



HIGHWAY INFRASTRUCTURE LIMITED



Price Band

₹65 to ₹70

Issue Opens

August 5, 2025 to August 7, 2025

Face Value

₹5

Issue Size

₹130.00 Cr

Lot Size

211 Shares

Listing At

NSE, BSE

Highway Infrastructure IPO Details

Issue Size

1,85,71,428 shares / ₹130.0 Cr

Fresh Issue

1,39,31,428 shares / ₹97.52 Cr

Offer for Sale

46,40,000 shares of ₹5 / ₹32.48 Cr

Retail Quota

Not less than 40% of the Net Offer

Retail Min/Max

₹14,770/1,92,010

Highway Infrastructure IPO Timeline

Tentative Allotment

Fri, Aug 8, 2025

Initiation of Refunds

Mon, Aug 11, 2025

Credit of Shares to Demat

Mon, Aug 11, 2025

Highway Infrastructure Ltd's Listing Day

Tue, Aug 12, 2025



Objects of The Offer

The Company proposes to utilize the Net Proceeds towards funding the following objects :

- **Funding Working Capital Requirements:** From the Fresh Issue proceeds of up to ₹975.20 million, HIL plans to allocate ₹650.00 million to meet its working capital needs for Fiscal 2026. This includes provisioning for bank guarantees, security deposits, earnest money for contracts, procurement of raw materials, and fund mobilisation for bidding on infrastructure projects.
- **General Corporate Purposes:** A portion of the Net Proceeds (within SEBI's 25% cap on gross proceeds) will be used for strategic initiatives, business development, capital expenditure, and growth-related activities. The final amount will be determined post-issue and will be used at the discretion of the management.
- **Shareholder Exit:** The Offer for Sale includes the sale of up to 4,640,000 Equity Shares by Promoter Selling Shareholders Arun Kumar Jain and Anoop Agrawal. HIL will not receive any proceeds from this component; net proceeds will be transferred directly to the Promoters after deducting applicable expenses and taxes.

About The Company and Business Overview

Multi-Segment Infrastructure Player: *Highway Infrastructure Limited (HIL)* is a diversified infrastructure company engaged in tollway collection, EPC infra development, and real estate construction and sales across India.

Core Business Segments

Tollway Collection

- HIL's primary revenue driver, contributing 77.14% of FY25 revenue.
- Operates toll plazas on major highways including the Delhi-Meerut Expressway, using ANPR and RFID-based ETC systems.
- Completed 27 toll projects; 4 are ongoing as of May 2025.
- Works on NHAI-assigned projects and manages toll operations, traffic, and plaza maintenance.

EPC Infra Business

- Covers roads, bridges, irrigation structures, and public buildings for both government and private clients.
- Awarded via competitive bidding; contributed 21.28% of FY25 revenue.
- Completed 66 EPC projects; 24 ongoing as of May 2025.
- In-house capabilities enable end-to-end execution from concept to completion.

Real Estate Development

- Smallest segment, contributing 1.58% of FY25 revenue.
- Develops gated colonies, commercial spaces, and residential apartments.
- Past projects include Karuna Sagar, New York City (colony); ongoing ones include Highway Greens and Beverly Plaza.



Revenue Diversification & Auxiliary Streams

HIL also earns from leasing construction equipment and selling surplus material, enhancing its income sources beyond core operations.

Order Book & Geographic Footprint

- As of May 31, 2025, consolidated order book stands at ₹6,663.07 million, with ₹595.30 million in toll and ₹6,067.77 million in EPC infra.
- Projects completed across 11 states and 1 UT; ongoing execution focused in MP, UP, Maharashtra, and Haryana.

Competitive Strengths

- 30+ years of experience in infra execution across sectors.
- Promoter-led management with domain expertise: Arun Jain (MD), Anoop Agrawal (CFO), and Ankit Tandon (CEO).
- Diversified portfolio reduces dependence on any one business line.
- Strong order book supports revenue visibility and operational planning.

Strategic Growth Plans

- Expand in core toll and EPC verticals, including bidding for larger, tech-enabled projects (e.g., ANPR-based).
- Geographic diversification to new Indian states based on feasibility.
- Foray into related verticals like wayside amenities, water infra, or construction of canals and dams.

Operational Framework

- Capital-intensive model with recurring working capital needs, especially for fixed weekly toll payouts and bid mobilization.
- Owns significant project equipment; deploys contractual labour on a project basis.
- Operates under a highly regulated environment requiring multiple statutory approvals across toll, EPC, and real estate arms.

