

## SP group may revise Afcons IPO size on investor demand

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**Janaki Krishnan**  
Mumbai

The initial public offer (IPO) of Afcons Infrastructure, the flagship firm of Shapoorji Pallonji group, is likely to be upsized with overwhelming interest coming in from institutional investors, a top official said.

While the fresh issue amounting to ₹1,250 crore that the company is raising will remain the same, the offer for sale portion may see an upward revision.

"The promoters will take a decision on this in the next 10 days," Chief Financial Officer Ramesh K Jha said. He however did not quantify the amount, saying that a decision on this is yet to be taken. He added that the feedback they had received from investors was that the shares being issued were not enough and they needed a larger quantum.

The company has received SEBI nod for its ₹7,000 crore IPO, in which promoter entity Goswami Infratech is selling shares worth ₹5,750 crore. The amount raised by the entity will go towards paying down its dues.

When asked whether one of the reasons to raise the OFS portion was on account of the dues owed by Goswami Infratech, the top management said this was not in their province and could not comment on it.



On Friday, a report by *Reuters* said Goswami Infratech was planning to raise \$253.5 million through a private placement of bonds partly to make interest payment that is due on Monday. The report said that one of the conditions of the proposed bond issue was the amount being raised in the IPO.

### AFCONS PROJECTS

Afcons itself is a cash generating company, with over ₹35,000 crore of outstanding order pipeline and a total addressable market potential of ₹4.5 lakh crore in terms of projects for which it can bid.

One of the projects that it has completed is its portion of the Mumbai-Nagpur high speed corridor, consisting of twin tunnels and a stretch of the expressway.

It is engaged in another bridging project that will ease congestion on the Mumbai-Pune expressway.

It is also constructing a high speed connection between Thane and BKC, part of which will run below the sea.

Of the fresh issue in the IPO, Afcons will be using ₹500 crore to repay a portion of its outstanding dues.