HIGHWAY INFRASTRUCTURE LIMITED

Valuation Report on Share Warrants

OCTOBER 14TH, 2026

STRICTLY PRIVATE & CONFIDENTIAL

Vaibhav Mandhana
Registered Valuer
Registration Number: IBBI/RV/06/2020/13124

To,

The Board of Directors

Highway Infrastructure Limited

57-FA, Scheme No. 94,

Pipliyahana Junction, Ring Road,

Indore - 452016

Madhya Pradesh

Subject: Floor Price Determination for Share Warrant

Dear Sir(s) / Madam(s),

I, CA Vaibhav Mandhana, Registered Valuer – Securities or Financial Assets (IBBI/RV/06/2020/13124) under the Insolvency and Bankruptcy Board of India (IBBI) (hereinafter referred to as "the Valuer" or "I"), have been engaged on October 13th, 2026 **('Date of Appointment')** in connection with the valuation exercise of Highway Infrastructure Limited (hereafter referred to as 'HIL' or 'the Company') as of October 14th, 2026 **('Valuation Date')**.

In the accompanying report, I have presented our valuation analysis, as well as the source of information used in this report and the scope of work in the course of our assignment, indicating any limits on our assignment. This report and its contents may not be cited, referred to, or shown to anyone other than the parties involved in this report, and should be read in its entirety rather than in portions.

702(L), Hubtown Solaris,NS Phadke Marg, Andheri East, Mumbai 400069
vaibhav@vmandhana.com +91 99671 10003

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In case you require further information or Clarification, please feel free to contact us.

Thanking You,
Yours Faithfully



CA Vaibhav Mandhana
Membership No.: 142514
UDIN: 26142514ZNRSTU5022

Date: October 14th, 2026
Place: Mumbai

702(L), Hubtown Solaris,NS Phadke Marg, Andheri East, Mumbai 400069
vaibhav@vmandhana.com +91 99671 10003

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SECTION 1

- SCOPE AND PURPOSE OF THIS REPORT
- BRIEF BACKGROUND OF THE COMPANY

SCOPE AND PURPOSE OF THIS REPORT

- We understand that the Company proposes to issue share warrants on a preferential basis. In this connection, we have been appointed by the Management to determine the floor price for the proposed preferential issue of share warrants, in accordance with the applicable provisions of Regulation 164 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").
- In this Context, we are pleased to offer our services in issuing the valuation report for the aforementioned purpose.
- The report is solely for the above engagement.

BRIEF BACKGROUND OF THE COMPANY

Overview of the Company

- Highway Infrastructure Limited (HIL) is a public company incorporated on February 10th, 2006. It is classified as Non-govt company with the registered office situated at 57-FA, Scheme No 94, Pipliyahana Junction, Ring Road, Indore – 452016, Madhya Pradesh.
- Highway Infrastructure Limited executes projects for roads, bridges, and building construction. It also undertakes toll collection projects. It undertakes contract works from the Government of Madhya Pradesh and its associate agencies. It ventured into real estate in FY12 by starting up a residential project called 'New York City Project' based in Indore. It has a presence in Indore, Bhopal, Dhar, and Hoshangabad. Its clientele includes Shubham, Adroit, Kalyan Group, ISBI Developers aned Promoters Pvt Ltd, and many more.

SECTION 2

INFORMATION SOURCES

INFORMATION SOURCES

In connection with this valuation exercise, we have used the following information about the Company received from the Management and/or gathered from the public domain:

- Detailed business profile of the Company.
- Daily price and volume data of the Company's shares was sourced from the website of NSE for 08-June-2026 to 14-Oct-2026.
- Considered SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
- Management Representation Letter.
- Discussions and correspondence with the Management, to obtain requisite explanations and clarifications on the data provided.
- Such other analyses, reviews and inquiries, as we consider necessary. We had limited interactions with the management of the Company and our analysis is subject to the same.

We communicated with the company’s management for a better understanding of the information they provided, and we obtained explanations and other details that could be useful for our exercise. As part of our standard procedure, we have given the company the opportunity to review our draft report in order to ensure that there are no factual errors in the signed report.

