

IPO ANALYSIS

Sector: Infrastructure
Issue Price: INR 440 to INR 463
Issue Size: INR 5,430 Crores
Issue Opens/Closes: October 25 / October 29

IPO Basics

Promoters: Goswami Infratech Private Limited, Shapoorji Pallonji And Company Private Limited, Floreat Investments Private Limited, Shapoorji Pallonji Mistry, Firoz Cyrus Mistry And Zahan Cyrus Mistry
Selling Shareholders: Goswami Infratech Private Limited
Lead Managers: ICICI Securities, DAM Capital Advisors, Jefferies India, Nomura Financial Advisory, Nuvama Wealth Mgt, SBI Capital Markets
Registered Office: Mumbai, Maharashtra
Registrar: Link Time India Pvt. Ltd
Listing: BSE and NSE

IPO Capital Structure

Fresh Issue	2,70,54,542 equity shares upto INR 1,250 Cr
Offer for Sale	9,02,80,778 equity shares upto INR 4,180 Cr
Total Issue as % of total capital (Post-Issue)	31.88%
Post Issue No. of Shares	36,77,92,811
Post Issue Market Cap	INR 16,245 Cr - INR 17,029 Cr
Face Value	INR 10
Issue Route	Book Build Issue

All values calculated at upper band

Financial Snapshot (INR in crs)

Y/E Mar	FY23	FY24	Q1FY25
Share Capital	71.97	340.74	340.74
Reserves	3,083.09	3,234.31	3,321.51
Net Worth	3,155.06	3,575.05	3,662.25
Revenue from ops	12,637.38	13,267.50	3,154.36
Revenue Growth (%)	14.69%	4.99%	-0.54%
EBITDA	1,373.79	1,583.12	371.69
EBITDA (%)	10.70%	11.60%	11.57%
Net Profit	410.86	449.74	91.59
Net Profit (%)	3.20%	3.30%	2.85%
Basic EPS	12.06	13.20	2.69^
Diluted EPS	12.06	13.20	2.69^
NAV (INR)	92.59	104.92	107.48
ROE (%)	13.96%	13.28%	10.55%
ROCE (%)	20.04%	20.18%	14.89%
P/E (Based on Upper Band)			35.07
Average Industry P/E			47.91
P/B (Based on Upper Band)			4.30

Shareholding Pattern

Holders	Pre-Issue	Post Issue
Promoters	96.63%	64.79%
Promoter Group	2.37%	2.20%
Public - Others	1.00%	32.83%
Total	100.00%	100.00%

Source: RHP, *Restated Consolidated, ^not annualized
Q1FY25 revenue growth compared with Q1FY24

Particulars	Retail Category	NII bid between INR 2 lakhs- INR 10 lakhs	NII bid above INR 10 lakhs
Minimum Bid Lot (Shares)	32	448	2,176
Minimum Bid Lot Amount	INR 14,816	INR 2,07,424	INR 10,07,488
No of Applications for 1x	12,76,829	13,029	26,058

Afcons Infraconstruction Limited

Oct 24, 2024

Issue Highlights:

- Afcons Infrastructure is the leading engineering and construction company of the Shapoorji Pallonji group, with over six decades of experience. It operates across five major verticals: Marine and Industrial, Surface Transport, Urban Infrastructure, Hydro and Underground, and Oil and Gas Projects. With international operations spanning 30 countries, the company has a transnational presence in a broad range of infrastructure activities, demonstrating a global impact through its diverse projects.
- The company has received significant recognition for its innovative practices, winning the MIKE (Most Innovative Knowledge Enterprise) award from 2018 to 2023 at both India and global levels. In 2023, it also secured the Outstanding Global MIKE Award and was recognized as a Five Star Export House under the Foreign Trade Policy 2023 by the Indian government, reflecting its strong export capabilities and commitment to innovation.
- Afcons has developed strong relationships with several notable global clients, including Arcelor Mittal, with whom it has worked for over 10 years, and ARISE Integrated Industrial Platforms, a client for over five years. The company also collaborates with a leading food and agribusiness firm headquartered in Singapore, providing services across multiple business verticals, highlighting its trusted partnerships across diverse sectors.
- As of June 30, 2024, Afcons had completed 79 projects across 17 countries over the last 11 years, with a total contract value of INR 56,305 Cr. The company currently has 65 active projects in 12 countries, with an order book totaling INR 31,747 Cr. Additionally, it was an L1 bidder for projects worth INR 10,732.36 Cr as of September 30, 2024, underscoring its growing project pipeline and strategic bids.
- Afcons' financial performance has been bolstered by its healthy order book. For the quarter ending June 30, 2024, the company's revenue reached INR 3,154.36 Cr, while EBITDA stood at INR 371.69 Cr. The company has also executed complex projects such as the Chenab Bridge and Atal Tunnel, and is currently working on significant projects like the Kolkata Metro and Mumbai-Ahmedabad high-speed rail corridor.

Key Risks:

- The company's moderately leveraged capital structure, with adjusted TOL/TNW of 3.4x and 3.7x and interest cover of 3.0x and 2.4x, depends heavily on timely realization of arbitration receivables and unbilled revenue.
- Company Around 39% of the company's order book is in early stages, exposing it to time and cost overrun risks, though its strong execution capabilities are expected to mitigate the risk of BG invocation.

