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Convergent-backed Camlin Fine Sciences to buy French firm Vinpai

Mumbai-based specialty chemicals company Camlin Fine Sciences Ltd, which counts private equity firm Convergent Finance and Belgium-based investment firm Ackermans & van Haaren as its investors, is acquiring a majority stake in French company Vinpai SA.

Ashish Dandekar, chairman and managing director, Camlin Fine Sciences

Camlin said Tuesday it is acquiring around 79% of Vinpai, which designs, manufactures and markets algae- and plant-based functional ingredients for the food and cosmetics industries, from its key shareholders, including the founders.

Additionally, Camlin will subscribe to convertible bonds worth €3.3 million (around $3.46 million or Rs 31.5 crore) to support Vinpai's business. Once the acquisition is complete, these bonds will convert into shares, and Camlin will come up with a simplified cash offer for the remaining shares as part of the agreement.

The acquisition comes about one-and-a-half years after Vinpai floated its initial public offering and listed on the Euronext Growth market in Paris in July 2023. The company then commanded a market capitalisation of about €22 million, based on the IPO price of €6.55 per share. However, its shares have almost halved since then. Camlin's offer values Vinpai around €12 million.

"By joining forces with Camlin, a rapidly expanding Indian group with global reach, Vinpai would be able to leverage its commercial strength. The complementary nature of our two entities would accelerate the deployment of Vinpai's natural solutions throughout the world," Vinpai co-founders Cyrille Damany and Philippe Le Ray said in a joint statement. Damany is also the chairman of Vinpai's board of directors while Le Ray is its chief executive officer.

Camlin chairman and managing director Ashish Dandekar said that the synergy between Vinpai's R&D capabilities, its product range and the Indian company's expertise promises to enrich its product offerings, fostering innovation and bolstering its competitiveness in the global market.

Camlin's main products include antioxidants for food preservation, specialty chemicals for industrial applications, and vanillin, which provides the taste and aroma of vanilla.

"This strategic move leads CFS into a newer product range in the natural space, opens up exciting markets and also leverages the expansion of its revenues and margins," Dandekar added.

Dandekar had teamed up with Convergent and Ackermans & van Haaren in October 2022 to make an open offer for Camlin. Following the open offer, which concluded in September 2023, Ackermans & van Haaren, Convergent and Dandekar held a cumulative 48% stake in the company. Convergent, led by former Fairfax India executive Harsha Raghavan, currently owns a 22.88% stake in Camlin while the Belgian company owns 9.03%, stock-exchange data show.