

# DALMIA CEMENT IN RECAST MODE

BS REPORTER  
Mumbai, 18 march

**D**almia Cement (Bharat) Ltd today said it would spin off its cement, refractory, thermal power and certain businesses other than sugar into DCB Renewable Energy and Industries Ltd (DREIL) and list the new entity on the stock exchanges. DREIL will further demerge its cement business to Avnija Properties Ltd and thermal power business to DCB Power Ventures Ltd (DPVL). Dalmia Power Ltd (DPL) will have a 74 per cent stake in DREIL, while the rest will be with Avnija, the company said in a statement. Avnija and DPL will become wholly-owned subsidiaries of DREIL.

Shareholders of the Rs 1,780-crore turnover Dalmia Cement will get one share of

## To spin off its cement, refractory, thermal power and certain businesses other than sugar into DCB Renewable Energy and Industries

Rs 2 each of the demerged entity, for every share held.

"We have a very strong vision for the cement, power and sugar businesses. The proposed realignment will give each business the right fillip for growth," said Puneet Dalmia, managing director of Dalmia Cement.

The decision is to create 'pure play' focused and independent entities, pursue focused growth, enhance fund raising flexibility and unlock shareholder value, according to the company. Dalmia is the South India's third-largest ce-

ment maker, with 9 million tonnes manufacturing capacity. OCL, an associate company in which Dalmia Cement holds 45.4 per cent stake, has another 5.3 million tonnes manufacturing capacity. The company has plans to add 10 million tonnes green field capacity by 2013 at an investment of close to Rs 4,500 crore. It is also planning to raise about Rs 500-700 crore through the private equity (PE) route and has tied up funds close to Rs 2,500 crore, according to sources.

Following the demerger, Dalmia Cement (Bharat) will retain only sugar business and will be renamed as a new company. It is one of the largest sugar players in Uttar Pradesh and has co-generation capacity of 79 Mw. Besides, Dalmia Cement has 72 Mw of thermal power generation capacity, with plants at Dalmiapuram and Ariyalur in Tamil Nadu.