

Rating: Subscribe for listing gains

Issue Offer

Fresh Issue of 1,39,31,429 equity shares up to INR 975.2 Mn and OFS of 46,40,000 shares by Promoters group taking the total issue size at INR 1,300 Mn

Issue Summary

Price Band INR	65-70
Face Value INR	5
Implied Market Cap INR mn.	5,020.40
Market Lot	211
Issue Opens on	Aug 5, 2025
Issue Close on	Aug 7, 2025
No. of share pre-issue	5,77,89,204
No. of share post issue	7,17,20,633
Listing	NSE, BSE

Issue Break-up %

QIB Portion	≤ 50
Retail Portion	≥ 35
NII Portion	≥ 15

Registrar

Bigshare Services Private Limited

Book Running Lead Managers

Pantomath Capital Advisors Private Limited

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	94.95%	70.04%
Public & Others	5.05%	29.96%

Objects of the issue

- Repayment/pre-payment, in full or in part, of certain outstanding borrowings availed by the Company.
- General corporate purposes.

Abhishek Jain

abhishek.jain@arihantcapital.com

022-422548871

Aman Jain

022-42254865

Highway Infrastructure Limited (HIL) is well-positioned to benefit from India's increasing focus on road monetization and digital transformation in highway infrastructure. Tollway collection remains the key revenue contributor, backed by HIL's presence across 11 states and one Union Territory, and technological leadership through deployment of ANPR and RFID-based ETC systems on major corridors like the Delhi-Meerut Expressway. The government's push for digital toll collection through FASTag, which saw 110 million tags issued and collections rise to INR 71 billion by May 2025, supports sustained growth in the segment. On the EPC front, HIL continues to leverage its in-house cost analytics and bidding strength to secure contracts in roads, bridges, irrigation, and public infrastructure.

Investment Rationale:

Execution Track Record and Industry Expertise: The company demonstrates a robust execution track record backed by nearly three decades of experience in toll collection operations and execution of EPC infrastructure projects across multiple Indian states. Its geographic footprint includes projects in Madhya Pradesh, Gujarat, Andhra Pradesh, Punjab, Maharashtra, Telangana, Chhattisgarh, Haryana, Uttar Pradesh, Rajasthan, Odisha, and Delhi. The company stands out as one of the few toll operators in the country to implement toll collection based on Automatic Number Plate Recognition technology on the Delhi-Meerut Expressway, highlighting its technological adaptability. Furthermore, it has successfully operated toll plazas on several prominent inter-state and intra-state expressways. The company utilizes Electronic Toll Collection systems, leveraging RFID tags and digital payment mechanisms to enable seamless, contactless toll payments.

Geographic Expansion to Mitigate Concentration Risk: With a successful track record in multiple Indian states, the company plans to expand into newer geographies, subject to financial and operational viability. This strategy is aimed at reducing regional concentration risk and enhancing its project portfolio diversity. The government's National Infrastructure Pipeline, now comprising over 9,000 projects across 34 sectors, supported by initiatives like Make in India and the PLI scheme, is expected to create substantial new opportunities for infrastructure players. The company is positioning itself to benefit from this ongoing expansion.

Exploration of Associated Business Verticals: The company is actively exploring expansion into complementary business verticals that leverage its core strengths in tollway operations and infrastructure development. One key area under consideration is the development of Way Side Amenities, in partnership with NHAI, to cater to the growing needs of highway users. These amenities may include fuel stations, EV charging points, food courts, parking areas, rest facilities for drivers, medical and childcare services, and retail spaces promoting local handicrafts. Additionally, the company is evaluating participation in Hybrid Annuity Model projects, which offer a balanced risk-sharing framework with 40% of project costs funded by the government and the remaining 60% by private developers.