Particulars	No. of shares at Lower band (Cr.)	No. of shares at Upper band (Cr.)	Issue Size Amount at Lower band (INR. Cr.)	Issue Size Amount at Upper band (INR. Cr.)	% Of Issue
QIB	6.14	5.84	2,702.50	2,702.50	50%
NIB	1.84	1.75	810.75	810.75	15%
-NIB2 (Bid above INR 10 Lakhs)	1.23	1.17	540.50	540.50	-
-NIB1 (Bid between INR 2 to 10 Lakhs)	0.61	0.58	270.25	270.25	-
Retail	4.30	4.09	1,891.75	1,891.75	35%
Employee	0.06	0.05	25.00	25.00	-
Total	12.34	11.73	5,430.00	5,430.00	100.00%

An Indicative Timetable Post Issue Closing

Particulars	Tentative Date
Finalization of Basis of Allotment	October 30, 2024
Refunds/un-blocking of ASBA Accounts	October 31, 2024
Credit of Equity Shares to DP Ac	October 31, 2024
Trading Commences	November 04, 2024

Investors are advised to refer disclosures made at the end of the research report.

BACKGROUND

The company began as 'Rodio Foundation Engineering Limited and Hazarat & Co.' in 1959. In 1977, the business was transferred to 'Asia Foundations and Constructions Pvt. Ltd,' later renamed 'Asia Foundations and Constructions Ltd.' In 1996, the name changed to 'Afcons Infrastructure Ltd.' It is now the flagship infrastructure EPC company of the Shapoorji Pallonji group.

Brief Biographies of Directors

Shapoorji Pallonji Mistry is a Non-Executive Chairman on the Board of the Company. He is the non-executive chairman of Shapoorji Pallonji & Co. Pvt. Ltd since March 21, 2014. He has 37 years of experience in construction, real estate, infrastructure, water, oil & gas and renewable energy sector. He is on the board of directors of Shapoorji Pallonji & Co. Pvt. Ltd, Forbes & Co. Ltd and Sterling Investment Corporation Pvt. Ltd, among others.

Subramanian Krishnamurthy is an Executive Vice Chairman (Whole-time Director) on the Board of the Company. He has over 42 years of experience in the construction and engineering sector. He has been associated with the Company since November 15, 2002. Previously he was associated with Hindustan Construction Company Ltd.

Paramasivan Srinivasan is a Managing Director on the Board of the Company. He has over 40 years of experience in finance, secretarial and legal. He has been associated with the Company since June 10, 2002. Previously, he was associated with State bank of Travancore and Fouress Engineering (India) Ltd. He is currently on the board of directors of companies such as Afcons (Mid east) Constructions and Investments Pvt. Ltd and Afcons Corrosion Protection Pvt. Ltd. He was a member of the banking & finance committee of the Bombay Chamber of Commerce and Industry. He is also Co-Chair (Roads & Highways), FICCI Committee on Transport Infrastructure.

Giridhar Rajagopalan is a Deputy Managing Director on the Board of the Company. He has over 42 years of experience in methods and technology sector. He has been associated with the Company since March 6, 2009. Previously, he was previously associated with Peninsula Land Ltd. He is currently on the board of directors of companies such as Institute for Lean Construction Excellence and Afcons Corrosion Protection Pvt. Ltd.

Umesh Narain Khanna is a Non-Executive Director on the Board of the Company. He has over 42 years of experience in launching and expanding businesses & markets, business policy & planning and in International Marketing and Contracts Management for power and non-power industries. He has been associated with the Company since August 22, 2012. He is Group Head - Coordination at the Shapoorji Pallonji and Company Pvt. Ltd. Previously he was associated with BF-NTPC Energy Systems Ltd.

Anurag Kumar Sachan is an Independent Director on the Board of the Company. He has over 37 years of experience in infrastructure, railways and freight. Previously he was associated with the Dedicated Freight Corridor Corporation of India Ltd and Northern Railway.

Sitaram Janardan Kunte is an Independent Director on the Board of the Company. He has over 36 years of experience in administration, revenue, health and housing. Previously he was associated with the Government of Maharashtra.

Ramesh Kumar Jha is the Chief Financial Officer of the Company. He has been associated with the Company since February 14, 2006. He has over 25 years of experience in management and finance. Previously, he was associated with Hindustan Construction Company Ltd.

Gaurang Maheshchandra Parekh is the Company Secretary and Compliance Officer of the Company. He has been associated with the Company since January 9, 2007. He has over 20 years of experience. Prior to joining the Company, he was associated with Multi-Arc India Ltd.

Objects of the Issue

Objects	Amount (INR Cr)
• Capital expenditure towards purchase of construction equipment	80.00
• Funding long-term working capital requirements	320.00
• Prepayment/ scheduled repayment of a portion of certain outstanding borrowings & acceptances	600.00
• General Corporate Purposes	[•]
Total	[•]

SHAREHOLDING PATTERN

Shareholders	Pre-offer		Offer for Sale / Fresh Issue Shares [^]	Post-offer [^]	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity ShareCapital
Promoter	32,92,50,448	96.63%	9,02,80,778	23,89,69,670	64.97%
Promoter Group	80,79,589	2.37%	0	80,79,589	2.20%
Total for Promoter and Promoter Group	33,73,30,037	99.00%	9,02,80,778	24,70,49,259	67.17%
Public – Other	34,08,232	1.00%	2,70,54,542	12,07,43,552	32.83%
Total for Public Shareholders	34,08,232	1.00%	2,70,54,542	12,07,43,552	32.83%
Total Equity Share Capital	34,07,38,269	100.00%		36,77,92,811	100.0%

([^] at upper price band; # As per RHP)

BUSINESS OVERVIEW

Afcons Infrastructure, the flagship company of the Shapoorji Pallonji group, has over six decades of experience in executing complex EPC projects both in India and abroad. It has a strong reputation for delivering challenging projects across diverse sectors.

