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(Please scan this QR code to view the Prospectus)



# HIGHWAY INFRASTRUCTURE LIMITED

Corporate Identity Number: U45203MP2006PLC018398

Our 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 Limited Company in the name and style of 'Highway Infrastructure Private Limited' under the provisions of the Companies Act, 1956 vide certificate of incorporation dated February 10, 2006 issued by the Registrar of Companies, Gwalior, Madhya Pradesh & Chhattisgarh. The name of our Company was subsequently changed to 'Highway Infrastructure Limited', upon conversion into a public limited company, pursuant to a shareholders' resolution dated April 25, 2018 and a fresh certificate of incorporation was issued by the Registrar of Companies, Gwalior, Madhya Pradesh on May 04, 2018. For details of the changes in our name and registered office, please refer to the chapter titled "History and Certain Corporate Matters - Brief History of our Company and Changes in our Registered Office" of Prospectus on page 220.

Registered Office: 57-FA, Scheme no. 94, Pipiyahana Junction, Ring Road, Indore - 452016 Madhya Pradesh, India | Tel No: +91 731 4047177 | Email Id: cs@highwayinfrastructure.in | Website: www.highwayinfrastructure.in Contact Person: Palak Rathore, Company Secretary and Compliance Officer; Tel: +91 731 4047177.

## OUR PROMOTERS: ARUN KUMAR JAIN, ANOOP AGRAWAL AND RIDDHARTH JAIN

Our Company has filed the Prospectus with the RoC (the "Prospectus") and the Equity Shares (as defined below) are proposed to be listed on the main board platform of the Stock Exchanges and the trading is expected to commence on August 12, 2025.

### BASIS OF ALLOTMENT

INITIAL PUBLIC OFFERING OF 18,571,428 EQUITY SHARES OF FACE VALUE ₹ 5/- EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 70/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 65/- PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING TO ₹ 1,300.00 MILLION (THE "OFFER") COMPRISING A FRESH OFFER OF 13,931,428 EQUITY SHARES OF FACE VALUE ₹ 5/- EACH AGGREGATING TO ₹ 975.20 MILLION BY OUR COMPANY (THE "FRESH OFFER") AND AN OFFER FOR SALE OF 4,640,000 EQUITY SHARES OF FACE VALUE ₹ 5/- EACH AGGREGATING TO ₹ 324.80 MILLION BY ARUN KUMAR JAIN AND ANOOP AGRAWAL ("PROMOTER SELLING SHAREHOLDERS"), EACH PROMOTER SELLING SHAREHOLDER PROVIDING AN OFFER FOR SALE OF 2,320,000 EQUITY SHARES OF FACE VALUE ₹ 5/- EACH (AND SUCH OFFER FOR SALE OF EQUITY SHARES BY THE PROMOTER SELLING SHAREHOLDERS THE "OFFER FOR SALE"). THE OFFER CONSTITUTE 25.89 % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH OFFER, THE "OFFER".

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 5/- EACH AND THE OFFER PRICE IS ₹ 70/- PER EQUITY SHARE

ANCHOR INVESTOR OFFER PRICE: ₹ 70 PER EQUITY SHARE OF FACE VALUE OF ₹ 5 EACH

OFFER PRICE: ₹ 70 PER EQUITY SHARE OF FACE VALUE OF ₹ 5 EACH

THE OFFER PRICE IS 14 TIMES THE FACE VALUE OF THE EQUITY SHARES.

### RISKS TO INVESTORS :

For details refer to section titled "Risk Factors" on page 31 of the Prospectus

- Dependence on tollway business:** We derive significant portion of revenue from operations from our tollway collection business which is primarily undertaken for and awarded by the NHAI. Further, most of our revenue in the EPC Infra business is from public sector customers. The loss of any of our contracts in our tollway collection business may have a material and adverse effect on our business and financial results. We derive our revenue from operations from our tollway collection, EPC Infra, and real estate business. Our Company's revenue from operations for Fiscal 2025, Fiscal 2024 and Fiscal 2023 are detailed as below:

(in ₹ millions except percentages and ratios)

Our operations	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Tollway Collection	3,824.07	77.14	4,783.47	83.42	3,564.78	78.32
EPC Infra	1,054.89	21.28	921.94	16.08	942.51	20.71
Real Estate	78.19	1.58	29.13	0.50	44.04	0.97
<b>Total</b>	<b>4,957.15</b>	<b>100.00</b>	<b>5,734.54</b>	<b>100.00</b>	<b>4,551.33</b>	<b>100.00</b>

- Risk related to Geographic concentration:** Our business is relatively concentrated in certain specific parts of India and any adverse development in such parts of India may adversely affect our business, results of operations and financial condition. Below is a tabular representation of our state-wise revenue from operations from top five (5) states for each of Fiscal 2025, Fiscal 2024 and Fiscal 2023 :

