



HIGHWAY INFRASTRUCTURE LIMITED

IPO NOTE - Investor Education Series

August 2025

ISSUE HIGHLIGHTS

- ❑ The company was originally set up as a partnership firm in 1995 in the name of 'M/s Highway Enterprises'. The partnership firm was converted into a Private Ltd Company in the name of 'Highway Infrastructure Pvt. Ltd' in 2006. Subsequently, the name was changed to 'Highway Infrastructure Ltd', upon conversion into a public limited company in April 2018.
- ❑ Highway Infrastructure Ltd is an **infrastructure development and management Company**. The company is engaged in the business of **tollway collection, EPC Infra and real estate business**.
- ❑ HIL is one of the few toll operators who have **managed tollway collection based on ANPR technology** on Delhi-Meerut Expressway. The Company has **operated tolls** on some of the known inter-state and intra-state expressways **across 11 states and 1 Union Territory**.
- ❑ The primary revenue streams for the Company are the operation and management of tollway collection systems on highway projects. As on May 31, 2025, the company had **completed 27 tollway collection projects** and are **currently operating 04 tollway collection projects**.
- ❑ As on May 31, 2025, in **EPC Infra** the company has **66 completed projects**, 4 projects whose completion certificate is pending, and **24 projects are under execution**. The company is currently **executing projects across Indore, Bhopal, Dhar, Ratlam and Khandwa in Madhya Pradesh, India**.
- ❑ As on May 31, 2025 the **consolidated Order Book is ₹ 666.31 Cr** consisting of **₹ 59.53 Cr in tollway collection business** and **₹ 606.78 Cr in EPC Infra business**.
- ❑ The company's **revenue from operations grew at a CAGR of 4.36%** from ₹ 4,55.13 Cr in FY 2023 to ₹ 4,95.72 Cr in FY 2025, while its **profit for the year increased at a CAGR of 27.40%** from ₹ 13.80 Cr in FY 2023 to ₹ 22.40 Cr in FY 2025. The company's **EBITDA, on a consolidated basis, has grown at a CAGR of 6.36%** from FY 2023 to FY 2025.

BRIEF FINANCIAL DETAILS*

(₹ IN Cr)

	As at Mar' 31,		
	2025	2024	2023
Equity Share Capital	28.90	9.63	9.63
Reserves as stated	83.94	83.54	64.49
Non-Controlling Interests as stated	4.89	7.02	0.69
Net Worth as stated	117.72	100.19	74.81
Total Borrowing	71.82	69.62	63.36
Revenue from Operations	495.72	573.45	455.13
Revenue Growth (%)	(13.56)	26.00	-
EBITDA	31.32	38.44	27.69
EBITDA Margin (%)	6.32	6.70	6.08
Net Profit for the period	22.40	21.41	13.80
PAT Margin (%)	4.44	3.71	3.02
EPS - Basic & Diluted (₹)	3.40	3.28	2.03
RONW (%)	19.03	21.37	18.45
NAV (₹)	20.37	17.34	12.95
ROCE (%)	16.56	24.45	19.47
ROE (%)	19.03	21.37	18.45
Debt to Equity ratio	0.61	0.69	0.85
Tolls Operated (Number)	15	7	12
Operation in states (Number)	7	5	8

Source: RHP, *Restated Consolidated, On August 2, 2024 the company sub-divided its equity shares from ₹10/- to ₹ 5/- and allotted 3,85,26,136 bonus shares in the ratio of 2 new shares for every 1 equity share held by the shareholders.

Issue Details

Fresh Issue of Equity Shares aggregating upto ₹97.52 Crore and Offer for Sale of up to 46,40,000 Equity Shares

Issue size: ₹ 128 – 130 Cr

Face value: ₹ 5/-

Price band: ₹ 65 - 70

Bid Lot: 211 Shares and in multiple thereof

Post Issue Implied Market Cap =

₹ 473– 502 Cr

BRLM: Pantomath Capital Advisors

Registrar: Bigshare Servies Pvt Ltd

Issue opens on: Tuesday, 05th Aug' 2025

Issue closes on: Thursday, 07th Aug' 2025

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	08-08-2025
Refunds/Unblocking ASBA Fund	11-08-2025
Credit of equity shares to DP A/c	11-08-2025
Trading commences	12-08-2025

Issue Break-up

	No. of Shares		₹ In Cr		% of Issue
	@Upper	@Lower	@Upper	@Lower	
QIB	58,92,913	55,71,427	38.30	39.00	30%
NIB	58,92,914	55,71,429	38.30	39.00	30%
-NIB2	39,28,610	37,14,286	25.54	26.00	-
-NIB1	19,64,304	18,57,143	12.77	13.00	-
RET	78,57,218	74,28,572	51.07	52.00	40%
Total	1,96,43,045	1,85,71,428	127.68	130.00	100%