According to the 2023 ENR rankings, Afcons is one of India's largest international infrastructure companies based on FY2023 international revenue, as noted in the Fitch Report.

In the past 11 financial years, up to June 30, 2024, Afcons completed 79 projects in 17 countries, with a total contract value of INR 56,305 Cr. Currently, it has 65 active projects in 12 countries, totaling INR 31,747 Cr in its order book.

Afcons achieved the highest ROCE and EBITDA margins and ranked second in ROE and PAT margins among large infrastructure firms for FY2024. Additionally, the company's PAT grew the fastest between FY2022 and FY2024.

Afcons Infrastructure operates across five key verticals: Marine and Industrial (ports, jetties, LNG tanks), Surface Transport (highways, railways), Urban Infrastructure (metro systems, bridges), Hydro and Underground (dams, tunnels), and Oil and Gas (offshore and onshore projects).

The company has developed a robust project management system ensuring efficient and timely project delivery. It won the MIKE award from 2018 to 2023 at both India and global levels, including the Outstanding Global MIKE Award in 2023. It was also recognized as a Five Star Export House under India's Foreign Trade Policy 2023.

REVENUE FROM OPERATIONS

(INR Cr)

Particulars	3 months ended June 30		As at March 31		
	2024	2023	2024	2023	2022
Revenue from					
Sale Of Goods	29.59	29.36	116.83	55.90	54.96
Construction Contract	3,114.11	3,118.86	13,077.54	12,483.42	10,888.50
Other operating income	10.66	23.20	73.12	98.07	75.50
Total	3,154.36	3,171.41	13,267.50	12,637.38	11,018.97

Source: RHP

DESCRIPTION OF BUSINESS

The company designs and executes projects across 5 major infrastructure business verticals: (i) Marine and Industrial; (ii) Surface Transport; (iii) Urban Infrastructure; (iv) Hydro and Underground; and (v) Oil and Gas. The company has extensive international operations and has a presence or has delivered projects in 30 countries since its inception.

Projects Completed across 5 verticals

Business Vertical	As of June 30,				As at March 31					
	2024		2023		2024		2023		2022	
	Projects (No.)	Value (INR Cr)	Projects (No.)	Value (INR Cr)	Projects (No.)	Value (INR Cr)	Projects (No.)	Value (INR Cr)	Projects (No.)	Value (INR Cr)
Marine & Industrial	-	-	-	-	3	2,489.25	4	1,406.46	4	1,973.29
Surface Transport	1	2,993.69	-	-	-	-	1	2,308.28	2	4,814.28
Urban Infrastructure	1	745.76	-	-	2	3,040.95	4	2,625.65	-	-
Hydro & Underground	1	195.12	-	-	2	3,312.91	-	-	1	779.85
Oil and Gas	-	-	-	-	-	-	-	-	-	-
Total	3	3,934.57	-	-	7	8,843.11	9	6,340.39	7	7,567.42

Source: RHP

Marine & Industrial: Afcons' Marine and Industrial vertical focuses on ports, jetties, dry docks, breakwaters, LNG tanks, and material handling systems. The company has completed 235 projects in 15 countries, including 206 in India, and built eight LNG tanks domestically. In 2023, Afcons ranked as the 10th largest international marine and port contractor globally, and the only Indian company in the top 25, according to the ENR Top International Contractors rankings based on FY2023 international revenue.

Completed Projects

Project	Client	Year of Award	Type of Contract	JV or Standalone	Value (INR Cr)	Completion Year
New Owendo International Port, Gabon – Phase I & II	Gabon SEZ	2016	EPC	Standalone	1,192.3	Phase I- 2017, Phase II - 2019
New Sulphur Jetty, Kuwait	One of the leading global EPC Co. based out of South Korea	2013	Item Rate	Standalone	729.1	2017
Fourth Container Terminal, at Jawaharlal Nehru Port, Mumbai	One of the leading international private port operators in Mumbai	2015	EPC	Standalone	560.7	2018
Dry Bulk Cargo Terminal, San Pedro, Ivory Coast	Terminal Industrial Polyvalent de San Pedro (TIPSP)	2019	EPC	Standalone	800.7	2022
Agalega island Infrastructure development	Confidential	2018	Item Rate	Standalone	1,773.2	2023

Source: RHP

Ongoing Projects

Project	Client	Year of Award	Type of Contract	JV or Standalone	Value (INR Cr)	Completion Year
Liquid cargo berth for GCPL	Gujarat Chemical Port	2022	EPC	Standalone	1,650.0	2026
Multiple projects at the Liberian Western Range Iron Ore Project	Arcelor Mittal	2021	Item Rate	Standalone	2,412.6	2025
Civil works for the module factory & effluent treatment plant at RIL's Photovoltaic manufacturing complex	Reliance Industries Ltd	2022	Item Rate	Standalone	369.1	2025

Source: RHP

Surface Transport: Afcons' Surface Transport vertical handles highways, roads, interchanges, mining infrastructure, and railways. This includes new road construction, road rehabilitation, bridges, tunnels, and railway bridges. In 2023, Afcons ranked 42nd globally in the transportation segment and was the only Indian company in the top 50 international transportation contractors, according to the ENR rankings.

