

ACC, Ambuja Cements evaluating merger

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✘ ACC and Ambuja are both a part of conglomerate LafargeHolcim Group. Photo: Bloomberg

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Mumbai: Cement makers ACC Ltd and Ambuja Cements Ltd on Friday said 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”.

A special committee of directors, comprising largely of independent directors, has been constituted to commence the evaluation, ACC and Ambuja Cements said in separate statements on Friday.

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

If materialises, this will be the latest of the large mergers and acquisitions (M&As) in the Indian cement sector, which has in the past year seen the Jaypee Group agree to sell its cement assets to larger rival UltraTech Cement Ltd, and a merger between Dalmia Bharat Ltd and OCL India Ltd. In January, JSW Cement Ltd said it will buy the entire promoter holding in cement maker Shiva Cement Ltd.

“No decision to merge has been taken and our board will decide on a merger upon receiving a recommendation from the special committee and the audit committee,” the ACC statement on Friday said.

ACC has about 7,800 employees, runs 17 cement manufacturing sites, and 50 concrete plants in India. Ambuja Cements has a cement capacity of 29.65 million tonnes with five integrated cement manufacturing plants and eight cement grinding units across the country.

ACC, Ambuja, UltraTech Cement Ltd and Dalmia Cement Ltd command about 40% of India’s total cement market, which is estimated to have a capacity of more than 420 million tonnes.