

## Emami, Zandu boards form panels to study merger

### Our Bureau

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The Boards of Emami Ltd and its subsidiary, Zandu Pharmaceutical Works, on Monday formed two committees of directors to look into a possibility merger. In separate enabling resolutions, two different committees have been empowered to weigh various options of FMCG business restructuring and reorganisation through measures such as merger and de-merger.

According to Mr Harsha Agarwal, Director of both

Emami and Zandu, a five-member committee has been formed for Zandu at its board meeting in Mumbai on Monday. It included three independent directors and two directors from the Emami Group.

### FMCG BUSINESS

At a board meeting in Kolkata, another committee for Emami was also formed with independent directors to initiate the process. Though no time frame has been mentioned, it is expected that the committee would

come up with its preliminary recommendation within a month.

Mr Agarwal said the committees would have the responsibilities to establish the synergy benefits in the FMCG business in concrete terms and how best that could be levered going forward. As of now, the boards recognised the possibilities, he added.

### RESTRUCTURING

The panel has also been given mandate to discuss and find ways of restructuring

the business of Emami Realty, a wholly-owned subsidiary of Emami Ltd.

The committee has also been authorised to appoint advocates, legal advisors, valuers, merchant bankers and other experts for taking their views and opinions in terms of the restructuring.

According to market observers, the move is a precursor to a probable merger between Zandu, which Emami acquired, and Emami. Both Emami and Zandu counters, however, closed lower on the bourses.