



SCHEME OF ARRANGEMENT – DOCUMENTS REQUIRED TO BE SUBMITTED TO THE EXCHANGE.

Detailed note on the Scheme

This is further to our intimation dated October 15, 2018 about implementation of Scheme of Arrangement and Amalgamation involving merger of OCL India Limited and other entities into Odisha Cement Limited and fixation of record date and your e-mail date October 16, 2018 seeking submission of certain documents including this detailed note on the Scheme covering Business and Financial aspects of Scheme including the share entitlement to the shareholders. Accordingly, please see below the various aspects of the Scheme:

Business Aspects:

1. Brief details of the companies involved in the Scheme and their business(s):

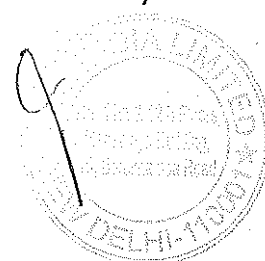
A. Transferor Companies:

OCL India Limited (OCL)

OCL (CIN: L26942OR1949PLC000185) is a listed public company limited by shares, incorporated on 11 October 1949 under the provisions of the Companies Act, 1913 and is having its registered office at Dalmiapuram Lalgudi Taluk, Dalmiapuram-621651, Dist. Tiruchirappalli, Tamil Nadu.

Approximately 74.89% of the paid-up equity share capital of OCL is held by DCBL & other promoters and promoter group entities and the remaining 25.11% (approx.) is held by public. The equity shares of OCL are listed on the National Stock Exchange of India Limited ("NSE") and on the BSE Limited ("BSE").

OCL is engaged in the business of manufacturing and selling cement and refractories, generating power and maintaining & operating rail systems and solid waste management system, which provide services to its cement & refractory business.



Dalmia Cement East Limited (DCEL)

DCEL (CIN: U45209DL2008PLC175321) is an unlisted public company limited by shares, incorporated on 13 March 2008 under the provisions of the Companies Act, 1956 and is having its registered office at Dalmiapuram Lalgudi Taluk, Dalmiapuram-621651, Dist. Tiruchirappalli, Tamil Nadu.

SRSHL, along with its nominees, holds the entire paid-up equity share capital of DCEL.

DCEL is engaged in the business of manufacturing and selling cement, maintaining & operating rail systems and solid waste management system, which provide services to its cement business.

Shri Rangam Securities & Holdings Limited (SRSHL)

SRSHL (CIN: U26950TN2014PLC095685) is an unlisted public company limited by shares, incorporated on 25 March 2014 under the provisions of the Companies Act, 1956 and is having its registered office at Dalmiapuram Lalgudi Taluk, Dalmiapuram-621651, Dist. Tiruchirappalli, Tamil Nadu.

Dalmia Bharat Cements Holdings Limited, along with its nominees, holds the entire paid-up equity share capital of SRSHL.

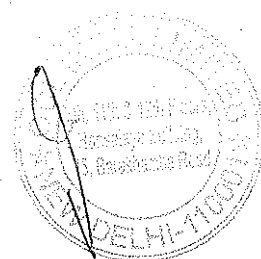
SRSHL is engaged in the business of, *inter alia*, providing management services.

Dalmia Bharat Cements Holdings Limited (DBCHL)

DBCHL (CIN: U26911TN2014PLC095681) is an unlisted public company limited by shares, incorporated on 25 March 2014 under the provisions of the Companies Act, 1956 and is having its registered office at Dalmiapuram Lalgudi Taluk, Dalmiapuram-621651, Dist. Tiruchirappalli, Tamil Nadu.

Dalmia Cement (Bharat) Limited, along with its nominees, holds the entire paid-up equity share capital of DBCHL.

DBCHL is engaged in the business of, *inter alia*, providing management services.



B. Transferee Company:

Odisha Cement Limited (ODCL)

ODCL (CIN: U14200TN2013PLC112346) is an unlisted public company limited by shares incorporated on 12 July 2013 under the provisions of the Companies Act, 1956, having its registered office at Dalmiapuram Lalgudi Taluk, Dalmiapuram-621651, Dist. Tiruchirappalli, Tamil Nadu.

OCL, along with its nominees, holds the entire paid-up equity share capital of ODCL.

ODCL is authorised to carry on, inter alia, the business of manufacturing and selling cement.

2. Salient features of the Scheme:

- (i) Slump Sale of Rail, Power and Solid Waste Management System Undertakings of OCL to ODCL, as a going concern, together with all its properties, assets, liabilities, rights, benefits and interest therein, without assigning value to individual assets and liabilities.
- (ii) Amalgamation of residual OCL with ODCL ("**OCL Amalgamation**").
- (iii) Slump Sale of Rail and Solid Waste Management System Undertakings of DCEL to ODCL as a going concern, together with all its properties, assets, liabilities, rights, benefits and interest therein, without assigning value to individual assets and liabilities.
- (iv) Amalgamation of (i) residual DCEL, (ii) DBCHL and (iii) SRSHL with ODCL.
- (v) The Appointed Date for the Scheme is January 01, 2015.