Valuation and View: Highway Infrastructure Limited is an integrated infrastructure development and management company in India, with a consolidated order book of INR 6,663.07 million as of May 31, 2025. The company operates across two major segments tollway collection and EPC infrastructure and is recognized for its extensive experience in toll operations across 11 states and 1 Union Territory. In the EPC Infra segment, the company undertakes the construction of roads, bridges, irrigation structures, and civil works. With a focus on cost optimization and project execution, HIL is well-positioned to benefit from India's growing investment in national highway development and asset monetization initiatives. **At the upper band of INR 70, the issue is valued at a P/E ratio of 22.41x, based on a FY25 EPS of INR 3.1 and EV/EBITDA at 17.8x, based on FY25 EBITDA. We are recommending a "Subscribe for listing gains" for this issue.**

Arihant Research Desk

Email: instresearch@arihantcapital.com

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park Building No. 10, 1 st Floor Andheri Ghatkopar Link Road Chakala, Andheri (E) Mumbai – 400093 Tel: (91-22) 42254800 Fax: (91-22) 42254880	Arihant House E-5 Ratlam Kothi Indore - 452003, (M.P.) Tel: (91-731) 3016100 Fax: (91-731) 3016199

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: 'Arihant' to 56677	www.arihantcapital.com	instresearch@arihantcapital.com

Disclaimer: This document has been prepared by Arihant Capital Markets Ltd. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way is responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Arihant may trade in investments, which are the subject of this document or in related investments and may have acted upon or used the information contained in this document or the research or the analysis on which it is based, before its publication. This is just a suggestion and Arihant will not be responsible for any profit or loss arising out of the decision taken by the reader of this document. Affiliates of Arihant may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. No matter contained in this document may be reproduced or copied without the consent of the firm.

Arihant Capital Markets Ltd.
1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800 Fax. 022-42254880

Disclaimer: This disclosure statement is provided in compliance with the SEBI Research Analyst Regulations, 2014. Arihant Capital Markets Limited (ACML) is a registered stockbroker, merchant banker, and research analyst under SEBI, and is also a Point of Presence with the Pension Fund Regulatory and Development Authority (PFRDA). ACML is registered with SEBI with Research Analyst Registration Number INH000002764, Stock Broker Registration Number INZ000180939, and is a Trading Member with NSE, BSE, MCX, NCDEX, and a Depository Participant with CDSL and NSDL.

ACML and its associates may have business relationships, including investment banking, with companies covered by its Investment Research Department. The analysts of ACML, and their associates, are prohibited from holding a financial interest in securities or derivatives of companies they cover, though they may hold stock in the companies they analyze. The recommendations provided by ACML's research team are based on technical and derivative analysis and may differ from fundamental research reports.

ACML confirms that neither it nor its associates have a financial interest or material conflict concerning the companies covered in the research report at the time of publication. Furthermore, ACML, its analysts, and their relatives have no ownership greater than 1% in the subject companies as of the month prior to publication. ACML guarantees that the compensation for its research analysts is not influenced by specific securities or transactions.

ACML affirms that neither the analyst nor the company has served as an officer, director, employee, or engaged in market-making activities for any of the subject companies. Additionally, the research report does not reflect any conflict of interest and is not influenced by specific recommendations made. Neither ACML nor its analysts have received compensation for investment banking or brokerage services from the subject companies in the last 12 months.

The views expressed in this report are those of the analysts and are independent of the proprietary trading desk of ACML, which operates separately to maintain an unbiased stance. Analysts comply with SEBI Regulations when offering recommendations or opinions through public media. The report is intended for informational purposes only and is not an offer or solicitation for the purchase or sale of securities.

This report, which is confidential, may not be reproduced or shared without written consent from ACML. It is based on publicly available data believed to be reliable but has not been independently verified, and no guarantees are made about its accuracy. All opinions and information contained in the report are subject to change without notice. ACML disclaims liability for any losses resulting from reliance on this report. The report does not constitute an offer to buy or sell securities, and ACML is not responsible for the risks involved in investments. ACML and its affiliates may have positions in the securities discussed or hold other financial interests in them.

The distribution of this report in certain jurisdictions may be restricted by law, and the report is not intended for distribution where it would violate local laws. Investors are advised to consider their financial position, risk tolerance, and investment objectives before engaging in transactions, particularly in high-risk financial products such as derivatives.

ACML reserves the right to modify this disclosure statement without prior notice. The report has been prepared using publicly available information and internally developed data, though ACML does not guarantee its completeness or accuracy. Historical price data for securities can be accessed via official exchanges like NSE or BSE. ACML and its affiliates may conduct proprietary transactions or investment banking services for the companies mentioned in this report. In compliance with SEBI regulations, ACML maintains comprehensive records of research reports, recommendations, and the rationale for those recommendations, which are preserved for at least five years. An annual compliance audit is conducted by a member of the ICAI or ICSI to ensure adherence to applicable regulations. This report is issued in accordance with applicable SEBI regulations and does not guarantee future performance or returns.