NIB-1= Bid between ₹ 2-10 Lakhs NIB-2 = Bid Abv ₹ 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII - Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	211 Shares	2,954 Shares	14,348 Shares
Minimum Bid Lot Amount (₹)	₹ 14,770 [^]	₹ 2,06,780 [^]	₹ 10,04,360 [^]
Appl for 1x	35,207 Applications	629 Applications	1,257 Applications

Listing: BSE & NSE

Shareholding (No. of Shares)

Pre-issue	Post-issue [~]	Post-issue [^]
5,77,89,204	7,27,92,281	7,17,20,633

[~]@Lower price Band [^]@ Upper Price Band

Shareholding (%)

	Pre-Issue	Post-Issue
Promoters	80.99%	58.79%
Promoter Group	13.96%	11.25%
Public	5.05%	29.96%
Total	100.00%	100.00%

BACKGROUND

Company and Directors

The company was originally set up as a partnership firm in 1995 in the name of 'M/s Highway Enterprises'. The partnership firm was converted into a Private Ltd Company in the name of 'Highway Infrastructure Pvt. Ltd' in 2006. Subsequently, the name was changed to 'Highway Infrastructure Ltd', upon conversion into a public limited company in April 2018. The company is an infrastructure development and management Company, which is engaged in the business of tollway collection, EPC Infra and real estate businesses. The company's business spans infrastructure development and management, however tollway collection accounts for significant business mix followed by EPC Infra business which comprises of executing construction development projects of different types like roads, bridges, tanks, irrigation related construction and civil buildings etc. for customers.

Brief Biographies of Directors and Key Managerial Personnel

Arun Kumar Jain is the Managing Director and the Promoter of the Company. He has been a director of the Company since its incorporation. He has over 31 years of experience as an entrepreneur in the infrastructure industry.

Anoop Agrawal is the Whole-time Director, Chief Financial Officer and Promoter of the Company. He has been associated with the Company since February 10, 2006. He is an entrepreneur with an experience of 22 years in the infrastructure industry. He has been the Director of the Company since its incorporation.

Riddharth Jain is the Non-Executive Non-Independent Director and Promoter of the Company since July 01, 2024. He is a designated partner in Techno Star Infra real LLP since March 31, 2021 and has over 3 years of experience in the infrastructure company.

Om Prakash Shrivastava is the Non-Executive Independent Director of the Company. He worked in the Office of Principal Auditor General (Accounts and Entitlement), Madhya Pradesh and retired as a Senior Accounts Divisional Officer.

Ujjwal Kumar Ghosh is the Non-Executive Independent Director of the Company. He worked at the Madhya Pradesh Pachim Kshetra Vidhyut Vitran Company Limited as a Superintendent Engineer.

Ritika Agrawal is the Non-Executive Independent Director of the Company. She is a qualified Chartered Accountant. She has 2 years of experience in tax consultancy.

Ankit Tandon is the Chief Executive Officer of the Company with effect from July 10, 2021. He has over 11 years of experience in the field of tollways and real estate.

Palak Rathore is the Company Secretary and Compliance Officer of the company with effect from May 15, 2024.

OBJECTS OF THE ISSUE

Objects	Amount (₹ Cr)
• Funding Working Capital Requirements of the company	65.00
• General Corporate Purposes	[•]
Total	[•]

SHAREHOLDING PATTERN

Shareholders	Pre-offer		Fresh Issue and Offer for sale Shares	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter and Promoters Group					
Promoter	4,68,01,548	80.99%	46,40,000	4,21,61,548	58.79%
Promoters Group	80,69,796	13.96%	0	80,69,796	11.25%
Total for Promoter and Promoter Group	5,48,71,344	94.95%	46,40,000	5,02,31,344	70.04%
Public	29,17,860	5.05%	1,39,31,428	2,14,89,288	29.96%
Public	29,17,860	5.05%		2,14,89,289	29.96%
Total Equity Share Capital	5,77,89,204	100.00%		7,17,20,632	100.00%

Source: RHP

BUSINESS OVERVIEW

Highway Infrastructure Ltd is an infrastructure development and management Company. The company is engaged in the business of tollway collection, EPC Infra and real estate business. While the Company's business spans facets of infrastructure development and management, tollway collection stands out as a significant mix of its business, driving their revenues and financial performance. As on August 31, 2024, the consolidated Order Book of the Company is ₹ 666.31 Cr, comprising of ₹ 59.53 Cr in tollway collection business and ₹ 606.78 Cr in EPC Infra-business.

