

Companies

ARM hires managers from Indian company

Monday, February 18, 2019 9:42

ARM's Tanga cement plant in Tanzania. FILE PHOTO | NMG

ARM Cement #ticker:ARM is set to hire a management team from Indian advisory firm Holtec Consulting to fill gaps left by a mix of sackings and staff exits.

The Nairobi Securities Exchange-listed firm lost a significant number of employees as its financial crisis worsened, with the company ending up in the administration of PricewaterhouseCoopers (PwC).

“In order to deal with some of the staffing gaps at ARM, we are finalising the process of engaging and on-boarding an interim management team of cement experts from Holtec Consulting Pvt Ltd to provide requisite technical input and assist the administrators in overseeing and coordinating the technical aspects of the cement operations,” PwC said in a report to ARM’s creditors.

Holtec offers consultancy services in various industries including cement.

The team it will send to ARM is expected to help maintain and operate the company’s cement plants amid funding constraints.

The company’s cement plants have been running below capacity due to working capital shortfalls.

Additional investment in upgrading of equipment is also required, the administrators said.

PwC is keen on maintaining cement production amid efforts to sell the company to a strategic investor.

Once ARM is sold, the buyer will assume the responsibility of installing a substantive management team besides making capital investment decisions.

ARM had for decades relied on its former long-serving chief executive Pradeep Paunrana and his team to run the cement manufacturer.

Upon taking over the company’s operations, PwC terminated the contracts of Mr Paunrana, former deputy CEO Surendra Bhatia and former director of strategy Navishka Paunrana.

The administrators said the company could not afford to pay their salaries and other perks.

PwC, however, hired Mr Paunrana and Ms Navishka on a short-term basis with revised terms.

“For two out of the three senior executives, the administrators proposed new three-month renewable contracts with revised terms,” the administrators said.

The sale of ARM is expected to take more than six months, with the Capital Markets Authority (CMA) extending suspension of the company’s shares from trading on the NSE until mid-August.

Firms interested in acquiring the company have until end of this month to make final offers to the administrators.

PwC has shortlisted several potential acquirers out of a total of 14 firms that had made non-binding offers in December.

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