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (in ₹ million)	Percentage (%)	Amount (in ₹ million)	Percentage (%)	Amount (in ₹ million)	Percentage (%)
Madhya Pradesh	1,655.37	33.39	2,132.64	37.19	1,002.80	22.03
Uttar Pradesh	1,121.95	22.63	2,268.65	39.56	-	-
Gujarat	753.88	15.21	573.14	9.99	985.32	21.65
Maharashtra	712.34	14.37	0.47	0.01	1,073.56	23.59
Haryana	540.19	10.90	-	-	417.35	9.17
Punjab	166.67	3.36	447.25	7.80	-	-
Telangana	-	-	312.40	5.45	480.84	10.56
Rajasthan	-	-	-	-	558.66	12.27
Others	6.74	0.14	-	-	32.80	0.72
<b>Total</b>	<b>4,957.15</b>	<b>100.00</b>	<b>5,734.54</b>	<b>100.00</b>	<b>4,551.33</b>	<b>100.00</b>

- Our toll contracts are typically for one (1) year:** The contracts awarded by NHAI are typically for a standard period of one year. Such limited tenures with limited scope of extension or roll-over may limit over revenue collection and have a material effect on our business and results of operations. The tenure of our contracts and the competitive nature of the industry exposes us to the risk of uncertainty of continued revenue in the absence of multi-year contracts in the industry.
- Our business is working capital driven:** Our business is capital driven. Working capital is required to finance giving security deposits and bank guarantees to customers, purchase of materials, mobilization of resources and other work on projects before payment is received from clients. It is generally difficult to predict whether or when a particular contract we have bid for will be awarded to us and the time period within which we will be required to mobilize our resources for the execution of such contract. As a result, we may need to incur additional indebtedness in the future to satisfy our working capital requirements. Our working capital requirements may increase if we undertake larger or additional projects or contracts have payment schedules that shift payments toward the end of a project or otherwise increase our working capital burden. Summary of our working capital in last three fiscals is as under -

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Total Current assets (A)	1,910.51	1,583.17	1,123.01
Total current liabilities (B)	1,002.67	933.56	614.03
<b>Total Working Capital (A-B)</b>	<b>907.84</b>	<b>649.61</b>	<b>508.98</b>

- Risk related to conflict of interest:** Our Promoter and certain of our Key Managerial Personnel may have interest in entities, which are engaged in lines of business similar to that of our Company including our Group Companies which have objects similar to that of our Company. Any conflict of interest which may occur between our business and the activities undertaken by such entities could adversely affect our business and prospects. Below is a table detailing the names of entities where the Promoters and Key Managerial Personnel have common interest or are engaged in the similar line of business:

Name of the Promoter/ KMP	Name of the Entity	Nature of Interest
Arun Kumar Jain (Promoter)	Highway & Tandon Tollways Private Limited	Director
	Sacham Highway Real Estate Private Limited	Shareholder and Director
	Indore Highway Real Estates Private Limited	Shareholder
Anoop Agrawal (Promoter)	Highway & Tandon Tollways Private Limited	Director
	Indore Highway Real Estates Private Limited	Shareholder and Director
	Sacham Highway Real Estate Private Limited	Shareholder and Director
Riddharth Jain (Promoter)	Indore Highway Real Estates Private Limited	Director
Ankit Tandon (KMP)	Techno Star Infrareal LLP	Designated Partner
	Ankit Tandon Enterprises and Tollways Private Limited	Shareholder and Director
	Highway and Tandon Tollways Private Limited	Director

