
Bharati Shipyard to top ABG offer for Great Offshore

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Zee News reported that Shipbuilder Bharati Shipyard will top a counter bid by rival ABG Shipyard Limited for a controlling stake in offshore services firm Great Offshore, raising prospects of a price war.

Mr PC Kapoor MD of Bharati Shipyard said "We will be making another revised offer, the timing will be a few days hence and what the price will be I cannot say right now."

Mr Kapoor said Bharati has invested INR 2.45 billion till now to acquire about 19.5% in Great Offshore, while ABG Shipyard holds a mere 2%.

Mr Kapoor, however, hinted the bid could be above INR 403 and total investment in Great Offshore could top INR 4 billion.

Mr Kapoor said Bharati has substantial support from some major shareholders of Great Offshore, including the Sheth family, the original founders of the company.

ABG Shipyard made an open offer to acquire over 32% in Great Offshore at INR 375 a share, countering Bharati's INR 344 a share bid made earlier this month.

Analysts said that for both ship builders, the acquisition will take them one step further with the offshore services business and turn the buyer into an integrated shipping firm, though a price war may erode benefits of the acquisition. However analysts feel Bharati Shipyard, which is servicing orders from Great Offshore worth INR 3 billion to INR 3.5 billion was better placed to acquire a controlling stake in the latter.

(Sourced from zeenews.com)

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