
Videocon to remain strategic investor in Great Offshore

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BS reported that Mr Venugopal Dhoot CMD of Videocon group has decided to remain a strategic investor in Great Offshore, the drilling company for which Bharati Shipyard and ABG Shipyard have made competitive bid offers.

Mr Dhoot holds about 3% in the company and is considered close to Mr Rishi Agarwal promoter of ABG Shipyard. He consulted his bankers to decide the move. The chairman of consumer durable major said we will continue with our stake. ABG has the requisite funding; they may not require our support.

Mr Dhananjay Datar CFO of ABG Shipyard, declined to comment on the issue. However, he admitted that he has a substantial credit line from IL&FS for the acquisition.

Both ABG and Bharati are likely to revise their open offer price next week above INR 403 a share. On last Tuesday, ABG, which holds about 2.5% in the drilling company, made a competitive bid to acquire a 32.12% at INR 375 a share.

This was followed by Bharati acquiring an additional 4.58% at INR 403 a share from Bharat Sheth, cousin of Vijay Sheth, the erstwhile promoter of Great Offshore. Thus, according to the guidelines of the market regulator, his offer price was naturally increased to INR 403 from INR 344 made earlier. Now, he plans to revise the offer price beyond INR 403.

Meanwhile, Life Insurance Corporation, the largest institutional investor in the country, has already increased its stake in Bharati Shipyard to 9.66% in the last 10 days from 7.06% earlier. The stock of Great Offshore on June 26th was up by 2% to INR 421 a share on the BSE.

(Sourced from Business Standard)

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