

# A hostile drive for market share

Gurugram-based Minda may have its work cut out raising stake in Pricol, the leader in dashboard systems

SHINE JACOB  
Chennai, 25 May

Whether it was Carborundum Universal's (CUMI)'s hostile takeover of Wendt India in 1991, India Cements gaining a controlling stake in Raasi in 1998 or the acquisition of Mindtree by L&T in 2019, southern India is not alien to the concept of hostile takeovers.

Over the past three months, a new takeover drama has been unfolding once again in the South, with the management of Coimbatore-based auto component major Pricol and its rival Gurugram-based Minda Corporation at loggerheads over a possible hostile buyout of Pricol by the latter.

The high-voltage battle kicked off on February 17, when Minda Corporation announced the acquisition of a 15.7 per cent stake, or 19.1 million shares, in Pricol for around ₹400 crore, at ₹209 per unit, through an open-market transaction. Following this, Pricol came out in public and said that the company had no information about the deal and Minda was its competitor in one of the major business segments, driver information systems.

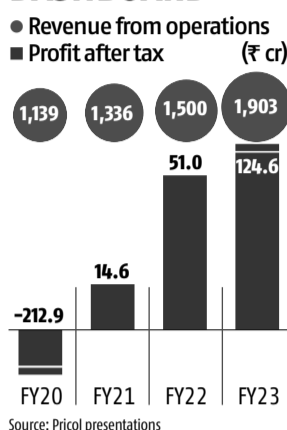
The Tamil Nadu-based company's managing director, Vikram Mohan, said that even if there was an offer "of ₹1,000 per share", his company was not up for sale and it was readying a "war chest" to avert any possible hostile takeover bid.

A day later, Minda's strategy head, Anshul Saxena, told *Business Standard* that the intent was to become a financial investor; Minda would not be exercising any special rights in Pricol. "After considering various opportunities for the cash that we had, we realised Pricol was the best opportunity for us. Not just what it has delivered in the last four to five years financially, but also its products and the industry is something that we actually understand," he said.

For those who thought the battle was over, the February episode turned out to be a trailer. On May 2, Minda announced that it was approaching the Competition Commission of India (CCI) to increase its stake in Pricol to 24.5 per cent. On May 17, Pricol informed

**On Wednesday, the Madras High Court accepted a writ petition by Pricol challenging the Minda application to the CCI for increasing its stake**

## PRICOL'S DASHBOARD



Minda's move was seen as an effort to strengthen its presence in the dashboard instruments business. Pricol derives over 80 per cent of its revenues from OEMs, two-wheeler OEMs in particular. In the two-wheeler instrument cluster, Pricol has a market share of around 40 per cent to Minda's 15 per cent.

Pricol's revenue from operations increased by 67 per cent from ₹1,139 crore in FY20 to ₹1,902.83 crore in FY23, while from a net loss of ₹212.88 crore (the Covid year), it posted a net profit of ₹124.7 crore in FY23 (see chart). Pricol's shares increased by 18 per cent from ₹199.25 on February 17 to ₹234.7 on Wednesday, and touched a peak of ₹250.4 on April 28, after Minda revealed its intentions.

During the same period, Minda's share price also rose 38 per cent from ₹203.85 to ₹280.30. In FY23, Minda's revenue increased by 45 per cent from ₹2,976 crore last year to ₹4,300 crore and its net profit also rose 60 per cent to ₹219 crore from ₹137 crore last year.

The question is whether a hostile takeover is realistic. According to industry experts, it may not be a cakewalk for Minda, if the company's intention is a takeover. "In this case, the promoters hold 36.53 per cent. That gives them a strong footing. It is not

easy to displace a shareholder who has 37 per cent as they can buy up another 3-4 per cent through the creeping-acquisition route. Then, it will be almost 40 per cent and sound. It may not be 51 per cent, but they can keep the predator outside," said Ranganathan V, a former E&Y official and an expert in family businesses.

If Minda has to increase the stake to 24.5 per cent, it needs another 8.8 per cent. Based on the current market cap of ₹2,822 crore, this can be valued at around ₹248 crore.

Out of Pricol's public shareholding of 63.47 per cent, Minda's possible targets for buyouts are likely to be Aditya Birla Sun Life Trustee (2.98 per cent), Quant Mutual Fund (1.97 per cent) and Nomura Singapore (1.04 per cent), which comes to around 5.99 per cent. In addition to these players, PHI Capital Solutions holds 5.73 per cent in Pricol.

If Minda manages to get both, it will be able to increase its shareholding by 11.72 per cent, which may require at least ₹331 crore for Minda and take it to 27.42 per cent, still short of Pricol promoters' holdings. Besides, once its shareholding crosses 25 per cent, the company will be able to trigger an open offer. According to media reports, Pricol has shown confidence that institutional investors with around 16 per cent stake are on their side.

"For Minda, the Pricol buyout will come at a very high price and the promoter is also very clear that it has no intentions to sell," Ranganathan added.

The question is how far Minda will drive itself in its bid to acquire market share.



