

## M&A Lab

September 14, 2022

### ADANI-HOLCIM: CEMENTING THE FUTURE!

Riding on the wave of exponential success, Asia's richest and world's fourth richest person, Gautam Adani announced the signing of a binding agreement for the Adani group to acquire Holcim's business in India. The sheer scale of this deal will establish Adani Group as the second largest player in the Indian cement industry and expand Adani Group's portfolio of world class businesses ranging from infrastructure to energy to cement.

India is the second largest cement producer in the world and it comes as no surprise that Adani wants a slice of this mammoth pie by setting its sights upon Holcim's Indian portfolio. Holcim holds a (i) 63.11% stake in Ambuja Cements, which in turn owns a 50.05% stake in ACC; and (ii) 4.48% direct stake in ACC.<sup>1</sup>

The deal has triggered the open offer obligations for Adani Group under the Takeover Code for Ambuja Cements and ACC respectively, resulting in a total deal size of approximately USD 10.5 billion (assuming 100% acceptance ratio in the Open Offers). Upon successful completion of the Open Offers, Adani's stake in Ambuja Cements and ACC will increase to an astronomic 89% and 81%<sup>2</sup> respectively.

While traditionally oligopolistic in nature, the cement industry in India has been dominated by formidable players such as Ultratech and Dalmia Cement for nearly a decade in addition to Ambuja and ACC. Given this backdrop, the deal is a 'win' not only for Adani but the market at a holistic level as it will inevitably shake up the cement industry and stimulate unprecedented growth with the stellar entry of Adani Group.

In this M&A Lab, we probe deeper into the multibillion-dollar deal that is bound to revamp the Indian cement industry. We will analyse the legal, regulatory, tax, financing and other commercial dimensions of this intricate Deal.

**For a detailed analysis of the commercial, legal, regulatory and tax considerations and to access the M&A Lab, please [click here](#).**

– Parina Muchhala, Aarathi Das, Harman Khorana, Khyati Dalal, Afaan Arshad & Nishchal Joshipura

You can direct your queries or comments to the author

<sup>1</sup> <https://economictimes.indiatimes.com/markets/stocks/news/adani-group-holcim-10-bn-mega-deal-key-takeaways-analysts-take/articleshow/91586435.cms>

<sup>2</sup> <https://www.financialexpress.com/industry/adani-family-makes-open-offer-for-ambuja-cements-acc-stakes/2526937/>.

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