

Swan Energy acquires majority stake in Veritas India

Swan Energy will acquire an additional 26% stake from the existing public shareholders of Veritas (India) through a mandatory open offer at a price of ₹126 per share aggregating to ₹87.83 crore

Rituraj Baruah

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SWAN ENERGY LTD.

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The market capitalisation of Swan Energy is at ₹7,678.67 crore.

Swan Energy Ltd (SEL), a conglomerate with interests in oil and gas and infrastructure businesses, acquired 55% stake in petrochemicals and petroleum products manufacturer Veritas (India) for ₹172.52 crore.

In a statement, the company said that its board of directors has approved the acquisition.

As a part of the all-cash deal, Swan Energy has acquired 55% of the fully diluted equity share capital from the existing promoters and promoter group of Veritas (India) Ltd by purchasing 1,47,45,720 equity shares at a price of Rs. 117 per share aggregating to Rs. 172.52 crore.

Swan Energy will acquire an additional 26% stake from the existing public shareholders of Veritas (India) through a mandatory open offer at a price of ₹126 per share aggregating to ₹87.83 crore.

With this, the total value of the transaction will be ₹260.35 crore.

The transaction is expected to complete within six months, Swan Energy said in a regulatory filing.

Rishi Chopra, spokesperson of Swan Energy said: "The acquisition is in line with our strategy to diversify our geographical reach and businesses to gas and petrochemicals sectors. The acquisition will help us leverage Veritas (India) Limited's sectoral connect to acquire gas for the second phase of expansion of our LNG complex."

Veritas (India) is a group company of Groupe Veritas (GV), a diversified multinational business group with major business domains like international trade and distribution, infrastructure and logistics, alternate fuel and energy.

Its core business domains also include polyvinyl chloride (PVC) and bitumen production. Apart from its global presence, it has a terminal in Terminal Hamriyah, UAE with a capacity of 170,000 MT.

The networth of Veritas (India) is ₹1,973.63 crore. The statement said that the acquisition would strengthen the synergy of Swan Energy in the oil and gas sector, as SEL is into the LNG sector and Veritas (India) Limited is into gas and petrochemical industry.

In FY21, the company reported a revenue of ₹ ₹1,880.53 crore. The market capitalisation of Veritas currently stands at ₹306.04 crore.

Mumbai-based Swan Energy which started its journey in the textile business has expanded and successfully ventured into the real estate and oil and gas industries.

The company has set up a 5 million metric tonne per annum (MMTPA) floating storage and regasification unit-based LNG terminal in Jafrabad which will commence commercial operation soon.

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