

JKCL/CS/SE/2022-23

Date: 6<sup>th</sup> March, 2023

BSE Ltd.  
Corporate Relationship Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai-400001  
Scrip Code:532644  
(ISIN.INE 823G01014)  
Through BSE Listing Centre

National Stock Exchange of India  
Ltd., Exchange Plaza, Bandra Kurla  
Complex, Bandra (E),  
Mumbai-400051  
Scrip Code: JKCEMENT  
(ISIN.INE823G01014)  
Through: NEAPS

Dear Sirs,

**Re:Update on Scheme of Amalgamation of Jaykaycem (Central) Ltd (wholly owned Subsidiary) with J.K.Cement Ltd ('the Company').**

The Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj, ("NCLT") by an order passed in Company Petition No. CP(CAA) 4/ALD/2022 on 2<sup>nd</sup> March, 2023 sanctioned the Scheme of Amalgamation of Jaykaycem (Central) Ltd. (Wholly owned subsidiary) with the Company with effect from 1<sup>st</sup> April, 2021 (Appointed Date). The electronic copy of the order has since been received by the Company and is attached herewith. However, the Scheme is not yet effective.

In terms of the Scheme and the said order of the Hon'ble NCLT sanctioning the same, the Scheme shall become effective on the Effective Date, being the date or last of the dates on which the certified copies of the said order sanctioning the Scheme are received by the companies and filed with the Registrar of Companies and all conditions for bringing the Scheme into effect are fulfilled. The same are awaited.

The Company will intimate to the Stock Exchange, the Effective Date of the Scheme upon the same coming into effect.

Thanking you,

Yours faithfully,  
For **J. K. Cement Ltd.**



**Shambhu Singh**  
**Vice President (Legal) & Company Secretary**  
**M.No. FCS 5836**

Encl: As above.



## Corporate Office

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www.jkcement.com

**JK SUPER  
CEMENT**  
BUILD SAFE

JK CEMENT  
**WallMaxX**  
White Cement Wall Putty

Manufacturing Units at :  
Nimbahera, Mangrol, Gotan (Rajasthan) | Muddapur (Karnataka)  
Jharli (Haryana) | Katni (M.P.) | Aligarh (U.P.) | Balasinor (Gujarat)



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
ALLAHABAD BENCH, PRAYAGRAJ**

*(through web-based video conferencing platform/physical hearing)*

**CP (CAA) No.04/ALD/2022**

**(2<sup>nd</sup> Motion)**

**Under Sections 230-232 of  
the Companies Act, 2013  
read with Section 66 of the  
Companies Act, 2013, the  
Companies (Compromises,  
Arrangements and  
Amalgamations) Rules, 2016**

**In the matter of Scheme of Amalgamation of:**

**Jaykaycem (Central) Limited**, a company incorporated under the provisions of the Companies Act, 1956 and being a Company within the meaning of the Companies Act, 2013 and having its registered office at Kamla Tower, Kanpur 208001 in the State of Uttar Pradesh

CIN: U72305UP1987PLC009162

**.....Transferor Company**

**with**

**J.K. Cement Limited**, a company incorporated under the provisions of the Companies Act, 1956 and being a Company within the meaning of the Companies Act, 2013 and having its registered office at Kamla Tower, Kanpur 208001 in the State of Uttar Pradesh

CIN: L17229UP1994PLC017199

**.....Transferee Company**

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Order delivered on : 02.03.2023

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**Coram : Mr. Praveen Gupta, Member (Judicial)**  
**Mr. Ashish Verma, Member (Technical)**

**Present through video conferencing/physical hearing:**

For the Petitioner Companies : Mr Navin Sinha, Sr. Adv assisted by Mr.

Rahul Agarwal, Adv.

For the O.L. Alld./ RD (NR) : Sh. Ajit Kumar Singh, AOL

For the ROC, Kanpur : Sh. Krishna Dev Vyas, Adv.