Financial ratios

Company	ROCE (%)	ROE (%)	P/E	EV/EBITDA	Industry P/E
Highway Infrastructure Ltd	24.60	23.00	-	16	29.19
H.G. Infra Engineering	16.80	18.30	13.40	9.9	29.19
IRB Infrastructure Dev.	7.82	5.95	26.70	11.3	29.19
Udayshivakumar Infra Ltd	(0.92)	(5.07)	-	30.5	29.19

Strengths



- **30+ Years of Execution Expertise** – Proven track record in tollway operations and EPC infrastructure delivery across 11 Indian states, showcasing pan-India execution capability.
- **Technological Leadership in Toll Collection** – Among the few toll operators using ANPR and RFID-enabled ETC systems, enhancing efficiency, transparency, and contactless travel.
- **Robust Order Book Visibility** – Consolidated order book of ₹6,663.07 million as of May 31, 2025, spread across toll and EPC verticals, offering strong revenue visibility and execution pipeline.
- **Consistent Financial Growth** – Revenue grew at a CAGR of 4.36% and PAT at 27.40% between FY23–FY25; EBITDA also expanded at a CAGR of 6.36%, reflecting steady operational performance.
- **Diversified Business Portfolio** – Operates across toll collection, EPC infra, and real estate segments, reducing sectoral dependence and unlocking multi-stream revenue potential.
- **Owned Equipment Base** – Significant asset ownership (mixers, cranes, loaders, etc.) provides operational control, cost efficiency, and additional revenue through leasing surplus machinery.
- **Experienced Leadership Team** – Led by industry veterans with 10–30+ years' experience; combines strategic foresight, financial acumen, and execution strength.
- **PAN-India Operational Reach** – Projects completed or ongoing in states like MP, Maharashtra, Gujarat, UP, and Haryana, supporting geographic diversification and public sector visibility.

Key Risk Factors

- **High Client Concentration in Public Sector** – Major revenue comes from NHAI and public sector contracts; loss of a major client or contract could severely affect financials and growth.
- **Geographic Concentration of Projects** – Current project exposure is heavily focused in a few states, limiting national positioning and increasing vulnerability to regional disruptions.
- **Strained Working Capital Cycles** – High dependency on efficient working capital; weekly fixed payouts for toll projects can stress liquidity if actual collections fall short.
- **Funding Uncertainty and Capital Constraints** – Delay in raising IPO proceeds or alternate funding could impair project execution and future growth plans.
- **Promoter & Group Entity Overlap** – Transactions with related parties and promoter-owned assets may lead to conflicts of interest or governance concerns.
- **Significant Contingent Liabilities** – ₹796.02 million in pending liabilities including bank guarantees and unresolved litigations pose a financial overhang.
- **Past Delays in Statutory Payments** – History of delays in EPF, ESIC, and tax contributions may invite scrutiny despite current compliance.
- **Debt Exposure and Covenants** – ₹710.14 million in outstanding debt with restrictive financial covenants could limit financial flexibility and operational decisions.
- **Heavy Reliance on Key Personnel** – Business continuity is closely tied to a few Promoters and senior executives; high attrition could derail momentum.
- **Execution Risk in EPC Projects** – Delays due to monsoons, contractor issues, or project overruns may impact timelines, cause penalties, or strain resources.

Brief profile of the Directors



- 1. 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 holds Diploma in Textile Technology from the Madhya Pradesh Board of Technical Education, Bhopal. He has over 31 years of experience as an entrepreneur in the infrastructure industry. He plays an important role in the Company as a Managing Director in coordination, management and implementation, planning and business leadership. He is responsible for the expansion and overall management of the business of the Company.
- 2. Anoop Agrawal** is the Whole-time Director, Chief Financial Officer and Promoter of the Company. He has been associated with our Company since February 10, 2006. He has passed his higher secondary exam under Board of Secondary Education, Madhya Pradesh. 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. He handles financial matters and has been instrumental in handling our projects and coordinating with governmental bodies regarding the infrastructure and real estate business development particularly in identifying and selecting projects, negotiating and implementing new business opportunities, and setting up the overall project infrastructure. He has also been responsible for overseeing and authorizing all financial decisions of the Company since his induction into the erstwhile partnership 'M/s Highway Enterprises' in 2002.
- 3. Riddharth Jain** is the Non-Executive Non-Independent Director and Promoter of the Company since July 01, 2024. He holds a degree of Bachelor of Architecture from Narsee Monjee Institute of Management Studies in Mumbai. He has a degree in Master of Science in Design from the University of Pennsylvania. He is a designated partner in Techno Star Infraareal LLP since March 31, 2021 and has over 3 years of experience in the infrastructure company. His primary role involves taking care of Company's strategies and advancements. With an educational background in architecture, he brings a blend of design and thinking to the Company.
- 4. Om Prakash Shrivastava**, is the Non-Executive Independent Director of the Company. He had passed the final exam of Masters of Science in Zoology from the Jiwaji University, Gwalior. He worked in the Office of Principal Auditor General (Accounts and Entitlement), Madhya Pradesh and retired as a Senior Accounts Divisional Officer.
- 5. Ujjwal Kumar Ghosh**, is the Non-Executive Independent Director of the Company. He holds a Bachelor's Degree in Civil Engineering from University of Jabalpur. He worked at the Madhya Pradesh Pachim Kshetra Vidhyut Vitran Company Limited as a Superintendent Engineer.
- 6. Ritika Agrawal**, is the Non-Executive Independent Director of our Company. She is a qualified Chartered Accountant from the Institute of Chartered Accountants of India ("ICAI") and is also a member of ICAI since 2021. She has 2 years of experience in tax consultancy

