

ACC, Ambuja boards to start merger talks soon

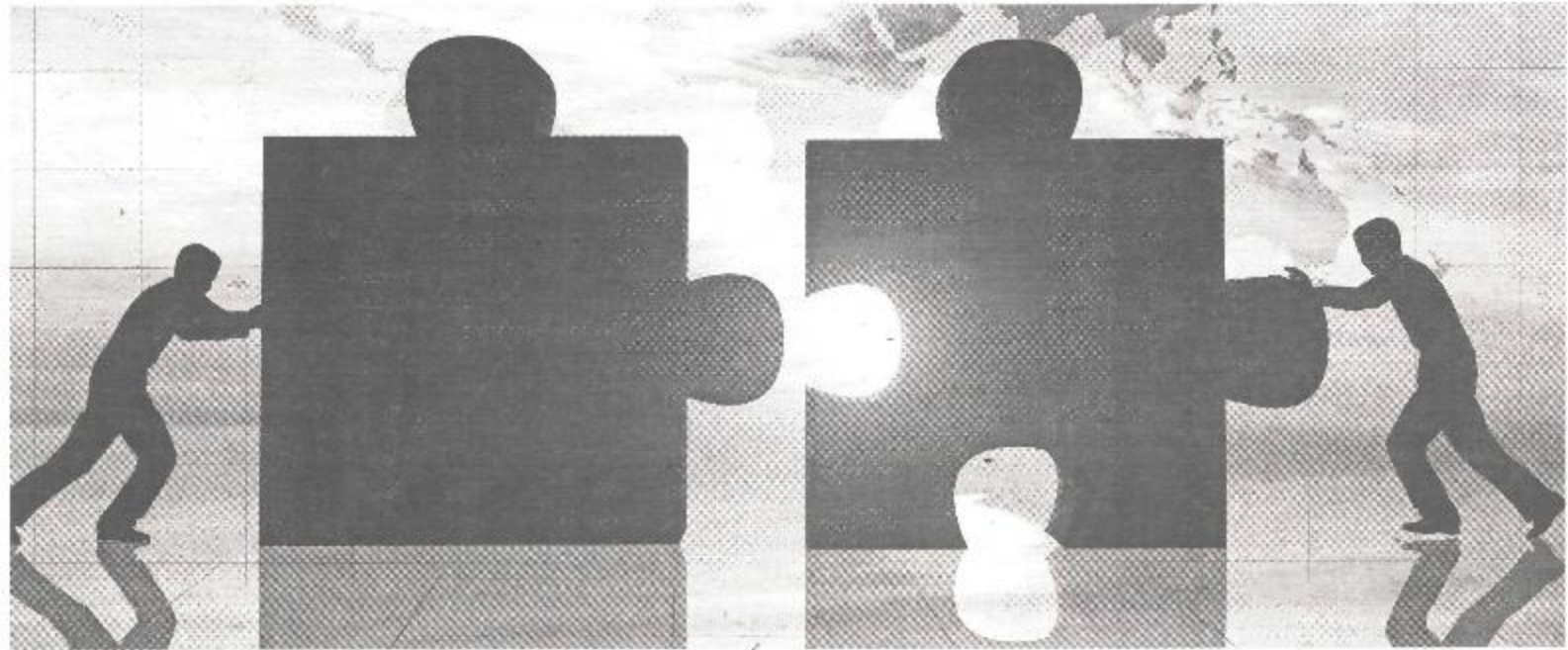
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TWO leading cementmakers — ACC and Ambuja Cements on Friday said that their respective boards have agreed to start the evaluation of a potential merger between the two companies "with a view to combine the strengths of both businesses".

Interestingly, both — ACC and Ambuja — are a part of conglomerate LafargeHolcim Group.

Significantly, ACC, Ambuja, UltraTech Cement and Dalmia Cement command about 40 per cent of India's total cement market, which is estimated to have a capacity of more than 420 million tonne. If the move finally comes through, this will be the latest of the large mergers and acquisitions (M&As) in the Indian cement sector. The industry had earlier witnessed Jaypee Group selling its assets to UltraTech Cement, and a merger between Dalmia Bharat and OCL India.



In January, JSW Cement said it will buy the entire promoter holding in cement maker Shiva Cement.

On Friday, both the companies said that a special committee of directors, comprising largely of independent directors, has been constituted to commence the evaluation. Ambuja Cement India now owns 47.92 per

cent stake in ACC and Holderind Investments, Holcim's investment arm, another 0.29 per cent. Holderind also holds 35.6 per cent in Ambuja Cements.

Both the companies clarified that no decision to merge has been taken and our board will decide on a merger upon receiving a rec-

ommendation from the special committee and the audit committee.

While ACC, now part of the LafargeHolcim Group, is one of India's leading producers of cement and ready mixed concrete with 7,800 employees, 17 cement manufacturing sites, 50 concrete plants, a nationwide network of over 50,000

retail outlets and an R&D centre in Mumbai, the 30-year old Ambuja Cement, also part of the LafargeHolcim Group, has a cement capacity of 29.65 million tonnes with five integrated cement manufacturing plants and eight cement grinding units across India.

Earlier it was reported that Holcim, had been taking

measured step towards the eventual merger of ACC and Ambuja Cements.

Subsequently, ACC had said that it was folding in three wholly-owned subsidiaries — Lucky Minmat, National Limestone Company and Encore Cement and Additives.

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