**TATA STEEL LIMITED**

Corporate Identification No. (CIN): L27100MH1907PLC000260

Registered Office: Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001

Tel: +91 22 6665 8282 E-mail: cosec@tatasteel.com Website: www.tatasteel.com

FORM NO. CAA. 2

[Pursuant to Section 230(3) of the Companies Act, 2013 and Rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

COMPANY SCHEME APPLICATION NO. CA(CAA)/115/MB-IV/2023

IN THE MATTER OF SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

AND

IN THE MATTER OF THE SCHEME OF AMALGAMATION AMONGST TATA STEEL LIMITED AND TATA STEEL LONG PRODUCTS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS

**Tata Steel Limited**

A company incorporated under the provisions of the Indian Companies Act, 1882 and a public limited company within the meaning of the Companies Act, 2013, and having its CIN: L27100MH1907PLC000260 and its Registered Office at Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001, Maharashtra

....Transferee Company

### NOTICE AND ADVERTISEMENT OF NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF TATA STEEL LIMITED

Notice is hereby given that, by an Order dated May 16, 2023 in the Company Scheme Application No. CA(CAA)/115/MB-IV/2023 ('Order'), the Hon'ble National Company Law Tribunal, Mumbai Bench ('Hon'ble Tribunal' or 'NCLT') has directed, *inter alia*, that a Meeting of the equity shareholders of Tata Steel Limited ('Transferee Company' or 'Company') be convened and held on **Tuesday, June 27, 2023** through video-conferencing or other audio-visual means ('VC/OAVM') ('Meeting') to consider and if thought fit, to approve, with or without modification(s), the Scheme of Amalgamation amongst Tata Steel Limited and Tata Steel Long Products Limited and their respective shareholders ('Scheme').

Pursuant to the Order of the NCLT as directed therein, the Company is convening the Meeting of the equity shareholders, on **Tuesday, June 27, 2023 at 12:00 noon (IST)** through VC/OAVM in compliance with the provisions of the Companies Act, 2013 ('Act') read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable Rules, the applicable general circulars issued by the Ministry of Corporate Affairs for conducting general meeting through VC/OAVM and providing e-voting facility for the shareholders, Regulation 44 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), read with applicable SEBI Circulars and Secretarial Standard on General Meetings as issued by The Institute of Company Secretaries of India ('SS-2').

The Company has completed the dispatch of the aforementioned Notice dated May 25, 2023 along with the Statement as required under Section(s) 102, 230 to 232 and other applicable provisions of the Act, read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the SEBI Listing Regulations and other applicable SEBI Circulars and the related Annexures to the said Notice on May 25, 2023, only by electronic mode to those members who have already registered their e-mail addresses with the Company/Depositories/Depository Participant ('DPs')/Registrar and Transfer Agent of the Company - TSR Consultants Private Limited ('RTA'), and whose names appear in the Register of Members including Index of Beneficial Owners (as furnished by the Depositories) as on Friday, May 19, 2023.

A copy of the said Notice along with the Statement and related Annexures including the Scheme is made available on the website of the Transferee Company at [www.tatasteel.com](http://www.tatasteel.com) and on the website of National Securities Depository Limited ('NSDL') at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Additionally, the Notice is also available on the websites of the Stock Exchanges where the equity shares of the Transferee Company are listed, i.e., BSE Limited and the National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and that of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in).

In case any Member wishes to receive a physical copy of the Notice, Statement and other accompanying documents, a request may be sent to the Transferee Company at [cosec@tatasteel.com](mailto:cosec@tatasteel.com) and the Transferee Company will arrange to send the same at the registered address of the Member. Alternatively, the Member can obtain the above-mentioned documents free of charge on all working days (except Saturday, Sunday and public holidays), from the Registered Office of the Transferee Company at Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001, Maharashtra between Friday, May 26, 2023 and Monday, June 26, 2023 from 10:30 a.m. (IST) to 4:00 p.m. (IST).

The electronic copy of the documents for inspection as mentioned in the Notice are available under 'Investors' section on the website of the Company at [www.tatasteel.com](http://www.tatasteel.com).

As this Meeting is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members of the Transferee Company is not available at this Meeting.

As per the directions of the Hon'ble Tribunal, the Board of Directors of the Company has appointed Mr. N. Chandrasekaran, Chairman of the Board, failing him, Mr. Deepak Kapoor, Independent Director of the Company, failing him, Mr. Vijay Kumar Sharma, Independent Director of the Company, to be the Chairperson of the NCLT convened Meeting.

The Scheme, if approved by the requisite majority of Equity Shareholders of the Company as per Section 230(6) of the Act read with SEBI Master Circular No. SEBI/HO/CFD/DIL/1/CIR/P/2021/000000665 dated November 23, 2021 ('SEBI Scheme Circular') and other applicable SEBI Circulars, if any, will be subject to subsequent approval of the Hon'ble Tribunal and such other approvals, permissions and sanctions from any other regulatory or statutory authority(ies) as may be deemed necessary.

