

## Emami paves path to list reality biz post-revamp

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Emami Ltd, in its restructuring plan, has ensured that its residual reality business and the residual reality of Zandu Pharmaceutical Works would be de-merged to become two new listed entities.

Zandu, primarily an FMCG and off-the-shelf ayurvedic medicine company, has surplus land measuring 2.5 acres at Dadar in Mumbai. Zandu's investments and unsecured loans are also being retained with Zandu after transferring the FMCG business to Emami.

Mr Arun Kejriwal of KRIS said the exercise would clean the books of Emami and Zandu. "For Zandu, the development of the Dadar land would unlock valuation. At the same time, retention of some unsecured loans and invest-

ments, part of it could be doubtful, would ensure that after-merger Emami does not carry the old baggage," Mr Kejriwal said.

Mr Harsh Agarwal, director of Emami, told *Business Line* that the Dadar plant of Zandu is not being operated.

According to sources close to the developments, retaining the land with Zandu and later changing its name would ensure a smooth transition of the proposed realty entity into the listed space. "In the long run, the current restructuring may open up the possibility of merger of Emami's realty entity, which is now also coming into listing environment from being an unlisted subsidiary of Emami, with the proposed Zandu realty in a transparent manner."

The restructuring has en-

visaged realty business of Emami as a listed entity - to be named Emami Infrastructure Ltd.

Emami Infrastructure would be listed on the BSE and the NSE. The process of listing would be initiated after the composite scheme of demerger and merger is approved.

Emami's present realty business owns or co-owns (with developers) around 200 acres spread across 12 projects - including IT parks, malls and residential complexes in Kolkata, Hyderabad and Coimbatore.

Sources said after the restructuring, Emami group would go in for fund raising.

After Zandu acquisition, the group pledged its substantial holding in the company - 50.76 per cent out of 72.8 per cent - to raise funds.