THE HINDU BusinessLine

Nadar body fires a fresh salvo to regain control of TMB

LN Revathy

Fearing control passing onto foreign investors, Thuthukudi Nadargal Mahamai moves Centre, TN and RBI

Coimbatore, September 13:

Thuthukudi Nadargal Mahamai (TNM) has appealed to the powers that be to “save Tamilnad Mercantile Bank” from falling into wrong hands.

“We cannot allow foreign investors to take total control of this bank. It is a gold mine and we cannot afford to do that,” a member of Nadar Sangam told *BusinessLine* .

Drawing the attention of the Prime Minister, Finance Minister, Tamil Nadu Chief Minister, the RBI, Enforcement Directorate, Serious Fraud Investigation Office, Central Vigilance Commission and many others to what they termed “atrocities in TMB”, TNM has appealed to the authorities to immediately order status quo ante of the 1,12,141 shares (the disputed holding for violation of FEMA and RBI regulations) until such time the enquiry and case is completed by the Enforcement Directorate.

The body also wants the bank’s Company Secretary, Deepak Sankuni to be reinstated, who, TNM alleges, “was threatened out of office”, and putting a stop to de-materialisation of the ED-encumbered shares.

Corsair Group

P Chandrasekar, Secretary, TNM, has in the appeal pointed out that close to 40 per cent (1.12 lakh shares) of the bank’s share was bought by US-based Corsair Group (in the names of various shell companies) and lodged the same in an escrow account with Standard Chartered Bank in Mumbai.

The RBI had, in a letter, said that the bank should intimate the regulator and seek prior permission to transfer any of these shares.

But the Enforcement Directorate had, in 2014, held that these 1.12 lakh shares were held in escrow account in violation of FEMA and that the transfer of these would be in question till the finalisation of enquiry.

Meanwhile, in January this year, the bank conducted its AGM.

‘Record consideration’

Alleging the agents of Corsair Group to have taken full control of the bank, the Nadargal Mahamai said: “In June or July 2016, 5,090 shares from this encumbered pool of shares were transferred for a recorded consideration of ₹ 36 crore.

“When the Company Secretary objected to the transfer, he was asked to stay out. The board then asked Sankuni to issue bonus shares (1:500) to all the ED-encumbered shares; he refused to relent.

“The bank’s AGM was scheduled to be held on or before September 30, 2016, but the board opposed convening the meeting and instead sought three months’ time under Section 96 of the Companies Act 2013. The Registrar of Companies, Chennai, has accorded permission for deferring the AGM by three months.”

Demat planned

“The board, in the meantime, is proposing to demat the 1.12 lakh shares; it has formed a ‘Share Transfer Committee’. Sankuni who fought this tooth and nail has been shown the door,” TNM Secretary said, appealing for help from all quarters.

TMB’s Managing Director did not respond to this correspondent’s call, nor was Sankuni available for comment.

Some members of TNM are now preparing to go to Delhi to meet Prime Minister Narendra Modi and Finance Minister Arun Jaitley.

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