#### E-voting:

In compliance with the provisions of the Order of the NCLT and Section 108, and other applicable provisions of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Regulation 44 and other applicable provisions of the SEBI Listing Regulations read with SEBI Scheme Circular and other applicable SEBI Circulars, SS-2, and in accordance with the requirements prescribed by the Ministry of Corporate Affairs for holding general meetings through e-voting, the Company is providing to its Members the facility of remote e-voting prior to the meeting and e-voting during the meeting through the facility provided by NSDL. The detailed procedure for attending the Meeting through VC and e-voting forms part of the Notes to the Notice of the Meeting.

Some of the important details regarding e-voting are provided as below:

EVEN	123955
Cut-Off date for E-Voting	June 20, 2023
Commencement of remote e-voting period	Friday, June 23, 2023 at 9:00 a.m. (IST)
End of remote e-voting period	Monday, June 26, 2023 at 5:00 p.m. (IST)

The remote e-voting module shall be disabled by NSDL thereafter. The Company is also providing the facility of e-voting at the Meeting.

The voting rights of the Members will be in proportion to their share of the paid-up equity share capital of the Transferee Company as on the Cut-Off Date i.e., Tuesday, June 20, 2023. A person whose name is recorded in the Register of Members maintained by the Company / RTA or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-Off Date only shall be entitled to vote.

Members will be provided with the facility for e-voting during the Meeting and those who have not already cast their vote on the resolution by remote e-Voting (prior to the meeting) will be eligible to exercise their right to vote on such resolution at the meeting. Members who have cast their vote on resolution by remote e-Voting prior to the Meeting will also be eligible to participate at the Meeting through VC/OAVM but shall not be entitled to cast their vote on such resolution again. The e-Voting module on the day of the Meeting shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

Any person who acquires the shares of the Company and becomes a Member of the Company after the Cut-Off Date and wishes to view the proceedings of the Meeting, may obtain the login ID and password by sending a request to NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or request to the Company/RTA for the same. However, such person shall not be entitled to vote on the Resolution.

#### Process to be followed for one-time registration of e-mail address (for shares held in physical form or in electronic form) is as follows:

Members whose e-mail addresses are not registered with the Company/DPs/RTA, may follow the process given in the 'Notes' section of the Notice and get their email address registered with RTA on or before 5.00 pm (IST) on Friday, June 16, 2023 to receive the Notice, the procedure for remote e-voting along with login ID and password for remote e-voting. The summary of the process is as below:

- Visit the link: [https://tcpl.linkintime.co.in/EmailReg/Email\\_Register.html](https://tcpl.linkintime.co.in/EmailReg/Email_Register.html)
- Select the name of the Company from drop-down: Tata Steel Limited
- Enter details in respective fields such as DP ID and Client ID (if shares held in electronic form) / Folio no. and Certificate no. (if shares held in physical form), Shareholder name, PAN, mobile number and e-mail id
- System will send One Time Password ('OTP') on mobile no. and e-mail id
- Enter OTP received on mobile no. and e-mail id and submit

After successful registration of the e-mail address, NSDL will send a copy of the Notice along with login ID and password for remote e-voting to the e-mail address so registered. In case of any queries, Members may write to [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

Further, any shareholder(s) holding shares in physical form or shareholders who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Tuesday, June 20, 2023, may obtain the User ID and Password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contacting the RTA. However, if a person is already registered with NSDL for remote e-Voting then the Members can use their existing User ID and password for casting the vote. Further details of the same are mentioned in the 'Notes' section to the Notice. Members are requested to read the same carefully.

The Hon'ble Tribunal has appointed Mr. P. N. Parikh (Membership No. FCS 327 and CP No. 1228), failing him, Ms. Jigyasa Ved (Membership No. FCS 6488 and CP No. 6018), failing her, Mr. Mitesh Dhaliwala (Membership No. FCS 8331 and CP No. 9511), of M/s Parikh & Associates, Practicing Company Secretaries, as the Scrutinizer of the Transferee Company to scrutinize the remote e-voting process as well as e-Voting during the Meeting in a fair and transparent manner and submit a report on the votes cast to the Chairperson of the Meeting or to any person so authorized by the Chairperson, within 48 hours of the conclusion of the Meeting.

The results of the voting shall be displayed on the registered office of the Company as well as on the website of the Company at [www.tatasteel.com](http://www.tatasteel.com) and at NSDL website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) besides being sent to BSE Limited and the National Stock Exchange of India Limited on the said date.

In case of any queries/grievances, Members may refer to the Frequently Asked Questions ('FAQs') for Shareholders and e-Voting user manual for Shareholders available in the 'Download' section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Mr. Amit Vishal, Assistant Vice President or Ms. Pallavi Mhatre, Senior Manager from NSDL. at the designated e-mail IDs: [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in).

**Tata Steel Limited**  
Sd/-  
**N. Chandrasekaran**  
Chairperson appointed for the Meeting  
DIN: 00121863

May 26, 2023  
Mumbai

**TATA STEEL**