

## **KKR to invest Rs 75cr in Dalmia Cement venture**

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Confirming the largest private equity investment in India's cement industry, Dalmia Cement (Bharat) Ltd on Friday said Kohlberg Kravis Roberts (KKR) has agreed to buy 15-20% stake in the cement maker's unlisted unit for up to Rs 750 crore.

Dalmia would draw Rs 500 crore immediately and has an option to utilise another Rs 250 crore in the next 18 months.

KKR will get a 15% stake if the cement maker draws down only Rs 500 crore, but the stake will rise to 20% if it draws additional Rs 250 crore, managing director Puneet Dalmia said.

KKR's decision to bring in an additional Rs 250 crore, "will depend on what opportunities we have and how the market conditions are," he said.

Dalmia said he expected regulatory approvals to come in 60 days, following which the company will receive Rs 500 crore.

KKR's investment is one of the biggest private equity investment ever in India's cement sector. Cement is a cyclical industry, but should benefit from a secular growth in demand due to infrastructure development, KKR India CEO Sanjay Nayar said.

The unlisted entity, which is a wholly-owned unit of the listed Dalmia Cement (Bharat), or DCBL, at present, will house DCBL's nine million tonne per annum manufacturing capacity, its entire 45.4% stake in cement maker OCL and the proposed 10 million tonne of new capacity, the company said in a statement.

"The use of the proceeds will be for both organic/inorganic growth and de-leveraging," the company said.