Completed Projects

Project	Client	Year of Award	Type of Contract	JV or Standalone	Value (INR Cr)	CompletionYear
Two expressway packages in one of the largest states in Northern India	A state govt. authority managing expressways of one of the largest states in Northern India	2014	EPC	Standalone	5,009.3	2018
Maharashtra SamruddhiMahamarg Package 2	Maharashtra State Road Development Corporation	2019	EPC	Standalone	3,055.7	2021
South Surra Road Project, Kuwait	Ministry of Public Works, Kuwait	2017	Item Rate	Standalone	2,308.3	2022
Lusaka City DecongestionProject, Zambia	Ministry of Local Govt. and Housing, Zambia	2018	EPC	Standalone	1,758.6	2021
Jammu – UdampurHighway	SP Jammu Udampur Highway Pvt. Ltd	2011	EPC	Standalone	1,691.7	2014
Tema to Mpakadan Railway Project, Ghana	Ghana Railway Development Authority, Ministry of Transport of the Republic of Ghana	2018	EPC	Standalone	2,993.7	2024

Source: RHP

Ongoing Projects

Project	Client	Year of Award	Type of Contract	JV or Standalone	Value (INR Cr)	CompletionYear
Airport Bypass Road, Gabon	Gabon SEZ, Airport SA	2022	EPC	Standalone	2,869	2024
Addu City Road Project	Ministry of National Planning, Housing & Infrastructure, Maldives	2021	EPC	Standalone	6,407	2024

Urban Infrastructure: Afcons' Urban Infrastructure vertical focuses on metro systems, bridges, flyovers, and elevated corridors. Since 1979, the company has completed over 120 km of metro networks, 150 bridges, and 32 metro stations across nine Indian cities. In FY 2023, Afcons ranked 12th globally in the bridges segment and was the only Indian firm in the top 25 of ENR's international rankings. The company is skilled in constructing various bridge types, including cast-in-situ, precast, cable-stayed, and arch bridges.

Completed Projects

Project	Client	Year of Award	Type of Contract	JV or Standalone	Value (INR Cr)	CompletionYear
Underground and elevated metro						
Metro for a large statecapital Southern India	Government owned SPV	2010	EPC	JV	5,037.2	Completed in 4 packages -3 were delivered in 2018 and 1 in 2019.
Nagpur Metro	Maharashtra Metro Rail Corporation Ltd	2016	EPC & Item Rate	Standalone	915.4	Completed in 3 packages in 2020, 2021 & 2023.
Delhi Metro – Phase III (CC-15)	Delhi Metro Rail Corporation	2012	EPC & Item Rate	Standalone	504.1	2017

Elevated corridors and bridges						
MG Setu Bridge Over RiverGanga, Patna	Ministry of Road Transport & Highways	2016	EPC	JV	17,103	2022
Chenab Bridge Project	Konkan Railway Corporation Ltd	2004	EPC	JV	15,767	2023

Source: RHP

Ongoing Projects

Project	Client	Year of Award	Type of Contract	JV or Standalone	Value (INR Cr)	CompletionYear
Underground and elevated metro						
Mumbai –Ahmedabad High Speed Railway (MAHSR-C-2)	National High Speed Rail Corporation Ltd	2023	Item Rate	Standalone	5,422.0	2028
Delhi Metro – Phase IV (DC-05)	Delhi Metro Rail Corporation	2022	EPC	Standalone	2,218.6	2027
NCRTC Underground Project –Package 8	National Capital Region Transport Corporation	2021	EPC	Standalone	1,424.7	2024
NCRTC Elevated Project – Package 6	National Capital Region Transport Corporation	2020	Item Rate	Standalone	12,682	2025
Bengaluru Elevated Metro Project	Bengaluru Metro Rail Corporation	2021	Item Rate	Standalone	8,921	2025
Ahmedabad Metro Elevated Project – Package-C1	Gujarat Metro Rail Corporation	2020	Item Rate	Standalone	8,416	2024

Project	Client	Year of Award	Type of Contract	JV or Standalone	Value (INR Cr)	CompletionYear
Elevated corridors and bridges						
Greater Male Connectivity Project	Ministry of National Planning, Housing & Infra. Republic of Maldives	2021	EPC	Standalone	4,027.2	2026
Mumbai – Pune Expressway Project	Maharashtra State Road Development Corporation	2018	EPC	Standalone	1,527.0	2025
Kosi Bridge	Ministry of Road Transport & Highways	2021	EPC	Standalone	941.1	2025

Hydro and Underground: Afcons' Hydro and Underground vertical handles dams, tunnels, underground works, and water and irrigation projects. With over a decade of experience, the company has expanded into newer sub-segments like irrigation and water supply. It has completed 13 projects in tunnels, irrigation, and hydro works, including over 50 km of tunnels using the New Austrian Tunneling Method (NATM). In 2023, Afcons ranked 18th globally in the transmission and aqueducts segment, according to ENR's international rankings.

