

Afcons Infra cuts offer size to ₹5,400 cr after pre-IPO fundraise

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MUMBAI

Shapoorji Pallonji Group company Afcons Infrastructure is looking to raise ₹5,400 crore through its initial public offering (IPO) after selling shares worth about ₹3,000 crore in a pre-IPO round, two people aware of the development told *Mint*.

Afcons had previously planned to raise ₹7,000 crore through the IPO. However, owing to high demand from investors, the company opted for a pre-IPO round of around ₹3,000 crore through an offer for sale (OFS) by the promot-

ers, the people added. Including the pre-IPO round, the company will be looking to raise about ₹8,400 crore, 20% more than the ₹7,000 crore it had originally planned to raise.

The infrastructure firm could file its red herring prospectus with the Securities and Exchange Board of India (Sebi) as early as Friday, having received clearance for its updated draft red herring prospectus (DRHP) on Wednesday, they said, adding that the IPO will open next week.

The pre-IPO shares were sold at a 30% discount to those of market leader Larsen and Toubro (L&T), one of the people said. L&T stock was trading



The company saw record order inflows in H1FY25. MINT

at ₹3,557 as of 2 pm on Thursday, which translates to a price-to-earnings ratio of 46.4, according to BSE data.

While the overall size of

Afcons's IPO has been cut, it will issue new shares worth ₹1,250 crore as previously planned, this person added.

The pre-IPO placement also means Shaporji Pallonji Group will have more capital at its disposal than previously planned, helping it to better manage an ongoing debt crisis at Goswami Infrastructure, another group company. Goswami Infratech needs to repay ₹4,300 crore to investors in its non-convertible debentures. The group also plans to

sell Gopal port in Odisha. Afcons's shareholders include Goswami Infratech Pvt Ltd (72.35%), Shaporji Pallonji and Company Pvt Ltd (16.64%), Floreat Investments Pvt Ltd (8.12%), Hermes Commerce Pvt Ltd (1.19%) and Renaissance Commerce Pvt Ltd (0.18%). Goswami Infratech will sell its shares in the IPO.

On Wednesday, *Mint* reported that Afcons Infrastructure received more orders in the first half of FY25 than it has in any single year,

having expanded its business on the back of higher credit lines from lenders. The company booked new orders worth ₹11,400 crore in the six months to 30 September, according to publicly available information and two people in the know. It has emerged as the lowest bidder for another ₹7,600 crore worth of orders, which it is yet to sign formally.

This translates to about ₹9,000 crore of order inflows in the first half of FY25 compared with ₹7,783 crore in FY24 and ₹7,924 crore in FY23. The previous record was set in FY22, when it booked contracts worth ₹6,883 crore.