**Per: Praveen Gupta, Member (Judicial)**

1. The present Company Petition is filed by the Petitioner Company above named under Section 230(6) read with Section 232(3) of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other applicable provisions, if any, for sanction of the Scheme of Amalgamation ("Scheme" or "Scheme of Amalgamation") of Jaykaycem(Central) Limited ("Petitioner Company" or "Transferor Company") with J.K. Cement Limited ("Transferee Company")
2. The Petition has now come up for final hearing. The Ld. Senior Counsel, Mr. Navin Sinha, assisted by Mr Aniket Agarwal and Mr. Rahul Agarwal for the Petitioner Company submits as follows:
  - i. The proposed 'Scheme of Amalgamation' has previously been approved by the Board of Directors of Petitioner Company and J.K. Cement Limited ("Transferee Company") in the Board Meetings held on 14<sup>th</sup> August, 2021.

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ii. The factual position of the Authorized, Issued, Subscribed and Paid-up Share Capital of the Petitioner Company as on the date of the filing of the present Company petition is stated therein.

iii. The rationale of the proposed Scheme of Amalgamation is elaborately described in the present Company Petition which may be summarized as under:

a. The Transferee Company, J.K. Cement Limited, is a well established company manufacturing and marketing grey cement, white cement, white cement based wall putty and other building materials. Its grey cement manufacturing plants are situated at Nimbahera, Mangrol and Gotan in the State of Rajasthan and Muddapur in the State of Karnataka and its grinding units are situated at Tharli in the State of Haryana, Balasinor in the State of Gujrat and Aligarh in the State of Uttar Pradesh. Its white cement plant is situated at Gotan in the State of Rajasthan. It also has a wall putty manufacturing facility at Gotan in the State of Rajasthan and Katni in the State of Madhya Pradesh. The Transferee Company carries on its cement manufacturing business directly as above as also through companies formed or acquired by it over the years.

b. The Petitioner / "Transferor Company" was acquired by the Transferee Company a few years ago and is now a wholly owned subsidiary of the Transferee Company. The Petitioner / "Transferor Company" is also actively pursuing the business of manufacturing grey cement. It is in the process of setting up two green field units, i.e. an integrated cement plant in the Panna

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district of Madhya Pradesh and a cement grinding unit in Hamirpur district of Uttar Pradesh.

- c. The Transferee Company is one of the leaders in the world in the business of manufacturing white cement. There are several commonalities and synergistic linkages between the two companies. The business of the Transferee Company and the Petitioner / "Transferor Company" have good potential and can be combined and carried on together more advantageously.
- d. In view, inter-alia, of the aforesaid, including commonality of business interests, portfolio fit and objectives of the Transferor Company and the Transferee Company and synergies between them and as part of an overall restructuring plan, it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in the manner and on the terms and conditions stated in this Scheme of Amalgamation.
- e. The consolidation of undertaking of the companies will result in the formation of a stronger company having greater capacity to access and raise funds for carrying on its business and pursuing and completing its various projects and plans therein, marketing and selling its products and services and conducting trade on more favourable terms.
- f. The business of the amalgamated entity will be generally carried on more efficiently and economically pursuant to the amalgamation as a result, inter-alia, of pooling and more effective utilization of the combined resources of the said companies, reduction in costs and expenses and rationalization

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and reduction of compliance requirements which will be facilitated by and follow the amalgamation.

g. As such the amalgamation of the Transferor Company with the Transferee Company will enable greater realization of the potential of the business of the Transferor Company and the Transferee Company in the amalgamated entity.

iv. The Scheme of Amalgamation is proposed for the aforesaid reasons. The Board of Directors of the Transferor Company and the Transferee Company are of the opinion that the proposed Scheme is in the best interest of these Companies, their Shareholders and other stakeholders.

3. The Petitioner has stated that the accounting treatment proposed in the Scheme of Amalgamation is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 as certified by the Auditors of the Transferee Company.
4. It has also been stated in the Petition that no proceedings under Sections 210 to 227 of the Companies Act, 2013 are pending against the Transferor Company and/or the Transferee Company.
5. It has also been stated in the Petition that no one will be prejudiced if the proposed Scheme of Amalgamation is sanctioned and the sanction of the Scheme will benefit and is in interest of the said companies, their shareholders, Creditors, employees and all concerned and the Petition is made *bonafide* and is in the interest of justice.
6. It has been stated that the Transferor Company is a wholly owned subsidiary of the Transferee Company. The Transferee Company is a public limited listed company with its equity shares being traded on the

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stock exchanges. Entire issued and paid-up equity share capital of the Transferor Company is beneficially owned by the Transferee Company. The Transferor Company and the Transferee Company are under common management and control.