Completed Projects

Project	Client	Year of Award	Type of Contract	JV or Standalone	Value (INR Cr)	CompletionYear
Maharashtra SamruddhiMahamarg Package 14	Maharashtra State Road Development Corporation	2019	EPC	Standalone	3,165.2	2023
Atal Tunnel, Rohtang	Border Roads Organization	2009	Item Rate	JV	2,506.6	2020
Annaram Barrage Project	Irrigation & CAD Department, Govt. of Telangana	2016	Item Rate	JV	1,714.7	2019
Katra – Laole section of theUdhampur – Baramulla Rail Link	Konkan Railway Corporation	2005	Item Rate	Standalone	779.9	2021
Extension of the Lake VictoriaPipeline Water Supply Project Package III	Ministry of Water & Irrigation, Govt. of Tanzania	2017	EPC & Item Rate	JV	3,87.1	2020

Source: RHP

Ongoing Projects

Project	Client	Year of Award	Type of Contract	JV or Standalone	Value (INR Cr)	CompletionYear
Rural Water Supply, UttarPradesh	State Water & Sanitation Mission, UP	2022	EPC	Standalone	2,124.1	2025
Pandoh – Takoli BypassProject	Shapoorji Pallonji Pandoh Takoli Highway	2018	EPC	Standalone	2,383.0	2024
Jamrani Dam Project	Uttarakhand Project Development & Construction Corp.	2024	Item Rate	Standalone	2,022.0	2029
Basania Multipurpose DamProject	Narmada Valley Development Authority	2022	EPC	Joint Venture	1,675.9	2028
J&K Rail Link Project Dharam – Qazigund Section(Package-T-49B)	Ircon International	2016	Item Rate	Standalone	1,218.0	2024
Tanzania Water Supply Project - Package 06	Ministry of Water and Irrigation, Govt. of Tanzania	2024	EPC & Item Rate	Joint Venture	783.4	2025

Source: RHP

Oil and Gas: Afcons' Oil and Gas vertical covers onshore and offshore projects. The company has completed several major offshore projects, recording over 57.2 million Safe Man Hours. Notably, it became the first Indian EPC contractor to install an offshore process platform using float-over technology during the ONGC Herera Redevelopment project.

Completed Projects

Project	Client	Year of Award	Type of Contract	JV or Standalone	Value (INR Cr)	CompletionYear
ICP-R Process Platform	Oil & Natural Gas Corporation	2009	EPC	JV	1,818.5	2012
ONGC Heera redevelopmentProcess Platform	Oil & Natural Gas Corporation	2012	EPC	Consortium	1,363.2	2015
Onshore terminal in Kakinada	Reliance Industries	2017	Cost Plus	Standalone	80.0	2015

Source: RHP

Ongoing Projects

Project	Client	Year of Award	Type of Contract	JV or Standalone	Value (INR Cr)	CompletionYear
Kakinada Offshore ProcessPlatform	Oil and Natural Gas Corporation	2018	EPC	Consortium	2,570.7	2024
Crude Oil Terminal at Mundra	HPCL Rajasthan Refinery	2023	EPC	Standalone	1,341.0	2025

Source: RHP

ORDER BOOK

The company's order book represents the total value of secured contracts yet to be completed. It is calculated by subtracting the value of work already executed from the total contract value. As of June 30, 2024, the company's order book stood at INR 31,747.43 Cr.

Business-wise order book

Business Vertical	Order Book Value (INR Cr)	% of Order Book
Marine and Industrial	2,721.83	8.57%
Surface Transport	3,091.27	9.74%
Urban Infrastructure		
• Underground and elevated metro	11,742.80	36.99%
• Elevated corridors and bridges	3,575.78	11.26%
Hydro and Underground	8,819.44	27.78%
Oil and Gas	1,796.30	5.66%
Total	31,747.43	100%

Source: RHP

Client-wise Order book

Type of Client	Order Book Value (INR Cr)	% of Order Book
Government	22,160.24	69.80%
Multilateral	6,372.37	20.07%
Private	3,214.81	10.13%
Total	31,747.43	100%

Source: RHP

Geography-wise Order book

Type of Client	Order Book Value (INR Cr)	% of Order Book
India	24,003.66	75.61%
Outside India	7,743.77	24.39%
Total	31,747.43	100%

Source: RHP

Largest Clients*

Type of Client	Order Book Value (INR Cr)	% of Order Book
National High Speed Rail Corporation Limited	5,322.76	16.77%

* Clients contributing 10% or more to the Order Book

Largest Projects (by contract value)

Description of Project	Order Book Value (INR Cr)	% of Order Book
C2 - Mumbai Ahmedabad HSR	5,322.76	16.77%
Greater Male Connectivity Project, Maldives	2,388.46	7.52%
Jamrani Dam Project, Uttarakhand	2,021.99	6.37%

Basania Multipurpose Dam, MP	1,675.89	5.28%
DC-05, Delhi MRTS Phase IV	1,399.39	4.41%

Source: RHP

COMPETITIVE STRENGTHS

Afcons is a leading infrastructure construction company with a strong track record of executing large, complex, and high-value projects in India and abroad. Known for efficient project management, the company consistently delivers projects on or ahead of schedule across various verticals.

In the 2023 ENR rankings, Afcons ranked 10th globally in marine facilities, 12th in bridges, 42nd in transportation, and 18th in transmission lines, making it the only Indian firm in these top categories based on FY2023 international revenue.

During the three months ended June 30, 2024, and the Financial Years 2024, 2023 and 2022, the company successfully completed 3, 7, 9, and 7 projects, respectively, aggregating to INR 3,934.56 Cr, INR 8,843 Cr, INR 6,340.39 Cr, and INR 7,567.42 Cr, respectively in contract value. These projects were completed on or ahead of schedule and delivered across 10 countries.

