

IndusInd Bank buys 4.79 per cent stake McLeod Russel

Our Bureau Updated on September 23, 2021

Shrinking gardens: Till March 2018, McLeod had 52 tea estates, but the number has dropped |
Photo Credit: RITU RAJ KONWAR

The bank invoked the pledged shares for recovery of its dues from the tea manufacturer

IndusInd Bank on Thursday said that it has acquired a 4.79 per cent stake in debt-laden bulk tea manufacturer McLeod Russel India by invoking pledged shares for recovery of its dues.

“We wish to inform that the bank had today, i.e., September 23, 2021, pursuant to invocation of pledge of shares, acquired 50,00,000 equity shares of McLeod Russel India Ltd,” the bank said in a regulatory filing to stock exchanges.

The equity shares of McLeod Russel India held by I Chamati Investments were pledged with the bank for securing the outstanding dues of McLeod Russel India (MRIL), the borrower company, IndusInd Bank said, adding it invoked the pledged shares for recovery of its dues from MRIL.

Liquidity constraints

The 152-year old BM Khaitan group company, McLeod Russel, touted to be one of the largest bulk tea makers in the country, recently came out of the clutches of insolvency following a settlement with its financial creditor Techno Electric & Engineering. The company started facing liquidity issues in early 2018 and the company's board decided to dispose off some of its estates to repay the debt.

In June, IndusInd Bank had acquired 70,67,500 equity shares of McLeod, forming 6.77 per cent of paid-up equity share capital of the borrower company, by invoking pledged shares also for recovery of its dues.

Some of the other financial creditors to the company include Indian Bank, Axis Bank, HDFC Bank, ICICI Bank, State Bank of India, UCO Bank, Punjab National Bank, Yes Bank, RBL Bank and Standard Chartered Bank .

The promoter shareholding in McLeod at the end of the first quarter this fiscal stood at 10.07 per cent.

Published on September 23, 2021

<https://www.thehindubusinessline.com/money-and-banking/indusind-bank-buys-479-per-cent-stake-mcleod-russel/article36637490.ece>