

# Afcons Infrastructure IPO price band fixed at ₹440-463 a share

—  
**Our Bureau**

Mumbai

The flagship engineering and construction firm of the Shapoorji Pallonji group, Afcon Infrastructure's IPO price band has been set at ₹440-463 a share, the issue opening on October 25 and closing October 29.

The IPO size has been scaled down to ₹5,430 crore from ₹7,000 crore earlier, with a lower offer-for-sale component. However, Goswami Infratech, the promoter selling shareholder, is divesting more through a pre-IPO placement and the

offer for sale in the IPO, which together comes to ₹7,147 crore compared to ₹5,750 crore before.

#### **PRE-IPO PLACEMENT**

Investment bankers said the pre-IPO placement was made to satisfy institutional investor appetite, and it has been subscribed by sovereign funds such as GIC of Singapore, family offices and some mutual funds.

Goswami Infratech has considerable debt on its books and last month got an extension for a repayment due September 30, on its NCDs. It has been granted extension till December 31.

This prompted rating agency CARE Ratings to downgrade its credit rating to BB- from BB. The funds raised through pre-IPO and in the IPO are expected to be used to repay its debt.

The proceeds from Afcons fresh issuance will be utilised to the extent of ₹80 crore for capital expenditure for purchase of construction equipment, ₹320 crore for funding long term working capital requirements, ₹600 crore for prepayment or scheduled repayment of a portion of certain outstanding borrowings and acceptances availed by the company and general corporate purposes.