

McLeod, IL&FS set to settle in 2 weeks

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Bulk tea major McLeod Russel India Ltd and IL&FS are currently engaged in negotiations towards an out-of-court settlement, which is expected to be reached within the next two weeks. The Brij Mohan Khaitan group company is attempting to avoid insolvency through an out-of-court settlement.

IL&FS Infra Asset Management is an asset management company which manages IL&FS Infrastructure Debt Fund and IIDF is a financial creditor of McLeod.

IIDF applied under a provision of the Insolvency and Bankruptcy Code against McLeod Russel India Ltd with the National Company Law Tribunal, Kolkata Bench. This application has been admitted by the NCLT.

“Our focus remains on

reaching a successful out-of-court settlement, and we expect to have an arrangement in place within the next two weeks,” a senior company official told PTI.

The official, however, refused to disclose details of the negotiations.

Amid a corporate insolvency resolution process (CIRP), McLeod cannot proceed with the one-time settlement with the bankers in association with Carbon Resources as a possible strategic partner. Comments from IIDF were not immediately available.

IIDF filed the petition against the company for default in payment of ₹347.4 crore as on 12 November 2019, of which the principal amount is about ₹252.66 crore.

McLeod Russel was already exploring options with the city-based Carbon Resources for a one-time settlement of its debt to lenders estimated to be around ₹1,600 crore.