

Strategic buyers and investors scouting for insolvency-affected cement assets

ET legal.economictimes.indiatimes.com/news/corporate-business/strategic-buyers-and-investors-scouting-for-insolvency-affected-cement-assets/120769164

ET LegalWorld

April 30, 2025



Several strategic buyers as well as investors are actively scouting for cement manufacturing companies which are currently undergoing the corporate insolvency resolution process under the Insolvency & Bankruptcy Code. One of the most sought-after assets in the sector is the cement business of debt-laden [Jaiprakash Associates Ltd](#) (JAL). The company has four plants in North and Central India and has a capacity of about 6 million tonnes per annum. Its plants are at Rewa in Madhya Pradesh and Chunar, Churk and Sadwa in Uttar Pradesh.

The company's resolution professional, Bhuvan Madan, has received expressions of interest from companies including Adani Enterprises, Dalmia Cement (Bharat) Ltd, Vedanta Ltd and Rashmi Metaliks Ltd. Apart from cement, JAL also has assets in power, hospitality and real estate, and hence about two dozen bidders have shown interest in multiple assets.

Advt

Investors and strategic buyers are also closely observing the ongoing insolvency cases against companies, including Jammu & Kashmir Cements, Kirtiman Cements & Packaging and Gujarat-based Dhara Cements (India). 'The sector has been quite active and holds considerable potential for distressed M&A,' said Karishma Dodeja, partner at the law firm Trilegal. 'This is because of the wave of consolidation brought on by Ultratech and Adani Group, the strong infrastructure push by the government and the high debt burden of some of the smaller cement companies, making them attractive targets for

acquisition,' she said.

Recently, the Mumbai bench of the National Company Law Tribunal (NCLT) approved Vadraj Cement's acquisition by Nirma group-owned cement maker Nuvoco Vistas Corp. Around the same time, Virgo Cements, a smaller operator with ₹74 crore in admitted claims, also secured a resolution after its lenders, including PNB and Indian Bank, voted unanimously in favour of PRAG India's bid.

Legal experts are citing pricing, location and synergies as the three primary reasons for the surge in deals in the sector. Most cement companies are available at a discount. Also, medium and small players are located at less-penetrated and high-growth markets and for large players, addition of medium and smaller cement makers offers attractive cost optimisation opportunities.

Advt

Nishith Dhruva, managing partner of law firm MDP Legal, said those cement plants, which are being operated as going concerns, are witnessing keen interest from the strategic players, especially those with approval for additional capacities.

- Published On Apr 30, 2025 at 07:54 PM IST