

Pioneer Asia-led group elected to Tamilnad Mercantile Bank board

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New board could pave way for an IPO

Coimbatore, March 1:

The month-long suspense came to an end late Monday when the Madras High Court declared the Pioneer Asia Group-led faction as elected members to the board of Thoothukudi-headquartered Tamilnad Mercantile Bank.

The election result, it is perceived, would pave the way for an initial public offer (IPO), opposed vehemently by the rival faction led by mining baron S Vaikundarajan.

The newly formed board conducted its first meeting at the bank's headquarters on Tuesday, say those in the know of the developments. It may be recalled that the Madras High Court had, on November 26, 2015, directed the bank to convene and hold the six pending AGMs (88 to 93) on a single day within 70 days from the date of the order of the high court.

The AGMs were convened amidst tight security on January 29 with a retired Judge of the Madras High Court chairing the proceedings. Polling took place, but the outcome was not known until Monday evening. Emotionally charged shareholders belonging to the faction led by the mining baron had vowed then that it would fight to retain control of the Nadar community-led bank, opposing the proposed IPO tooth and nail.

Both groups, with allies and associations, hold close to 20 per cent stake each in the bank.

Incidentally, in the AGM that took place some six years ago, the group backed by foreign investors secured control of the bank.

This time again, the faction led by Annamalai of Pioneer Asia Group, including FIs, was declared elected by the Madras High Court

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