HIL is one of the few toll operators who have managed tollway collection based on ANPR technology on Delhi-Meerut Expressway. The Company has operated tolls on some of the known inter-state and intra-state expressways across 11 states and 1 Union Territory. The Company employs updated Electronic Tollway Collection (ETC) systems, which uses Radio Frequency Identification (RFID) tags and digital payment platforms to facilitate seamless and contactless toll payments. This model not only reduces congestion at toll plazas but also enhances operational efficiency by reducing transaction times and errors, thereby resulting in overall better management.

The company's projects usually use both fund-based and non-fund-based banking facilities to meet the working capital requirements. Fund-based facilities provide the cash flow to cover the operating expenses, while non-fund-based facilities such as bank guarantees, etc. are used by the company to offer as a security under bid terms and are crucial for securing contracts in their EPC Infra and tollway collection projects.

Tollway collection business: One of the primary revenue streams for the Company is the operation and management of tollway collection systems on highway projects. Such projects are procured by way of a competitive bidding process. As on May 31, 2025, the company had completed 27 tollway collection projects and are currently operating 04 tollway collection projects.

The company's approach to tender bidding in the tollway collection and EPC Infra-businesses is largely guided by its in-house cost analysis and competitor evaluation. The successful bids are typically secured as H1 for toll projects and L1 for EPC Infra business.

Highlights of Company's toll business:

- **Automation:** HIL is one of the few toll operators in India who have managed tollway collection based on ANPR technology (Automatic Number Plate Recognition) on Delhi-Meerut Expressway. In this system, applicable user fee is deducted from FASTag based on the entry and exit of the vehicles as captured by ANPR cameras installed at various entry and exit locations. The Company has adopted Electronic Tollway collection (ETC) systems across its toll plazas which facilitates the automatic deduction of toll fees through Radio Frequency Identification (RFID) tags or other digital payment methods, reducing congestion at toll plazas and improving the overall user experience.
- **Operational experience:** The Company has operated tollway collection centres in 11 states and 1 union territory, including some known toll way like Delhi Meerut Expressway, Mokha expressway toll which is the only expressway that connects the Kandla port and Mundra port (Adani Port), GT Road Toll way (Haryana/Punjab). The company's tollway collection business is mainly operational across expressways typically having multiple lanes of traffic services.
- **Customer Service offerings:** The Company is committed to providing an experience for toll road users. This includes offering multiple payment options, including cash, credit/debit cards, mobile payments, and prepaid toll cards. Its toll centres are equipped with standard facilities like customer care numbers and centres which aid in operational functionality and customer experience.
- **Operating System and Security Process:** The Company operates on NHAI's implemented systems, security measures, including their systems and protocols to protect customer data, transaction recording and to prevent any irregularities in operations, seek transparency and accountability in business.

EPC Infra-Projects: The Company has developed its EPC Infra business and has gradually added facilities to support and supplement its EPC Infra business through auxiliary services. It has developed in-house resources to deliver a project from conceptualization to completion. As on May 31, 2025, in EPC Infra the company has 66 completed projects, 4 projects whose completion certificate is pending, and 24 projects are under execution.

The company is currently executing projects across Indore, Bhopal, Dhar, Ratlam and Khandwa in Madhya Pradesh, India. The company has experience in executing projects of different types like roads, bridges, tanks, irrigation related construction and civil buildings etc. In this segment, the company caters to both private and public sectors. In public sector, the Company

has completed many projects awarded by the public sector entities and in private sector to companies like Shubham City Homes, Shubham Builders, Shubham Energy, Adroit Associates Pvt Ltd, etc. The company have participated and completed projects in government schemes like Pradhan Mantri Awas Yojna (PMAY), Pradhan Mantri Gram Sadak Yojna (PMGSY) and Jal Jeevan Mission.

Real Estate: Real Estate is the smallest business segment. Under this segment, the company owns, develops, constructs and sells commercial and residential properties. Over time, the company has developed gated communities and housing projects.

The company's increasing focus on toll and EPC Infra businesses has helped the company in gaining experience and knowledge in undertaking projects of different sizes and at different locations. The Company's manpower, coupled with its equipment and machineries, helps in execution and completion of various projects, whether tollway collection, EPC Infra or real estate business.

REVENUE FROM OPERATIONS

(₹ IN CR)

Particulars	As of March 31,					
	2025		2024		2023	
	Revenue (₹ Cr)	% of Revenue	Revenue (₹ Cr)	% of Revenue	Revenue (₹ Cr)	% of Revenue
Toll Collection	382.41	77.14	478.35	83.42	356.48	78.32
EPC Infra	105.49	21.28	92.19	16.08	94.25	20.71
Real Estate	7.82	1.58	2.91	0.50	4.40	0.97
Total Revenue from Operations	495.72	100.00	573.45	100.00	455.13	100.00

COMPETITIVE STRENGTHS

- Execution capabilities with industry experience**

The company has ~ 30 years of experience in running the tollway collection business and executing EPC Infra projects over multiples states in India. The company's projects were in Madhya Pradesh, Gujarat, Andhra Pradesh, Punjab, Maharashtra, Telangana, Chhattisgarh, Haryana, Uttar Pradesh, Rajasthan, Odisha and Delhi. The company is one of the few toll operators who have managed tollway collection based on ANPR technology on Delhi-Meerut Expressway.

