

Afcons Infrastructure IPO sails through with 2.63x subscription

Our Bureau
Chennai

The initial public offering (IPO) of Afcons Infrastructure, the flagship infrastructure, engineering, and construction company of the Shapoorji Pallonji group, sailed through on the last day, thanks to institutional investors' bidding.

The IPO was subscribed 2.63 times, even as the portion reserved for retail investors did not get 100 per subscription (subscribed 0.94 time or 94 per cent). However, QIB portion was subscribed 3.79 times, NIIs 5.05 per cent and employees by 1.67 times. The ₹5,430-crore IPO consisted of a mix of fresh issues of up to ₹1,250 crore and

an offer of sale of up to ₹4,180 crore by the promoter. It came out with a price band of ₹440-463.

CAPITAL EXPENDITURE

The proceeds from its fresh issuance will be used to the extent of ₹80 crore for capital expenditure towards the 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.

Afcons operates across five major infrastructure business verticals: Marine and Industrial, encompassing projects such as

ports, harbours, dry docks, LNG tanks, and material handling systems; Surface transport, including highways, interchanges, mining infrastructure, and railways; Urban infrastructure, covering metro works, bridges, flyovers, and elevated corridors.; Hydro and Underground, comprising dams, tunnels, and water-related projects; and Oil and Gas, involving offshore and onshore projects in the oil and gas sector.

ICICI Securities, DAM Capital Advisors, Jefferies India, Nomura Financial Advisory and Securities (India), Nuvama Wealth Management, and SBI Capital Markets are the book-running lead managers, and Link Intime India is the registrar of the issue.