List of projects from the last 10 years completed ahead of schedule date

Project	Business Verticals	Early Completion (in days)	Bonus Earned on early completion (INR Cr)
Jammu Udhampur Project Highway Project	Surface Transport	156	1,160.30
Nagpur Metro Reach 3	Urban Infrastructure	153	50.00
Nagpur Mumbai Samruddhi Expressway – Package 14	Hydro & Underground	121	996.40
Agra Lucknow Expressway – Package 2	Surface Transport	69	549.37
Agra Lucknow Expressway – Package 4	Surface Transport	68	577.77
Nagpur Mumbai Samruddhi Expressway – Package 2	Surface Transport	64	530.30
Zambia City Decongestion Project	Surface Transport	61	Not applicable

Source: RHP

Diversified Order Book across Geographies, Clients, and Business Verticals, Longstanding Relationships with Clients Globally, and Strong Financial Performance

The company's order book is diversified across geographies. As on March 31st, 2024, and June 30th, 2024, the order book was INR 30,960.99 Cr and INR 31,747.4 Cr. Additionally, as of September 30th, 2024, the company was an 'L1 bidder' in projects worth INR 10,732.36 Cr.

(INR Cr)

Business Vertical	As of June 30,				As at March 31					
	2024	%	2023	%	2024	%	2023	%	2022	%
Marine & Industrial	2,721.8	8.6%	2,893.1	8.2%	3,052.3	9.9%	2,909.2	9.6%	3,998.0	12.2%
Surface Transport	3,091.3	9.7%	3,822.3	10.9%	3,338.5	10.8%	3,986.9	13.1%	4,017.3	12.3%
Urban Infra										
Underground & elevated metro	11,742.8	37.0%	13,313.1	37.8%	11,423.8	36.9%	7,765.9	25.5%	10,504.1	32.0%
Elevated corridors & bridges	3,575.8	11.3%	4,424.9	12.6%	3,913.3	12.6%	4,953.6	16.3%	6,970.9	21.3%
Hydro & Underground	8,819.4	27.8%	8,572.8	24.3%	7,319.2	23.6%	8,543.0	28.1%	6,327.2	19.3%
Oil and Gas	1,796.3	5.7%	2,214.0	6.3%	1,913.9	6.2%	2,247.1	7.4%	987.4	3.0%
Total	31,747.4	100.0%	35,240.2	100.0%	30,961.0	100.0%	30,405.8	100.0%	32,804.8	100.0%

(INR Cr)

Geographies	As of June 30,				As at March 31					
	2024	%	2023	%	2024	%	2023	%	2022	%
India	24,003.66	75.61%	26,101.31	74.07%	22,401.59	72.35%	21,245.94	69.87%	23,312.53	71.06%
Overseas	7,743.77	24.39%	9,138.91	25.93%	8,559.40	27.65%	9,159.83	30.13%	9,492.30	28.94%

Afcons has long-term relationships with global clients like Arcelor Mittal, ARISE Integrated Industrial Platforms, and a Singapore-based agribusiness. It has collaborated with IHI Corporation for 20 years, building 8 LNG tanks in India, and executed projects for Reliance Industries over 18 years, including at Jamnagar.

The company's financials reflect strong performance, with revenue from operations reaching INR 3,154.36 Cr in Q1 FY2024, and EBITDA at INR 371.69 Cr. Over FY2024, 2023, and 2022, revenues grew from INR 11,018.97 Cr to INR 13,267.49 Cr, with steady EBITDA growth

Collaboration and Strategic Equipment Base

Afcons' internal teams collaborate effectively, enhancing execution capabilities. The Core Methods and Engineering Group (CMEG) drives innovation in construction methodologies. The company maintains a significant equipment base, including 11 marine barges, 153 cranes, 16 tunnel boring machines, and 8 large capacity jack-ups. It also has two dedicated equipment maintenance workshops in Delhi and Nagpur, ensuring efficiency in operations.

Knowledge Management and Innovation:

Afcons has won the MIKE award six times, recognizing its innovative knowledge management practices. The company is the only Indian infrastructure firm to achieve this. Its NABL-accredited weld testing lab, originally in Chenab and now relocated to Nagpur, was the first of its kind for Indian Railways, further showcasing its focus on innovation and quality.

Experienced Leadership Team:

Afcons, part of the Shapoorji Pallonji Group, benefits from experienced leadership. The company is led by Chairman Shapoor Pallonji Mistry, Executive Vice Chairman Subramanian Krishnamurthy, with 40+ years of experience, and Managing Director Paramasivan Srinivasan, who has 22 years of expertise. This leadership drives the company's success in the construction and engineering sectors.

Risk Management and Project Selection, and Dispute Resolution Processes:

Afcons operates a comprehensive risk management system that covers the entire project lifecycle. It focuses on selecting high-quality, diverse projects aligned with its risk appetite and strategic objectives. This process helps maintain a healthy order book and sustainable growth. It has a robust contracts management system for resolving disputes across geographies. Its contracts and legal teams work at various levels, collaborating with business units and project teams to ensure timely resolution and mutually agreeable settlements with clients, supporting smooth project delivery.

KEY BUSINESS STRATEGIES

Selectively Pursue Large, Complex Projects

The company targets large, complex projects with fewer competing bids, allowing better profit margins. It leverages its experience in specialized areas like Marine & Industrial and Surface Transport, having completed 235 projects in 15 countries. High-value projects, such as the INR 4,027 Cr Greater Male Connectivity link in the Maldives, help the company gain exposure and differentiate from competitors.

