

DNA Money

KKR set to buy chunk of Dalmia Cement unit

Date: 07-05-2010 | Edition: Mumbai | Page: 19 | Source: Pooja Sarkar | Clip size (cm): W: 13 H: 11

Clip: 1 of 1

KKR set to buy chunk of Dalmia Cement unit

Pooja Sarkar, Mumbai

US-based private equity giant Kohlberg Kravis Roberts & Co (KKR) is set to invest around \$100 million in Avniya, the wholly owned subsidiary of Dalmia Cement (Bharat).

Sources familiar with the development said KKR is likely to pick up around 10-15% stake.

Enam Securities is the banker to the deal.

KKR and Dalmia Cement both declined to comment.

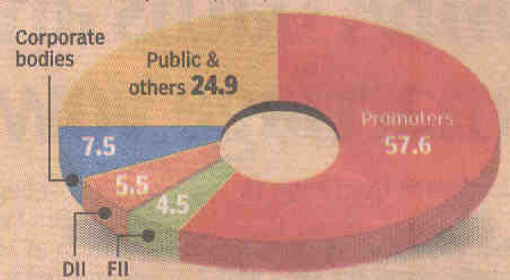
The cement business of the group, which comes under the umbrella of Dalmia Cement Ventures, plans to undertake greenfield expansion of 10 million tonne over the next three years. Its currently has a capacity of 9 million tonne in the south.

About Rs 4,500 crore is needed for the expansion, of which the company has tied up for Rs 3,200 crore with a consortium of banks led by IDBI Bank.

It was looking to fund the rest through internal accruals and private equity infusion.

Foreign hand

Dalmia Cement (Bharat) shareholding as on March 31, 2010 (in %)



Puneet Dalmia, managing director, Dalmia Cement, had said during the restructuring of the company in March he is looking at raising Rs 1,000 crore, including \$100 million through private equity.

Meanwhile, Dalmia Cement's power venture will also set up a 150 mw unit, which will come up simultaneously with the cement expansion programme.