SECTION 3

PROCEDURES USED FOR VALUATION ANALYSIS

PROCEDURES USED FOR VALUATION ANALYSIS

We have undertaken the following procedure covering our valuation exercise for the purpose of our valuation:

- Gathered and reviewed relevant data from management;
- Collected publicly available data to support the valuation process;
- We have considered the valuation methodologies prescribed in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;
- Prepared and issued this valuation report in compliance with applicable legal requirements;

SECTION 4

CAVEATS

CAVEATS

- Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to in this report.
- Public information, estimates, industry and statistical information contained in this report have been obtained from sources considered to be reliable. However, we independently did not verify such information and make no representation as to the accuracy or completeness of such information obtained from or provided by such sources.
- Our work does not constitute an audit, due diligence certification or review of the historical financial statements and projections of the Company / Business referred to in this report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and valuation date mentioned in the report is as agreed as per terms of the engagement. It may not be valid for any other purpose.
- This valuation reflects facts and conditions existing or reasonably foreseeable at the valuation date. Subsequent events have not been considered, and we have no obligation to update our report for such events and conditions.
- The company has been provided with an opportunity to review the draft opinion as a part of our standard practice to make sure that factual accuracy / omissions are avoided in our Final Valuation. Valuation analysis and results are also very specific to the date of this report. A valuation of this nature involves consideration of various factors including those impacted by the prevailing stock market trends in general and industry trends in particular. This report is issued on the understanding that the Company has drawn our attention to all the matters, which it is aware of concerning the financial position of the Business and any other matter, which may have an impact on our analysis, on the value of the unquoted shares, including any significant changes that have taken place or are likely to take place in the financial position of the Business. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- In the course of the valuation, we were provided with both written and verbal information, including financial and operating data. We have evaluated the information provided to us by the Company through broad inquiry and analysis (but have not carried out a due diligence or audit or review of the Business for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided). We have been represented by the management of the Company that it has not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding the accuracy and completeness

CAVEATS

of the information / data provided to us by the Company. We assume no responsibility for any errors in the above information furnished by the Company and their impact on the present exercise.

- We express no opinion on the achievability of the forecasts relating to the Business given to us by the management of the Company. These forecasts are the responsibility of the management of the Company. The assumptions used in their preparation, as have been explained, are based on the Company's present expectation of both – most likely set of future business events and circumstances and the management's course of action related to them. It is usually the case that some events and circumstances do not occur or are not anticipated. Therefore, actual results during the forecast period may differ from the forecast and such differences may be material.
- The analyst, by reason of this valuation, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made. Our engagement for this valuation consulting work does not include any procedures designed to discover any defalcations or other irregularities, should any exist.
- This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should take for this purpose. Neither this report nor its contents may be referred to or quoted in any registration statement, Regulatory Purpose, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties.
- Vaibhav Mandhana's maximum liability relating to this valuation report shall be limited to 50% of the fees received from the company for rendering the service. This provision shall survive the completion of this engagement.

SECTION 5

RELIANCE ON THE MANAGEMENT

RELIANCE ON THE MANAGEMENT

In the course of our Valuation, we have relied upon financial and other information, provided by or on behalf of the Management. Our conclusions are dependent on such information being accurate and complete in all material respects. Although we have analysed this information, the scope of our work will not enable us to accept responsibility for the accuracy and completeness of this information. We have not conducted an independent audit, due diligence/ review or validation of such financial and other information. Accordingly, we do not express an opinion or any other form of assurance thereon and we accept no responsibility or liability for any losses occasioned to HIL, its shareholders, their directors or shareholders, prospective investors or to any other parties as a result of our reliance on such information.

SECTION 6

VALUATION APPROACHES & METHODOLOGIES

VALUATION APPROACHES & METHODOLOGIES

For the purpose of arriving the floor value of the Equity shares of the Company, it would be necessary to select an appropriate basis of valuation amongst the various alternatives. It is universally recognized that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. The application of any particular method of valuation depends upon various factors including the size of the Company, nature of its business and purpose of valuation. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value of one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgement, analysis of business, in an independent and bonafide manner based on our previous experiences of assignments of a similar nature.

