

# Shapoorji co Afcons plans ₹7,000cr IPO

## Eyes ₹19,000Cr Valuation | Group Looks To Pare Debt

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**Mumbai:** Shapoorji Pallonji Group's Afcons Infrastructure plans to launch an IPO aiming for a valuation of over Rs 19,000 crore, making it the country's largest infra construction IPO in at least a decade. The company, which the construction-to real-estate group acquired from ICICI Bank in the early 2000s, hopes to raise Rs 7,000 crore from the share sale.

This will be the second company from the group to tap the primary market after Sterling and Wilson Renewable Energy. Sterling debuted on the domestic bourses in August 2019 but is now majority owned by Reliance Industries after SP sold shares to pare debt.

Currently, only two SP entities are listed on the stock exchanges, Forbes & Company (which has a market cap of Rs 558 crore) and Gokak Textiles (Rs 77 crore). Both the companies were acquired from the Tata Group. SP will garner Rs 5,750 crore by selling a part of its stake in the Afcons IPO, while the infrastructure construction company will raise Rs 1,250 crore by issuing fresh shares to investors.

The company, in its IPO documents filed with markets regulator Sebi, said Goswami Infratech, which owns about 72%, will only participate in the IPO and none of the other promoters, Shapoorji Pallonji and Company (which

### Where It Would Stand

#### Afcons' listed peers

| (In ₹ crore)       | Market cap  | FY23 revenue |
|--------------------|-------------|--------------|
| L&T                | 5.2L        | 1.1L         |
| <b>Afcons</b>      | <b>19k*</b> | <b>12.6k</b> |
| KEC Int'l          | 17.8k       | 15.4k        |
| Kalpataru Projects | 17.3k       | 14.3k        |
| Dilip Buildcon     | 6.7k        | 10.1k        |

Source: BSE; \*Estimate

owns about 17%), Floreat Investments (8%), Hermes Commerce (1.19%) and Renaissance Commerce (1.18%) will sell any shares to investors.

It further said 97% of the company's equity (representing 33.1 crore shares) is pledged with lenders. Of this, 7.5 crore shares have been released before the filing of the IPO documents. Another "unspecified number of shares" will be released prior to the filing of the updated offer documents.

Afcons added it may consider a pre-IPO placement of Rs 250 crore and if that happens, the fresh issue size will be reduced.

SP will use the IPO proceeds to pare debt of Rs 20,000 crore. So far it has sold assets worth Rs 11,000 crore to strengthen its balance sheet. Earlier this week, SP inked a Rs 3,350 crore sale agreement with Adani Ports for its Gopalpur port in Odisha. SP also owns about 18% in Tata Sons, the holding company of the Tata Group, but all of its shares are pledged against loans.