

Dalmia set to demerge cement unit

fe Bureau

Chennai, Mar 18: Dalmia Cement (Bharat) Ltd (DCBL) has decided to restructure itself and will demerge the cement, refractory and thermal power undertakings and certain other business interests into Dalmia Bharat Enterprises Ltd, which will be a wholly-owned subsidiary of DCBL.

DCBL has further decided to demerge the cement and thermal power undertakings into Avniya Properties and DCB Power Ventures, respectively to make 'pure play' companies focused on independent growth of each of its sectors, said the company.

The board which met on Thursday has accorded its approval for the same. The scheme of arrangement is expected to be completed by third quarter of next financial year (FY2011).

As per the scheme of arrangement, DCBL shareholders will receive one additional share in Dalmia Bharat Enterprises for every share held. Dalmia Bharat Enterprises will be listed on stock exchanges and DCBL will continue as



an integrated sugar company in India.

According to the officials, the move is aimed at creating a pure play, focused and independent entities, pursuing focused and aggressive growth, enhancing fund raising flexibility, providing shareholders additional liquidity and choice of ownership and unlocking shareholder value.

The move also helps realign management structure and increase transparency and accountability thereby enhancing corporate governance. It also streamlines decision making and increases efficiency in business process through focused management teams and will create an enabling platform for fund raising and growth of respective businesses.

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

Plans are already in place in our cement business to create a national presence with a particular focus on growth markets across India. We shall continue with our regular opera-