

## **Stoneridge US to Pick Up 49% in Minda Instruments**

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US based Stoneridge Inc has signed an agreement to pickup a 49 percent stake in Minda Instruments Ltd. over a period of three years. The over \$600 million Stoneridge, an auto-electronics major, will also buyback products from the joint venture, as per the agreement. To start with, Stoneridge will initially pick up 20 per cent stake, while the rest will be staggered over a three-year period.

At present, the company has a turnover of Rs 20-25crore, which is expected to grow to about Rs. 90 crore by five years.

Company officials did not disclose the value of the deal, but said that the valuation had been done at a premium. The JV agreement, share subscription and investment in the rechristened Minda Stoneridge.

Instruments Ltd was completed recently, the company said. The board has been reconstituted with the induction of Edward F Mosel and Mark Tervolon as Stoneridge nominees, and Ashok Minda, Deepak Singhal and Naresh Modi as directors from the Minda side.

Through the tie-up, Minda will have manufacturing and marketing right for India and other Asian countries such as Malaysia, Indonesia, Singapore, Thailand, Vietnam, Nepal and Sri Lanka.

The domestic electronics instruments duster market is worth Rs. 500 crore, and is growing at a rate of 10- 12 percent per annum. It is expected to grow substantially as a result of government-Mandated emission standards which come into effect 2005 requiring conversion to electronically controlled engines.