7. It has been stated that the Transferee Company is a public limited listed company with its equity shares being traded on the stock exchanges. However, in terms of Regulation 37(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Securities and Exchange Board of India Circular dated 10th March, 2017, the requirement of taking approval of Stock Exchanges to the Schemes of Amalgamation in case of wholly owned subsidiaries has been dispensed with and the listed holding companies are only required to file the Scheme with the Stock Exchanges for the purpose of disclosure. The Transferee Company as the listed holding company of the Transferor Company was thus not required to take the approval of the Stock Exchanges to the Scheme in terms of the regulatory requirements, as stated above, and has duly filed the Scheme with the Stock Exchanges for the purpose of disclosure.
8. It has also been stated that since all the Equity Shares of the Transferor Company are held by the Transferee Company and the Transferee Company, being the holding company, cannot issue or allot any shares to itself, no share whatsoever shall be issued by the Transferee Company in consideration of the amalgamation. Accordingly, the said Equity Shares of Transferor Company and the corresponding investment of the Transferee Company in such Equity Shares of the Transferor Company shall stand cancelled upon the Scheme becoming effective without issue or allotment of any new shares by the Transferee Company in lieu of such Equity Shares of the Transferor Company.

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9. A perusal of the present Petition shows that initially the Petitioner Company had filed a Company Application No. 01/ALD/2022 seeking directions of this Tribunal. Accordingly, this Tribunal vide its order dated 31<sup>st</sup> January, 2022 (date of pronouncement), allowed the above mentioned prayers, by dispensing with the meetings of Equity Shareholders and Unsecured Creditors of the Transferor Company under Section 230(1) read with Section 232(1) of the Companies Act, 2013 as all such Equity Shareholders and 95.80% in value of the Unsecured Creditors of the Transferor Company had already considered and given their consent to the Scheme by affidavits. This Tribunal further directed that the Transferee Company was not required to file any petition for sanction of the Scheme as there is no compromise or arrangement whatsoever between the Transferee Company and any classes of persons within the meaning of Section 230 or 232 of the Companies Act, 2013. This Tribunal further directed the petitioner to issue notice of the Company Application/Scheme of Amalgamation to the Statutory Authorities, viz., (a) the Central Government through the office of the Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi; (b) the Registrar of Companies, Uttar Pradesh, Ministry of Corporate Affairs, Kanpur; (c) The Official Liquidator, Uttar Pradesh, Allahabad; and (d) the Income Tax Department.
10. In compliance with the said order dated 31<sup>st</sup> January 2022 the Petitioner Company duly served notices on the Statutory Authorities and presented the instant Company Petition for sanction of the Scheme.
11. This Tribunal vide its order dated 4<sup>th</sup> May, 2022 admitted the instant Company Petition and directed the Petitioner Company to issue notice of hearing in respect of present Company Petition to the Statutory Authorities and also to make paper publication in this respect in "Times

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of India” (English, Kanpur Edition) and “Hindustan” (Hindi, Kanpur Edition).

12. In compliance thereof, the Petitioner Company filed Affidavit of service and publication, confirming that notices have been duly published in “Times of India” (English, Kanpur Edition) and “Hindustan” (Hindi, Kanpur Edition). The Petitioner Company also served notice of the Company Petition to (a) the Central Government through the office of the Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi; (b) the Registrar of Companies, Uttar Pradesh, Ministry of Corporate Affairs, Kanpur; (c) The Official Liquidator, Uttar Pradesh, Allahabad; (d) the Income Tax Department.

13. In response to the above stated notice, the Registrar of Companies, Ministry of Corporate Affairs, Kanpur, Uttar Pradesh has submitted its Report dated 12<sup>th</sup> April, 2022. No objection has been raised by the Registrar of Companies on the Scheme of Amalgamation.

