

Benchmarks > Nifty ● LIVE 11,977.30 62.90	NSE Gainer-Large Cap > Aditya Birla Capital ... 108.20 8.05	FEATURED FUNDS HDFC Mid-Cap Opportunities Direct Plan-Growth ★★★★★	5Y RETURN 9.75 % INVEST NOW	Stock Analysis, IPO, Mutual Funds, Bonds & More Market Watch
---	---	--	--	---

INEOS may be first MNC to delist after budget public float proposal

BY RAJESH MASCARENHAS, ET BUREAU | AUG 22, 2019, 09.22 AM IST

Post a Comment

Mumbai: **INEOS** Styrolution, a specialty chemicals company, could be the first **MNC** to be delisted in India after the Union **budget** proposed raising public shareholder limit for listed entities to 35 per cent from 25 per cent.

The board of the company is scheduled to meet on August 23 to consider the voluntary delisting proposal by the UK-based parent, INEOS Styrolution APAC. The stock rallied 52 per cent in the last three trading sessions to Rs 590 on Wednesday after the promoter proposed voluntary delisting of the equity shares at an indicative delisting offer price of Rs 480 per share.

"This would be the first delisting where the promoter can give a counter-offer in case the discovered price is more than the floor price," said Anil Jindal, CEO, Jindal Securities. "The stock, which has fallen sharply in the past one year, has rallied 52 per cent in the last three days and the promoter is likely to make a counter offer in case the discovered price is higher than the floor price."

INEOS Styrolution's is also the first delisting offer to hit the market after the delisting regulations were notified early this year. Last November, the Securities and Exchange Board of India (Sebi) changed delisting regulations by adding a provision for promoters to make a counter offer if they can't accept the discovered price. This must be done within two days of the determination of the discovered price.

The final delisting price or discovered price will be determined in accordance with the reverse bookbuilding process. The promoter has the sole discretion to accept or reject the discovered price or to make a counter offer.

However, during the delisting offer by the BOC Group to purchase Linde India shares earlier this year, the operational guidelines for delisting were not in place. Hence, BOC Group could not make a counter offer after the discounted price was over Rs 2,000, compared with the floor price of Rs 428.50.

About 12,914 retail shareholders control 12.53 per cent stake in the company. Reliance Mutual Fund and Sundaram Mutual Fund, the main institutional holders, own 3.96 per cent and 1.25 per cent, respectively, in Styrolution. Some of the other shareholders include Bajaj Allianz Life Insurance, IDBI Mutual Fund, Anand Rathi Global Finance and Dimensional Emerging Markets Value Fund.

"As the non-promoter shareholding is so much scattered with more than 12,000 individuals holding nearly 12.5 per cent, it's not that easy for the promoters to **delist** unless they give them a good offer," said Mehul Savla, partner, RippleWave Equity Advisors. "If INEOS succeeds in delisting its Indian arm, more MNCs will follow the route instead of diluting their stake in case of a Sebi go-ahead for the finance ministry proposal."

Finance minister Nirmala Sitharaman, in her maiden budget speech on July 5, urged Sebi to consider increasing the minimum public shareholding in listed firms to 35 per cent from 25 per cent.

Stay on top of business news with The Economic Times App. [Download it Now!](#)

RELATED COMPANIES

EXPAND

Ineos

Big Change:
The end of Five-Year Plans: All you need to know

