Dalmia
Bharat Limited

newthink! cement! sugar! refractories! power!

File No: 1010/1 **October 15, 2019**

Bombay Stock Exchange Limited
New Trading Ring,
Rotunda Building,
P J Towers, Dalal Street, Fort
Mumbai-400001
Scrip Code: 542216

National Stock Exchange of India Limited
"Exchange Plaza", Plot No. C-1, Block G
Bandra – Kurla Complex, Bandra (East),
Mumbai – 400 051
Symbol: DALBHARAT

Dear Sir/Madam,

Subject: **Clarification with respect to news article on Mauritius based GuarantCo filing insolvency petition against Calcom Cement – a subsidiary of Dalmia Cement (Bharat) Limited ("DCBL")**

With reference to the captioned subject, we wish to inform you that Calcom Cement India Limited ("Calcom"), a subsidiary of DCBL has not committed any default in its obligations towards GuarantCo Limited ("GurantCo"). GuarantCo had originally executed guarantee(s) in favour of certain Indian banks with respect to loan facilities availed by Calcom under the management of erstwhile promoters. Upon default of the erstwhile promoters in Dec 2011/Jan 2012, the Indian banks had invoked the guarantee(s) as beneficiaries and GuarantCo in turn paid the money to the said banks.

Post-acquisition of Calcom by DCBL, GuarantCo is being repaid as agreed between parties, in rupee denomination at the exchange rate prevailing upon the date of respective repayment. In addition, the interest liability on the loan (at a mutually agreed rate) is being discharged at regular intervals. RBI has also capped the maximum principal amount, interest rate and guarantee fee that can be discharged with respect to this loan.

GuarantCo is now demanding that Calcom additionally pay GuarantCo for the difference on account of the exchange rate fluctuation which has occurred during the tenure of loan repayment. This additional amount claimed by GuarantCo is in contradiction to the terms of the mutually agreed document and also outside the RBI guidelines/clarifications with respect to the said loan.

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The matter is not a case of default but a dispute raised by them as a default. We believe that the petition has been filed by GuarantCo with an intent to put unnecessary pressure upon DCBL and Calcom and to make it succumb to its demands which are beyond the scope of the agreed documents. We will keep you posted on any material update in the said matter.

For **Dalmia Bharat Limited**
(Formerly Known as Odisha Cement Limited)

Dr. Sanjeev Gemawat
Executive Director- Legal &
Group Company Secretary
Membership No. F3669

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