- Some of our projects are with our group companies:** We have entered and may continue to enter into projects with our related parties such as our Group Companies and Subsidiary, which may involve conflicts of interest. We have in the course of our business entered into and may continue to enter into, several transactions with our related parties. Out of our EPC Infra order book as on May 31, 2025, ₹ 896.85 million belonged to our related party, Sacham Highway Real Estates Private Limited. The details of our related party pertaining to our EPC Infra and real estate business for the Fiscal 2025, Fiscal 2024 and Fiscal 2023 are provided on page 36 to 38 of the "Risk Factors" of the Prospectus.
- We had negative cash flows from operating activities:** Our Company had negative cash flows from operating activities of ₹ 49.49 million for the Fiscal 2025 which was primarily due to change in inventory and trade receivables. Further, our Company had negative cash flows from operating activities of ₹ 12.11 million from operating activities in Fiscal 2022 which was due to consolidation of the Subsidiary. We cannot guarantee that we will not have any negative cash flows in the future arising from operating activities, investing activities and/or financing activities. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations.
- Risk related to working capital projections and utilization of Offer Proceeds:** Working capital projections made by our Company are based on our management's assumptions and estimated working capital requirements. A substantial amount of Offer Proceeds out of the Fresh Offer is intended to be used for working capital. We may require alternate funding in Fiscal 2026 post the utilization of Net Proceeds and if our Company is unable to raise sufficient working capital, the operations of our Company will be adversely affected.
- Our Company will not receive any proceeds from the Offer for Sale.** The Offer comprises of the Fresh Offer of 13,931,428 Equity Shares of face value ₹ 5 each, aggregating to ₹ 975.20 million to be issued by our Company and the Offer for Sale of 4,640,000 Equity Shares of face value ₹ 5 each, aggregating to ₹ 324.80 million by the Promoter Selling Shareholders. The entire proceeds of the Offer for Sale will be transferred to the Promoter Selling Shareholders and will not result in any creation of value for us or in respect of your investment in our Company. For further details, see "Objects of the Offer" on page 106.
- Risk Related to proforma consolidated financial information:** Prospectus contains the proforma consolidated financial information of our Company certified by the Independent Chartered Accountant who is not the statutory auditor of our Company for the Fiscal 2025, solely to illustrate the impact of the dissolution of the AOP as if such dissolution had been made at an earlier date selected for purposes of such illustration. Such proforma consolidated financial information may not be suitable for any other purposes and may not be indicative of our actual historical or expected financial condition and results of operations.
- Risk related to obtaining possession of land or its rights:** While we conduct due diligence and assess land prior to acquisition of any land or interest in any land, obtaining title guarantees in India is challenging as title records provide only for presumptive rather than guaranteed title of the land. Such land may involve irregularities in title, such as improperly executed or non-executed, unregistered or insufficiently stamped conveyance instruments in the chain of title of the relevant land, unregistered encumbrances in favour of third parties, rights of adverse possessors, ownership claims of family members of prior owners, and other defects which may not be revealed through our diligence and assessment. Disputes relating to land title can take several years and considerable expense to resolve if they become the subject of legal proceedings and their outcome can be uncertain. If we are unable to resolve such disputes, the title to and/ or interest in, such land may be affected. While we have not experienced any instances of faulty or disputed title, unregistered encumbrances or adverse possession rights in the past which has adversely impacted our financial results, we cannot guarantee that it may not happen in future. As on May 31, 2025, contracts amounting to ₹ 2866.88 million could not be started due to non-handover of land or its rights or construction plans by our customers. As a result, our business, financial condition and results of operations could be materially and adversely affected.
- Risk related to default in payment of customers in EPC Infra and Real estate Business:** Our operations involve extending credit, to our customers in respect of our services provided in our EPC Infra business and real estate business. As a result, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Accordingly, we had and may continue to have outstanding receivables. Based on Restated Consolidated Financial Information for Fiscal 2025, Fiscal 2024 and Fiscal 2023, our aggregate outstanding receivables from EPC Infra and real estate businesses were ₹ 334.01 million, ₹ 188.14 million and ₹ 193.35 million, respectively, our aggregate revenues from these businesses were ₹ 1,133.08 million, ₹ 951.07 million and ₹ 986.55 million, respectively and the consequential trade receivable days for EPC Infra and real estate business for Fiscal 2025, Fiscal 2024 and Fiscal 2023 were 108, 72 and 72 respectively. Any delay or default in payment from our customers could result in the reduction of our profits and affect our cash flows. The total balances written off in Fiscal 2025, Fiscal 2024 and Fiscal 2023 were Rs. 1.20 million, Rs. 0.19 million and Rs. 5.66 million respectively.
- Risk Related to Related Party transactions:** We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties, which include loans, lease advances and guarantees given by our Company. For details, see chapter titled "Restated Consolidated Financial Information - Note 46-Related Party Disclosures" on page 354 of the Prospectus. While all such related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis for the purpose of carrying on our day to day business activities, ensuring better quality of services to our client including timely delivery and use of resources available with such related parties to meet requirements of the projects handled by our Company, we cannot assure you that we will receive similar terms in our related party transactions. Any further transactions with our related parties could involve conflicts of interest.
- Risk related to Promoter and Directors Interest:** Our Promoter and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company or their relatives, dividend entitlement, or loans advanced by them to the Company. Further, our registered office is owned by our Promoter, Anoop Agrawal and is currently leased to our Company for a period of 10 years starting from April 01, 2018. The lease payment made to our Promoter for our Registered Office has been made on an arm's length basis as certified by our Independent Chartered Auditor, by way of their certificate dated August 7, 2025. We may not be able to successfully extend or renew such lease agreement upon expiration of the current term on commercially reasonable terms or at all and may therefore be forced to relocate our affected operations. This could disrupt our operations and result in relocation expenses, which could adversely affect our business, financial condition, results of operations and cash flows.

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