14. In response to the above stated notice, the Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi filed his Representation Affidavit (“RD affidavit 1”) which has been dealt with by the Petitioner(s) by their Reply affidavits dated 12<sup>th</sup> April, 2022 (“Reply”). The observations of the RD in his Representation Affidavit (“RD affidavit 2”) dated 13.06.2022 are summarized as under:

a. Paragraph No. 11 of RD Affidavit:

*On examination of the contents of the Scheme and the reply submitted by the Petitioner Company along with the report of the ROC, the observations of the Deponent are as under:*

*The Transferor Company namely Jaykaycem (Central) Limited was incorporated in the year 1987 and as per the Balance Sheet as at*

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31.12.2021 enclosed with the Petition, it is found that it has no turnover since its total revenue has been shown as Rs. 35.57 lakhs only, whereas its total assets has been show as Rs. 1038,92.34 lakhs. The said Petitioner Transferor Company has shown capital advance of Rs. 2,06,79.53 lakhs under heading "Other Non-Current Assets" which was Rs. 41,99.70 lakhs as on 31.03.2021, thereby it has material impact upon the scheme since it constitutes 19.90% of its total assets and also increased to the tune of 492.40% within a period of 9 months. The relevant extracts of the above Other Non-Current Assets is enclosed herewith and marked as **Annexure-C**. To examine the issue, the office of the Deponent has asked information about details of such capital advance with names of the parties, purpose of payment , copy of agreement, if any, from the Petitioner Companies. The Petitioner transferor Company vide their reply dated 18.04.2022 have submitted other replies but not submitted any information/details about the above capital advance, (rather has stated that the capital advances worth of Rs. 42 crores extended during 2020-21 are made for its acquiring asset). Since the Petitioner Transferor Company has deliberately not furnished the details of the transactions as sought for which having material impact upon the scheme as stated above , the Deponent is not inclined to furnish comments upon the scheme without examine details thereof. In view of the above it is prayed before the Hon'ble tribunal to kindly direct the Petitioner Transferor Company to furnish details of the transactions of Rs.2,06,79.53 lakhs with other details as sought from them to the office of the Deponent, which enable us to file our report in the form of Additional Affidavit in this matter.

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15. Subsequently, when the details as sought for by the R.D. were made available by the petitioner company, another Report dated 02.12.2022 was filed by the R.D. with the following comments:

*"In response to the above observations, the Applicant Company vide their letter dated 14.11.2022 have submitted their reply to the office of deponent. The copy of the reply submitted by the petitioner company is enclosed herewith and marked as Annexure A is as under:*

*"In reply to the Point No. 121 of the aforesaid report:-*

*The amount of Rs. 41,99,69,947/- as shown in the Balance Sheet as on 31.03.2021 as Capital Advances comprised of advances made to the parties for acquiring of Land and Suppliers/ Contractors towards construction of Cement Manufacturing Plant at Panna, M.P. and Hamirpur, U.P. The said Capital advances has gradually increased to Rs. 206,79,52,788/- as on 31.12.2021 due to rapid increase of construction activities at Panna, M.P. and Hamirpur, U.P. site. Setting up of Company's green field manufacturing plant at Panna and Hamirpur are at advance stage. The supplier/contractor demands advance for supply/construction which are adjust against final bills."*

*That on examination of the contents of the reply submitted by the petitioner companies as stated supra in response to the observation of the Deponent, it is to submit that the petitioner companies replies to the observations as given in the Affidavit affirmed on 13.06.2022 may be taken into account before Hon'ble Tribunal is satisfied with the scheme."*

16. In response to the above stated notice, the Official Liquidator, Ministry of Corporate Affairs, Allahabad, Uttar Pradesh has also submitted his Report, wherein it has been stated that the Official Liquidator has no

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objection to the dissolution of the Petitioner Transferor Company without winding up pursuant to provisions of Sections 230 and 232 of the Companies Act, 2013 and other applicable sections and rules thereunder.