- Experienced Management Team**

The company is led by its Promoters and the management team which has experience in the businesses which it operates. The company's management team consists of a mix of individuals with professional, technical and commercial experience in various fields. The company's Managing Director, Arun Kumar Jain looks after the coordination, management and implementation, planning and overall management of the Company. The management is supported by Key Managerial Personnel and other functional staff of the Company.

- Order Book & financial performance**

As on May 31, 2025 the consolidated Order Book is ₹ 666.31 Cr consisting of ₹ 59.53 Cr in tollway collection business and ₹ 606.78 Cr in EPC Infra business. The company's revenue from operations grew at a CAGR of 4.36% from ₹ 4,55.13 Cr in FY 2023 to ₹ 4,95.72 Cr in FY 2025, while its profit for the year increased at a CAGR of 27.40% from ₹ 13.80 Cr in FY 2023 to ₹ 22.40 Cr in FY 2025. The company's EBITDA, on a consolidated basis, has grown at a CAGR of 6.36% from FY 2023 to FY 2025.

- Diversified revenue base and portfolio**

HIL is a company operating primarily in 3 sectors, namely, tollway collection, EPC Infra projects, and real estate business. Engaging in multiple sectors helps it to diversify the Company's revenue streams, reduces dependency on a single sector and helps to identify more profitable opportunities. The Company also earns from business auxiliary activities like leasing of spare equipment, sale of surplus material etc.

KEY BUSINESS STRATEGIES

- Continued focus on current business verticals**

As part of its strategy and constant growth process, the company intend to keep focusing on the growing its tollway collection business and EPC Infra business and endeavour to improve its financial performance. Total tolling length is expected to grow in future with increasing toll revenue for the government. The toll length of ~5,100 km is estimated to have completed by FY25. Further, Vision 2047 plans to develop 50,000 kilometers of access-controlled expressways, and

Bharatmala Pariyojana aims to enhance connectivity across India by constructing Economic Corridors, Inter-Corridors, and feeder roads. The company intend to leverage on its previous experience of operating tollway in ANPR technology. The company also aims to bid for larger projects on sole or joint bidding basis, considering prevailing business conditions.

- **Penetrating newer geographies**

The company have undertaken projects in Madhya Pradesh, Gujarat, Andhra Pradesh, Punjab, Maharashtra, Telangana, Chhattisgarh, Haryana, Uttar Pradesh, Rajasthan, Odisha and Delhi. As a part of its growth strategy, the company plans to expand its presence to additional states in other parts of the country subject to business & financial viability. This may help the company in reducing its concentration risk and also give it more experience.

- **Venturing into associated business verticals**

The company is exploring venturing into associated business verticals such as (i) Way side amenities and (ii) HAM projects

- (i) **Way side amenities:** The roadways and the connectivity of the same will allow more vehicles to ply on such roads and they will require various amenities during such journey such as Fuel Station, Electric Vehicle Charging Facilities, Food Court, Retail Shops, Drinking Water, Parking, Eateries, Bank ATM among others. The company intends to explore similar projects with the NHAI for setting up way side amenities.
- (ii) **HAM projects:** The hybrid annuity model (HAM) is a public-private partnership where the government funds 40% of the project during construction and the private sector covers the remaining 60%. The government makes annuity payments to the concessionaire over 15 to 20 years, including interest and operational costs. This model reduces financial risk for private entities, ensures steady returns, and promotes timely, high-quality infrastructure delivery.

COMPARISON WITH INDUSTRY PEERS (AS ON 31ST MARCH 2025)

Name of the Company	Revenue from Ops (₹ Cr)	Face value (₹)	CMP as on 27 Jun-25 (₹)	EPS (₹)	NAV per Share (₹)	P/E (x)	RoNW (%)
Highway Infrastructure	495.72	5.00	[●]	3.40	20.37	[●]	19.03%
Udayshivakumar Infra	289.13	10.00	38.12	(1.18)	30.43	NA	(4.28%)
IRB Infrastructure Developers	7,613.47	1.00	49.71	1.12	32.83	44.38	32.69%
H.G. Infra Engineering	5,056.18	10.00	1,050.20	75.04	452.62	14.00	17.13%

Source: RHP

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