



**Calcutta:** The Khaitans of McLeod Russel have cashed in on the spurt in the company's stock price on bourses to raise Rs 200 crore.

The proceeds will be used to cut debt to prepare McLeod Russel for the next phase of growth, the promoters of the world's largest bulk tea producer said on Thursday.

According to stock market data, Borelli Tea Holdings Ltd, which held 24.73 per cent share in McLeod, sold 1 crore shares, representing 9.1361 per cent equity of the company, in the open market on Thursday.

As the UK-based Borelli is also the wholly owned subsidiary of McLeod, the money would flow into the consolidated balance sheet of the firm. Following the stake sale, the promoters' stake in McLeod will drop to 40.75 per cent from the present 49.89 per cent.

Kamal Kishore Baheti, whole time director of McLeod and the trustee of Borelli, said the promoters would not take any of the money.

"There was consolidated debt of over Rs 900 crore (as of March 2017) on the balance sheet of McLeod. It will come down by Rs 200 crore. As a result, our financials will be a lot stronger and it prepares us for the next phase of growth," Baheti added.

The McLeod stock, like many other tea scrips such as Goodricke, started its upward journey about 10 days back after the industry started reporting strong price and volume growth.

On the Bombay Stock Exchange, the scrip closed at Rs 234.60 on Thursday, after hitting a 52-week high of Rs 248.30 during intra-day trading even as the broader market wobbled.

The stock, however, had opened lower on Thursday following the news of stake sale by the promoters.

The McLeod scrip had been on the rise from November 20 when it closed at Rs 172.35. Based on Thursday's closing price, the stock has risen 36 per cent during this period.

According to tea industry sources, gardens in Assam, where McLeod's estates are located, are realising Rs 12-15 a kilo more than last year.

Moreover, loss of production witnessed in September because of the inclement weather and puja holidays has been offset in October and there could be volume gain of 3 million kg for McLeod this year.

Tea Board data showed exports from India had grown 6.5 per cent in the January-October period of 2017 compared with the same period last year.