Maximizing Opportunities and Expanding Overseas

The company focuses on growing in existing markets while expanding abroad, especially in East and West Africa, South Asia, Southeast Asia, Eastern Europe, and Saudi Arabia. This strategy helps diversify revenue streams and mitigate risks tied to market fluctuations.

Cost Management Focus

Cost control is achieved through an "asset-right" approach, efficient working capital management, and careful project pricing. The company extends equipment life through in-house and external initiatives, deferring new purchases. Timely bill certifications and negotiated escalation clauses help maintain positive cash flow and reduce cost overruns.

Optimizing Project Execution and Management

The company enhances project efficiency by optimizing design, using value engineering, and adopting technical innovations. It utilizes technology like SAP dashboards and IoT-based Remote Monitoring Systems (RMS) for real-time equipment management. Digitalizing supply chain processes further streamlines operations.

Growing Skilled Workforce and Strengthening Equipment Base

The company is expanding its workforce, growing from 3,740 in 2022 to 3,972 as of June 2024. It prioritizes training employees in modern construction methods and technologies. Investments in domestic and foreign equipment ensure operational efficiency and equipment availability for projects.

COMPETITION

The company operates in a competitive market where factors like project type, contract value, complexity, and client reputation influence competition. Key client considerations include service quality, technical expertise, performance history, safety records, skilled personnel, and financial resources. However, price often remains the decisive factor in tender awards

PEER ANALYSIS

Company	Area of operation	Geographical presence
Larsen and Toubro	Infra Projects (Buildings and Factories, Transportation Infrastructure, Heavy Civil Infrastructure, Water and Effluent Treatment, Power Transmission and Distribution, Minerals and Metals), Energy Projects, Hi-Tech Manufacturing and Others. The Others segment comprises Realty, Construction & Mining Machinery, Rubber Processing Machinery, Smart Work & Communication and E-Commerce / Digital Platforms and Data Centers.	Over 30 countries around the world
KEC International	Transmission and Distribution, Railways, Civil, Urban Infrastructure, Oil and Gas Pipelines, Cables, Solar	Across 6 continents in over 110 countries
Kalpataru Projects International	Power Transmission and Distribution, Water, Buildings & Factories, Railways, Urban Infrastructure, Oil and Gas Biomass	Across 5 continents in 73 countries
Tata Projects	Transportation, Oil and Gas, Space & Nuclear, Metal and Minerals, Power, Water	Across 40 countries
Dilip Buildcon	Roads and Highways, Rails and Metro, Airport, Mining, Irrigation, Special Bridges, Urban Development	Present in 19 states and 1 union territory of India

COMPARISON WITH INDUSTRY PEERS (AS ON 31ST MARCH 2024)

Name of the Company	Revenue from Operation (INR Cr)	Face Value (INR)	Closing Price (INR)	EPS (INR)		P/E (x)	EV/EBITDA (x)	RoNW (%)	NAV (INR)
				Basic	Diluted				
Afcons Infrastructure	13,267.50	10.00	NA	13.20	13.20	35.07	NA	12.58	104.92
Larsen & Toubro	2,21,112.91	2.00	3,487.10	93.96	93.88	37.14	20.91	15.24	623.15
KEC International	19,914.17	2.00	1,007.35	13.49	13.49	74.67	23.33	8.68	155.32
Kalpataru Project International	19,626.43	2.00	1,323.75	31.37	31.37	42.20	14.64	10.17	308.36
Dilip Buildcon	12,011.90	10.00	502.70	13.75	13.36	37.63	10.37	4.44	298.85

Source: RHP, and EV/ EBITDA has been computed based on closing market price as on October 09, 2024

P/E for Afcons is based on upper price band

Restated Statement of Profit and Loss

(INR Cr)

Particulars	3 months ended June 30		As at March 31		
	2024	2023	2024	2023	2022
Revenue from operations	3,154.36	3,171.41	13,267.50	12,637.38	11,018.97
Other income	59.11	50.09	379.38	206.71	250.58
Total income	3,213.47	3,221.50	13,646.87	12,844.09	11,269.55
Cost of material consumed	798.47	840.43	4,012.47	3,851.71	3,176.31
Cost of construction	1,385.89	1,415.70	5,293.97	5,200.65	4,939.64
Employee benefits expense	344.82	331.52	1,383.42	1,298.23	1,084.98
Finance costs	146.91	115.85	577.26	446.66	424.73
Depreciation and amortization expense	130.23	110.76	494.53	471.58	355.37
Other expenses	271.71	279.68	1,212.61	976.18	881.97
Total expenses	3,078.03	3,093.93	12,974.27	12,245.02	10,863.00
Restated Profit before tax	135.44	127.57	672.60	599.08	406.55
Total tax expense	43.86	36.61	222.87	188.22	48.95

Restated PAT from continuing operations	91.59	90.96	449.74	410.86	357.61
Restated Other comprehensive income	(4.28)	(5.24)	(0.66)	63.67	(9.06)
Restated Total comprehensive income	87.30	85.72	449.08	474.53	348.55
Restated EPS (Basic & Diluted (FV INR 10 /-))	2.69^	2.67^	13.20	12.06	10.49

Source: RHP; Note: ^ not annualized

Statement of Assets and Liabilities

(INR Cr)