Statement of Profit and Loss



Highway Infrastructure Limited

(All amounts are in Indian Rupees millions, unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
INCOME			
i Revenue from operations	4,957.15	5,794.54	4,551.33
ii Other income	87.63	31.22	17.00
iii TOTAL INCOME	5,044.78	5,765.76	4,568.33
EXPENSES			
Operating costs	4,658.63	5,263.92	4,098.29
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(-168.18)	(-91.2)	(-0.48)
Employee benefits expense	108.70	132.61	126.73
Finance costs	74.35	90.25	73.86
Depreciation and amortization expense	23.95	26.13	25.09
Other expenses	44.78	46.79	49.92
TOTAL EXPENSES	4,742.23	5,466.48	4,373.41
Restated profit before tax (iii-iv)	302.55	299.28	194.92
Tax expense:			
Current tax	78.70	86.85	57.91
Adjustments of tax relating to earlier periods	(-0.02)	0.24	0.08
Deferred tax charge/ (credit)	(-0.31)	(-1.95)	(-1.07)
Total tax expense	78.57	85.14	56.92
Restated profit for the year (V-VI)	223.98	214.14	138.00
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss	(-0.06)	(0.02)	0.37
Income tax relating to items that will not be reclassified subsequently to profit or loss	0.02	0.05	(-0.09)
Restated total other comprehensive income/(expense) for the year (net of tax)	(0.04)	(0.01)	0.28
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)	223.94	214.13	138.28
Earnings per equity share			
Basic (in Rs.)	3.40	3.28	2.03
Diluted (in Rs.)	3.40	3.28	2.03

Valuation and Outlook



Highway Infrastructure Limited IPO is expected to be priced between ₹65 to ₹70 per share. At this price, the company is valued at Price-to-Earnings (P/E) ratio of **20.58x** while the industry peers are trading on average of **29.19x**

Name of the Company	Total Revenue (in million)	Face Value per Equity Share	Closing Price as on August 04, 2025	EPS (Basic and Diluted)	NAV (per share)	P/E Ratio	RoNW (%)
Highway Infrastructure Limited	4,957.15	5.00	-	3.40	20.37	-	19.03
Udayshivakumar Infra Limited	2,891.27	10.00	35.80	(1.18)	30.43	-	(4.28)
IRB Infrastructure Developers Limited	76,134.67	1.00	44.40	1.12	32.83	44.38	32.69
H.G. Infra Engineering Limited	50,563.82	10.00	1,029.00	75.04	452.62	34.00	17.13

Highway Infrastructure Limited has showcased steady financial performance with total revenue of ₹4,957.15 million in FY25. The company reported an EPS of ₹3.40 and Return on Net Worth (RoNW) of 19.03%, indicating efficient capital deployment and strong profitability. Despite being relatively smaller in scale compared to listed peers, it maintains a healthy NAV of ₹20.37 per share, reflecting stable book value creation.

The company is entering the capital markets with an IPO priced in the range of ₹65 to ₹70 per share, implying a P/E valuation of 20.58x at the upper end. This is lower than the industry average P/E of 29.19x, making the offer attractively priced considering its RoNW and earnings visibility.

With a diversified order book in tollway collection and infrastructure management across multiple states, the company benefits from recurring revenues and operational leverage. Its zero-debt status, lean cost structure, and technology integration in tolling systems (such as ANPR) further strengthen its financial outlook.

As India continues to expand its expressway and digital tolling infrastructure under the Bharatmala Pariyojana and FASTag rollout, Highway Infrastructure Limited is well-positioned to ride on sectoral tailwinds. The IPO proceeds are expected to enhance working capital and further solidify its position in the infrastructure value chain.

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