

**FOR IMMEDIATE RELEASE**

October 5, 2010

**ICRA withdraws the ratings for the debt programme and bank facilities of Dalmia Bharat Sugar and Industries Limited (erstwhile Dalmia Cement (Bharat) Limited)**

ICRA has withdrawn the LAA- (pronounced as L Double A minus) under rating watch with developing implications outstanding for Rs 1756 crores<sup>†</sup> of fund based bank limits and Rs 280 crores of Non Convertible Debenture (NCD) programme for Dalmia Bharat Sugar and Industries Limited (erstwhile Dalmia Cement (Bharat) Limited) (referred as DBSIL)<sup>†</sup>. ICRA has also withdrawn MAA- (pronounced as M double minus) rating for Fixed Deposits Programme and A1+ (pronounced as A one plus) rating under rating watch with developing implications outstanding for Rs. 600 crores on Non-fund based bank limits and Rs 200 crores of Commercial Paper Programme of DBSIL.

The ratings have been withdrawn on intimation of the transfer of aforementioned debt/bank lines from Dalmia Cement (Bharat) Limited to Avnija Properties Limited, pursuant to High Court Order for scheme of arrangement under section 391-394 of the Companies Act, 1956.

**About the company**

Dalmia Bharat Sugar and Industries Limited (erstwhile Dalmia Cement (Bharat) Limited) was established in 1939 at Dalmiapuram in Tamil Nadu. Pre-demerger, the main businesses of the company included cement and sugar. Post demerger, DBSIL to operate as an integrated sugar player along with portfolio of renewable energy. DBSIL will primarily hold sugar business with a cane crushing capacity of 22,500 Tones Crushed Per Day, distillery of 80 Kilo Liter per day and power cogeneration capacity of 79 Mega Watt (MW) in Uttar Pradesh. DBSIL to also own and operate 16.5 MW of windmill capacity and magnesite mining operations of the group. The cement business with an installed capacity of 8.2 Million Ton Per Annum located across state of Tamil Nadu and Andhra Pradesh shall stand transferred to Dalmia Bharat Enterprise Limited (DBEL) along with power generation assets, refractory operations and quoted & unquoted investments (including holding in OCL). DBEL to inturn transfer cement assets and investments in OCL to a subsidiary "Avnija Properties Limited". DBEL to issue new shares to all the existing shareholders of DBSIL (erstwhile DCBL) in a ratio of 1:1 share of DCBL: DEBL.

Demerger scheme has been approved by Madras High Court and necessary approvals have been filled with Registrar of companies (RoC). The scheme of demerger is going to be effective from April 1<sup>st</sup> 2010.

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For further details please contact:

Analyst Contacts:

**Mr. Sabyasachi Majumdar**, (Tel. No. +91-124-4545304)  
sabyasachi@icraindia.com

Relationship Contacts:

**Mr. Vivek Mathur**, (Tel. No. +91-124-4545310)  
vivek@icraindia.com

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

<sup>†</sup>100 lakh = 1 crore = 10 million

<sup>†</sup> For complete rating scale and definitions please refer to ICRA's Website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications

**PRESS RELEASE**

Page 28

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