Particulars	3 months ended June 30		As at March 31		
	2024	2023	2024	2023	2022
ASSETS					
Non-current assets					
Property, plant and equipment	2,635.60	2,480.52	2,715.14	2,448.75	2,251.39
Capital work-in-progress	46.77	222.36	43.07	183.60	17.53
Right-of-use assets	90.32	39.79	67.91	48.72	65.56
Goodwill	0.14	0.14	0.14	0.14	0.14
Intangible assets	0.59	0.59	0.60	0.61	0.66
Investments	0.87	0.86	0.78	0.51	0.89
Trade receivables	490.50	651.27	499.21	651.21	678.88
Other financial assets	413.68	372.24	417.99	365.92	308.96
Contract assets	1,267.72	1,419.40	1,271.01	1,416.50	1,491.29
Non-current tax assets (net)	91.48	41.75	53.64	28.81	68.73
Other non-current assets	198.33	270.92	190.87	181.54	196.64
Total non-current assets	5,235.99	5,499.84	5,260.35	5,326.30	5,080.67
Current assets					
Inventories	1,709.22	1,570.45	1,626.57	1,585.79	1,270.24
Trade receivables	3,099.61	1,998.22	3,120.98	2,196.64	2,303.87
Cash, cash equivalents & Bank Balances	897.21	388.99	666.26	377.44	526.42
Loans	60.55	53.59	61.84	53.35	55.09
Other financial assets	503.65	397.80	501.34	398.31	92.38
Contract assets	4,541.46	3,982.90	3,954.39	3,272.51	2,471.53
Other current assets	1,136.89	1,192.58	1,041.92	1,090.92	1,173.58
Total current assets	11,948.58	9,584.53	10,973.29	8,974.96	7,893.10
Total assets	17,184.58	15,084.36	16,233.64	14,301.25	12,973.77
EQUITY AND LIABILITIES					
Equity					
Equity share capital	340.74	71.97	340.74	71.97	71.97
Instruments entirely equity in nature	-	450.00	-	450.00	450.00
Other equity	3,342.52	2,739.49	3,255.22	2,653.75	2,190.11
Equity attributable to shareholders of the Company	3,683.26	3,261.46	3,595.96	3,175.72	2,712.08
Non-controlling interest	1.56	1.54	1.56	1.56	-9.28
Total Equity	3,684.82	3,263.00	3,597.52	3,177.28	2,702.80
Liabilities					
Non-current liabilities					
Borrowings	663.05	698.34	597.69	596.47	401.89
Lease Liabilities	53.57	13.58	35.15	15.68	34.20
Trade payables	419.17	472.25	431.00	472.84	439.73
Other financial liabilities	118.77	176.69	126.53	156.88	188.09
Contract liabilities	1,663.17	1,476.37	1,451.29	1,524.03	1,766.30
Provisions	11.84	20.63	9.32	8.87	86.29
Deferred tax liabilities (net)	111.66	97.81	103.67	99.29	129.75
Total non-current liabilities	3,041.23	2,955.67	2,754.65	2,874.06	3,046.24
Current liabilities					
Borrowings	2,702.05	1,965.50	1,857.31	966.34	1,153.31
Lease Liabilities	34.68	26.05	33.08	33.75	33.84
Trade payables	4,280.78	3,508.96	4,325.61	3,508.50	2,697.32
Other financial liabilities	272.85	283.77	269.85	362.37	494.78
Contract liabilities	2,791.11	2,773.63	2,998.16	3,015.28	2,713.84
Provisions	205.67	150.73	227.22	150.01	68.54

Current tax liabilities (net)	103.91	75.46	83.89	93.56	15.39
Other current liabilities	67.48	81.60	86.35	120.10	47.70
Total current liabilities	10,458.52	8,865.70	9,881.47	8,249.92	7,224.73
Total liabilities	13,499.75	11,821.36	12,636.12	11,123.97	10,270.97
Total equity and liabilities	17,184.58	15,084.36	16,233.64	14,301.25	12,973.77

Source: RHP

Restated Statement of Cash Flows

(INR Cr)

Particulars	3 months ended June 30		As at March 31		
	2024	2023	2024	2023	2022
Restated Profit/(Loss) before tax	135.44	127.57	672.60	599.08	406.55
Adjustments Related to Non-Cash & Non-Operating Items	203.30	153.25	960.86	817.49	698.86
Operating Profits before Working Capital Changes	338.74	280.82	1,633.47	1,416.57	1,105.41
Adjustments for Changes in Working Capital	(785.92)	(837.31)	(675.88)	(101.19)	(378.50)
Net cash generated from operations before tax	(447.17)	(556.49)	957.59	1,315.38	726.92
Income tax paid – (net)	(55.03)	(66.84)	(250.14)	(99.90)	(116.47)
Net cash generated from operating activities (a)	(502.21)	(623.33)	707.45	1,215.48	610.45
Net cash used in investing activities (b)	(34.43)	(331.11)	(858.57)	(870.21)	(250.62)
Net cash used in financing activities (c)	750.03	974.57	245.53	(482.55)	(521.01)
Net (decrease) / increase in cash & cash equivalents (a+b+c)	213.40	20.14	94.41	(137.27)	(161.18)
Cash and Cash Equivalents at Beginning of the Year	413.26	319.32	319.32	447.09	612.53
Effects of exchange rate changes on cash and cash equivalents	1.57	(1.35)	(0.47)	9.51	(4.26)
Cash and Cash Equivalents at End of the Year	628.23	338.11	413.26	319.32	447.09

Source: RHP

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