within different segments may not be same as our and hence, such peers may not be comparable to us.

Parameter	Metric	Highway Infrastructure Limited			Udayshivakumar Infra Limited			IRB Infrastructure Developers Limited			H.G. Infra Engineering Limited		
		Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023
Revenue from Operations	₹ in millions	4,957.15	5,734.54	4,551.33	2,891.27	5,771.48	2,868.98	76,134.67	74,089.97	64,016.41	50,561.82	53,784.79	46,220.08
EBITDA	₹ in millions	313.22	384.42	276.87	27.33	419.35	311.81	34,687.42	30,169.39	31,220.24	10,597.15	10,621.53	8,964.95
EBITDA Margin	%	6.32	6.70	6.08	0.95	7.27	10.87	45.56	40.72	48.77	20.96	19.75	19.40
PAT	₹ in millions	223.98	214.14	138.00	(72.07)	301.28	160.47	64,806.84	6,058.16	7,200.11	5,054.01	5,385.86	4,931.91
PAT Margin	%	4.44	3.71	3.02	(2.44)	5.13	5.57	80.69	7.39	10.74	9.97	9.98	10.63
Debt – Equity Ratio	times	0.61	0.69	0.85	0.36	0.22	0.31	1.04	1.36	1.25	1.39	0.61	0.99
ROCE	%	16.56	24.45	19.47	(3.41)	18.10	22.72	6.58	6.60	8.27	13.37	24.54	22.49
ROE	%	19.03	21.37	18.45	(4.28)	17.22	11.13	32.69	4.41	5.38	17.13	21.94	25.66
Revenue CAGR (Fiscal 2025 to Fiscal 2023)	%	4.36			0.39			9.05			4.59		
EBITDA CAGR (Fiscal 2025 to Fiscal 2023)	%	6.36			(70.39)			5.41			8.72		
Tolls Operated	Number	15	7	12	NA	NA	NA	NA	72	64	NA	NA	NA
Operation in states	Number	7	5	8	NA	1	1	12	12	11	13	12	11

## 9. Weighted average cost of acquisition, Floor Price and Cap Price

### a. The price per share of our Company based on the primary/ new issue of shares (equity/ convertible securities)

There has been no instance of issuance of Equity Shares or convertible securities, during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“**Primary Transaction**”). Bonus shares issued during the 18 months preceding the date of this Red Herring Prospectus shall not be considered as a primary transaction.

### b. The price per share of our Company based on sale/ acquisitions of shares (equity / convertible securities)

There have been no secondary sales / acquisitions of Equity Shares or any convertible securities, where the Promoters, members of the Promoter Group, Promoter Selling Shareholders or Shareholder(s) having the right to nominate director(s) on our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“**Secondary Transactions**”).

### c. Since there are no transactions to report to under 9(a) and 9(b) above, the following are the details based on the last five primary issuances or secondary transactions, to the extent applicable, excluding gifts, issuance of Equity Shares pursuant to a bonus issue, (secondary transactions where our Promoters or the members of the Promoter Group or other Shareholders of our Company with rights to nominate directors on our Board are a party to the transaction), not older than three years prior to the date of this Red Herring Prospectus, irrespective of the size of such transactions:

#### Primary transactions

There have been no primary transactions in the last three years preceding the date of this Red Herring Prospectus.

#### Secondary transactions:

Except as disclosed below, there have been no Secondary transactions in the last three years preceding the date of this Red Herring Prospectus:

Date of transfer	No. of Equity Shares transferred	Face value per Equity Share (₹)	Transfer price per Equity Share (₹)	Nature of transaction	Nature of consideration	Total Consideration (in ₹ million)	Price per Equity Shares allotted/transferred after considering Split and Bonus <sup>^</sup>
July 02, 2024	110	10	750	Transfer	Cash	0.08	125
July 03, 2024	110	10	750	Transfer	Cash	0.08	125
July 03, 2024	110	10	750	Transfer	Cash	0.08	125
July 08, 2024	110	10	750	Transfer	Cash	0.08	125
July 19, 2024	110	10	750	Transfer	Cash	0.08	125
<b>Weighted average cost of acquisition (WACA)</b>			750				<b>125</b>

<sup>^</sup> Price adjusted for sub-division and bonus issue

Bonus Issue of Equity shares of 38,526,136 on August 20, 2024 not considered as Primary Transaction

**d. Weighted average cost of acquisition, floor price and cap price**

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor price(₹)*	Cap price(₹)*
Weighted average cost of acquisition of primary / new issue as per paragraph 9(a) above.	NA <sup>^</sup>	-	-
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 9(b) above.	NA	-	-
Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 9(c) above	125 <sup>#</sup>	0.52 times	0.56 times

<sup>^</sup>Bonus Issue of Equity shares of 38,526,136 on August 20, 2024 not considered as Primary Transaction

<sup>#</sup> Price adjusted for sub-division and bonus issue

\*Subject to finalization of Basis of Allotment

As certified by R.K. Jagetiya & Co, Chartered Accountants, the Independent Chartered Accountant, by way of their certificate dated July 23, 2025

**Explanation for Offer Price / Cap Price being [●] times of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in 9(d) above) along with our Company's key performance indicators and financial ratios for the Fiscals 2025, 2024 and 2023 and external factors which may have influenced the pricing of the offer.**

[●]\*

\*To be included at Prospectus Stage

**Explanation for Offer Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in 9(d) above) in view of the external factors which may have influenced the pricing of the Offer.**

[●]\*

\*To be included at Prospectus Stage

The Offer Price is [●] times of the face value of the Equity Shares. The Offer Price of ₹ [●]/- has been determined by our Company in consultation with the BRLM, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. The trading price of Equity Shares could decline due to factors mentioned in "Risk Factors" on page 31 and you may lose all or part of your investments. Investors should read the above-mentioned information along with "Risk Factors", "Our Business", "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 31, 180, 253 and 395 respectively, to have a more informed view.