

Afcons Infrastructure plans to launch ₹1,500-crore IPO

■ **Janaki Krishnan**

Mumbai

Afcons, the infrastructure construction arm of the \$7 billion Shapoorji Pallonji group, will finally launch its initial public offering this year with a size in the range of ₹1,000-1,500 crore, sources said. The IPO is mainly to gain visibility and propel growth and not so much due to need for capital.

The company has appointed investment bankers including Axis Capital Markets, IIFL Securities, SBI Capital Markets among others, according to sources.

The draft prospectus is expected to be filed in the next few months.

A source with knowledge of the development said the main reason that the pro-

moters are considering an IPO is to ensure that it goes to the next level of growth.

THRUST ON INFRA

Part of the reason that the company is planning to finally go public this year is the current government's thrust on infrastructure that offers opportunities for more projects and the capital markets that are extraordinarily receptive to new offerings.

"The markets are red hot," a source said, adding that infrastructure is the 'flavour of the day.' "Afcons has a good pedigree, and the promoters probably feel that it would be useful to put it out there," the source said.

The structure of the IPO is being worked out as to whether it will be an offer for sale, a fresh issue, or a com-

bination. Shapoorji Pallonji and Company holds 99.48 per cent stake in it. The SP group did not respond to an email seeking clarification.

The \$1.25-billion worth Afcons Infrastructure is the flagship of the Mumbai-based SP group with an order book size north of ₹30,000 crore that will provide revenue visibility for the next 2-3 years. It builds bridges, roads, hydro projects, port terminals and develops townships. Around 70 per cent of its revenues are domestic and the remaining international and around 1.4 per cent of its order book is from group companies.

One of its high-profile projects was the 1.3 km Chenab Bridge, part of the 272 km Udhampur-Srinagar-Baramulla rail link.