17. In response to the notices served, the Income Tax Department has furnished its communication dated 21.03.2022 stating therein that as per office record/ITBA portal no arrear demand and no other proceedings are pending against the assessee company and that the Department has no representation to make on the proposed scheme of amalgamation of the Transferor Company with the Transferee Company.
18. We have gone through the reports/comments of the Ld. Registrar of Companies, Uttar Pradesh, Kanpur; Ld. Regional Director (Northern Region), Ministry of Corporate Affairs, New Delhi; Ld. Official Liquidator, Ministry of Corporate Affairs, Allahabad; and the Income Tax Department and the Reply Affidavits filed by the Petitioner Company and after perusing the same, we find that there appears to be no reservation to grant sanction to the Scheme and we are of the view that the sanction of the present Scheme is not against public policy, nor it would be prejudicial to the public interest at large. The Regional Director had earlier flagged lack of information from the petitioner company regarding capital advances shown in the balance sheet, but subsequent to the supply of relevant information by the petitioner company, has not made any adverse comment in its report dated 02.12.2022 submitted thereafter.
19. In addition to above, all the statutory compliance seems to have been complied with by the Petitioner Company, therefore, the present Company Petition deserves to be allowed.

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20. In the result, the proposed Scheme of Amalgamation, which is annexed to the Company Petition stands approved and sanctioned and the same shall be binding on the Petitioner Company and all the Shareholders and Creditors of the Petitioner Company with effect from the Appointed Date, i.e., 1<sup>st</sup> day of April, 2021. The Petitioner Company is required to act upon as per terms and conditions of the sanctioned Scheme of Amalgamation. The Scheme, although operative from the Appointed Date, shall become effective on the Effective Date.
21. While approving the Scheme as above, it is clarified that this order should not be construed as, in any way, granting exemption from payment of stamp duty (if any, is applicable), taxes (including Income Tax, GST or any other charges, if any, are applicable) and payment in accordance with law or in respect to any permission/compliance with any other requirement which may be specifically required under any law.

**THIS TRIBUNAL DO FURTHER ORDER:**

22. Upon the Scheme becoming effective, all the property, rights and powers of the Transferor Company specified in the first, second and third parts of the Schedule of Assets herein and all other property, rights and powers of the Transferor Company be transferred with effect from the Appointed Date, without further act or deed, to the Transferee Company and accordingly, the same shall, pursuant to Sections 230 & 232 of the Companies Act, 2013, stand transferred to and vested in the Transferee Company for all the estate and interest of the Transferor Company therein but subject nevertheless to all charges now affecting the same as provided in the Scheme; and

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23. Upon the Scheme becoming effective, all the debts, liabilities, duties and obligations of the Transferor Company be transferred with effect from the Appointed Date, without further act or deed, to the Transferee Company and accordingly the same shall pursuant to Sections 230 & 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Transferee Company; and
24. Upon the Scheme becoming effective, all the employees of the Transferor Company, in service on the Effective Date, shall be transferred to and shall become the employees of the Transferee Company as provided in the Scheme of Amalgamation; and
25. Upon the Scheme becoming effective, all proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company; and
26. The Petitioner Company and the Transferee Company shall each within thirty days of the date of the receipt of the certified copies of this Order cause a certified copy to be delivered to the Registrar of Companies, Kanpur, for registration. The Transferor Company shall be dissolved with effect from the Effective Date as provided in the Scheme without undergoing the process of winding up whereupon the Registrar of Companies shall place all documents relating to the Transferor Company and registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said two Companies shall be consolidated accordingly; and
27. The Petitioner Company shall supply legible print outs of the Scheme and the Schedule of Assets, as prescribed, in acceptable form to the Registry and the Registry will append such print outs, after verification, to the certified copy of the Order; and

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29. Any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.
30. Accordingly, the present Company Petition bearing CP (CAA) No. 04/ALD/2022 is allowed and stands disposed of.

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**(ASHISH VERMA)**  
**Member (Technical)**

*Aditi Kharbanda (LRA)*

**March 2<sup>nd</sup>, 2023**

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**(PRAVEEN GUPTA)**  
**Member (Judicial)**