

# Shapoorji Pallonji Group firm Afcons Infra files draft papers to raise Rs 7,000 crore via IPO

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Diversified conglomerate **Shapoorji Pallonji Group**-backed construction and engineering player Afcons Infrastructure Ltd has filed draft red herring prospectus (DRHP) with Securities Exchange Board of India (Sebi) to raise Rs 7,000 crore through an initial public offer (IPO).

The firm will raise Rs 1,250 crore through a fresh issue and Rs 5,750 crore through offer for sale. Goswami Infratech Pvt Ltd will sell around Rs 5,750 crore worth of stake in the OFS, according to the DRHP.

As of December 2023, Goswami Infratech Pvt Ltd has 72.35 percent stake while Shapoorji Pallonji and Company 16.64 percent stake in the firm.

Proceeds worth Rs 150 crore from the issue will be used for capital expenditure, Rs 350 crore will be used to fund long term working capital requirement and Rs 500 crore will be used for repayment of portion of certain outstanding borrowings and acceptance availed by the company. As of December 2023, its outstanding borrowings stood at Rs 2887.59 crore.

The IPO will be launched at a valuation of Rs 19,000-20,000 crore for Afcons Infra, according to CNBC-TV18.

ICICI Securities, DAM Capital, Nomura, Jefferies and SBI Capital are the lead managers for the issue.

The company boasts a strong track record of executing complex EPC projects, both domestically and internationally. Over the past ten financial years and up to September 30, 2023, the firm completed 76 projects across 15 countries, with a total historic executed contract value of Rs 52,200 crore.

Currently, they have 67 active projects across 13 countries, totaling an order book of Rs 34,888 crore, comprising a domestic order book of Rs 26,093 crore and an overseas order book of Rs 8,795.32 crore. Notably, among large infrastructure construction companies in India analysed in the Fitch Report, the company achieved the highest ROCE and ROE margins for FY23.

Additionally, they maintain a strategic equipment base, including a wide range of heavy machinery and specialised equipment, enabling them to secure complex projects such as the Atal tunnel, High-Speed Railway Project, Delhi – Meerut regional rapid transit system, Delhi Metro Phase IV projects, and the second liquid cargo berth at Dahej, Gujarat for Gujarat Chemical Port Limited.

For six month ended September 2023, the firm's total income was at Rs 6,655.35 crore from Rs 12,844 crore in FY23. The net profit for the period was Rs 195.13 crore, compared to Rs 410.86 crore in FY23.

On June 27, 2023 , *Moneycontrol* was the first to **report** that Shapoorji Pallonji Group-backed Afcons Infrastructure had shortlisted five investment banks, namely ICICI Securities, Jefferies, Nomura, DAM Capital and SBI Capital as advisors for a big-bang listing aimed at raising up to Rs 8,000 crore.

Sterling and Wilson Solar was the last company from the Shapoorji Pallonji Group to make a debut on the domestic bourses in August 2019.