- There are various valuation approaches for the purpose of valuation of the Company. These are as follows:
  A. "Income " Approach
  B. "Assets" Approach
  C. "Market" Approach
- Within these three basic approaches, several methods may be used to estimate the value. An overview of these approaches is as follows:

A) Income Approach

- The Income approach widely used for valuation under "Going Concern" basis. It focuses on the income generated by the Company in the past as well as its future earning capability. The **Discounted Cash Flow ('DCF') method** under the Income approach seeks to arrive at a valuation based on the strength of future Cash Flows. **Discounted Cash Flow ('DCF') method**, the fair value of the company/business is based on expected value of Cash flow that the company is expected to generate in future which is thereafter discounted at a rate, which reflects the expected returns and the risks associated with the cash flows. The value of the Company is determined as the present value of its future free cash flows.
- **Free Cash Flows ('FCF')** are discounted for the explicit forecast period and the perpetuity value thereafter. Free Cash Flows represent the cash available for distribution to both, the owners and creditors of the business.
- **Discount Rate** is the Weighted Average Cost of Capital ('WACC'), based on an optimal vis-à-vis actual capital Structure
- **The discounting Factor** (rate of discounting the future cash flows) reflects not only the time value of money, but also risk associated with the business's future operations.

VALUATION APPROACHES & METHODOLOGIES

- The business/enterprises value so derived, is further reduced by value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of business. The surplus assets/ non-operating assets are also adjusted.

B) ASSETS APPROACH

- The Assets approach or cost approach is defined as, a general way of determining a value indication of a business, business ownership interest or security using one or more methods based on the value of the Net Assets (Asset's net of liabilities)
- Asset's approach presents the value of all the tangible and Intangible assets and liabilities of the Company. This approach starts with a book basis balance sheet as close as possible to the valuation date and restates the assets and liabilities, including those that are unrecorded, to fair value method This method is appropriate in cases where the major strength of the business is its asset base rather than its capacity or potential to earn profits or this method is typically used in cases where the asset base dominates earning capability or going concern aspects of the entity is uncertain.

C) MARKET APPROACH

- Under the Market Approach, valuation analysis is conducted using the Market Price Method and the Comparable Companies Multiple (CCM) Method. The details of each method are outlined below.:

a. **Market Price Method**: Under this method, the market price of an equity shares of the Company as quoted on a recognised stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the trading. The Market value reflects the investor's perception about the true worth of the Company.

b. **Comparable Companies Multiple Method:** Under this method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

SECTION 7

- APPLICATION OF VALUATION APPROACHES
- VALUATION STANDARDS
- VALUATION CONCLUSION
- DISTRIBUTION OF THE REPORT

APPLICATION OF VALUATION APPROACHES

- The Equity shares of the company are listed on the recognized stock exchange and the shares are frequently traded on the stock exchanges. Considering the fact that the shares are listed and the purpose of valuation is for internal purpose, therefore we have considered NSE as the stock exchange with the highest trading volume during the 90 trading days preceding the Valuation Date.

VALUATION STANDARDS

- The report has been prepared in compliance with the valuation standards adopted by ICAI Registered valuer organization.

VALUATION CONCLUSION

- Based on the market price methodology prescribed under Regulation 164(1) of the SEBI ICDR Regulations and subject to the assumptions, limitations and qualifications set out in this Report, the floor price of the equity shares underlying the proposed preferential issue of warrants has been determined at **INR 49.82 per share**.
- The above conclusion is subject to confirmation of the Valuation Date and evaluation of the applicability of Regulation 166A and other applicable provisions of the SEBI ICDR Regulations upon finalization of the number of warrants, allottee-wise allocation and terms of the proposed preferential issue.

DISTRIBUTION OF THE REPORT

- The Analysis is confidential and has been prepared exclusively for the Company. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned section 1, in whole or in part, without the prior written consent of the valuer. Such consent will only be given after full consideration of the circumstances at the time. However, we do understand that the report will be shared with the investor / buyers of the Company / submission to government authorities and regulators towards statutory compliances.

SECTION 8

ANNEXURE

ANNEXURE 1

Valuation Summary :

Particular	Period	VWAP
90 trading days VWAP	08-June-2026 to 14-Oct-2026	47.54
10 trading days VWAP	30-Sep-2026 to 14-Oct-2026	49.82
Floor Price (higher of the two)		**49.82**

***Note:** The equity shares of the Company are listed on NSE and BSE. We have considered NSE, as it recorded the highest trading volume during the 90 trading days preceding the Valuation Date.

As the equity shares are frequently traded, the Floor Price under Regulation 164(1) is the higher of:

- the volume weighted average price ("VWAP") of the equity shares during the 90 trading days preceding the Relevant Date; and
- the VWAP of the equity shares during the 10 trading days preceding the Relevant Date.

VWAP has been computed as total traded value divided by total traded volume over the relevant period.