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UPDATE-1 Dalmia Cement to merge cement, power biz with unit

Dalmia Cement (Bharat) Ltd said on Thursday it will spin off its cement, power and refractory businesses into its unit Dalmia Bharat Enterprises, and list it on the stock exchanges by the end of the year.

Shareholders of Dalmia Cement will get one share of the demerged entity for every share held, it said in a statement.

"This will accelerate our growth and increase our fire power," Managing Director Puneet Dalmia told reporters.

Following the demerger, Dalmia Cement (Bharat) will be a sole sugar company and will be renamed "shortly", he said.

The demerged entity is likely to be listed on Bombay Stock Exchange and National Stock Exchange in 6-8 months, he added.

The company is planning to raise funds through private equity (PE) firms for its plans to add 10 million tonnes of cement capacity at a cost of 45 billion rupees.

"We are in talks with private equity players to raise 5 billion to 7 billion rupees," he said.

It has already tied up debt of around 32.50 billion rupees, and has pumped in equity of 2.5 billion rupees, while the remaining would be raised internal accruals.

Shares in Dalmia Cement closed up 0.27 percent at 245.05 rupees in a steady Mumbai market that ended up 0.17 percent