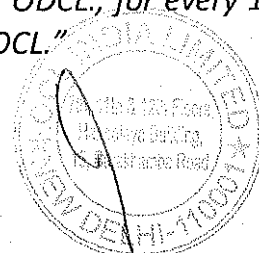
Post merger of Transferor Companies, the Transferee Company would carry out the business(s) of all the Transferor Companies.

3. Share entitlement to the shareholders

The share entitlement of OCL shareholders is as under:

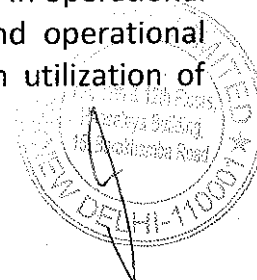
"1 (one) fully paid Equity Share of face value of INR 10/- each of ODCL., for every 1 (one) fully paid Equity Share of face value of INR 2/- each held in OCL."

4. Rationale of the Scheme (as set out in the Scheme):

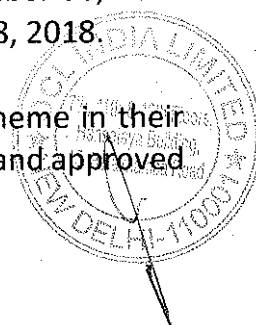


The Scheme is expected to enable better realisation of potential of the businesses of OCL, DCEL, SRSHL, DBCHL and ODCL in the form of amalgamated ODCL which will yield beneficial results and enhanced value creation for their respective shareholders and better security and protection for their lenders and employees. The rationale for the Scheme is set out below:

- (i) The arrangement and amalgamation would result in consolidation of business and operations of the Dalmia Bharat group in eastern India into one entity and simplification of the group corporate structure.
- (ii) The arrangement and amalgamation will provide synergistic integration of OCL and DCEL's business operations thus enabling better operational management and greater focus.
- (iii) Synergies arising out of consolidation of alike and supporting businesses through the arrangement and amalgamation will lead to (a) reflection of fair value of OCL, DCEL, SRSHL & DBCHL in the amalgamated ODCL (as all assets, tangible and intangible, including off-balance sheet items of OCL, DCEL, SRSHL, DBCHL shall be taken over by ODCL, all assets shall be recorded at their respective fair values and cross holdings amongst companies shall be eliminated); (b) improved earnings and cash flow of amalgamated ODCL and (c) improved alignment of debt repayments with sales realisations.
- (iv) The amalgamated ODCL would have better leveraging capability due to its enlarged net worth base and increased capability for offering a wider portfolio of products and services by virtue of its diversified businesses and resource base and deeper client relationships, resulting in enhanced businesses potential and better prospects for the group.
- (v) The arrangement and amalgamation would result in financial resources of OCL, DCEL, SRSHL, DBCHL and ODCL being efficiently pooled, leading to centralised and more efficient management of funds, greater economies of scale and a bigger and stronger resource base for future growth, which are presently divided and are getting dissipated amongst multiple corporate entities within the group.
- (vi) The arrangement and amalgamation will bring about simplicity in working, reduce various statutory and regulatory compliances and related costs, which presently have to be duplicated in different entities, reduction in operational and administrative expenses and overheads, better cost and operational efficiencies and it would also result in coordinated optimum utilization of resources.



- (vii) The arrangement and amalgamation will result not only in consolidating and improving the internal systems, procedures and controls but will also bring greater management and operational efficiency due to integration of various similar functions presently being carried out in each individual entity within the group such as information technology, human resources, finance, legal and general management, and this will lead to the organization becoming more efficient and capable of responding swiftly to volatile and rapidly changing market scenarios.
 - (viii) The arrangement and amalgamation will streamline the decision-making process, help in better utilization of human resources and will also provide better career opportunities to employees.
 - (ix) The arrangement and amalgamation will facilitate consolidation and rationalisation of borrowings of OCL, DCEL, SRSHL and DBCHL in ODCL which will assist not only in better debt planning and management but will also improve the debt servicing abilities through improved cash flows and make the debt administration simpler not only for the amalgamated entity but also for the lenders. This will facilitate not only in better negotiation of terms and conditions with lenders including banks and financial institutions, etc., but in also being able to get less stringent and more favourable terms from them.
 - (x) The arrangement and amalgamation is, thus, likely to result in facilitating enhancement in value for all stakeholders and seamless access to strong business relationships of the Transferor Companies and is expected to provide other intangible benefits that OCL has built over decades, while at the same time enhancing the scale of operations and enabling better attention and focus to be given in an integrated manner to all the businesses so as to enable achievement of their full potential.
5. The NSE had, vide its letter numbered NSE/LIST/79596 and dated July 12, 2016 approved the Scheme. Further, the Scheme has since been sanctioned by the National Company Law Tribunal, Division Bench, Chennai ("NCLT") vide order(s) dated July 11/20, 2017 (on the petition filed by DCEL, SRSHL, DBCHL and ODCL) and on February 19/28, 2018 (on the petition filed by OCL). The requisite compliances under Regulation 37(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Para II.A.2 of Annexure I of the SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015 have been done with your good offices vide our letter dated March 08, 2018.
6. The Board of Directors of OCL and other entities involved in the Scheme in their respective Board meeting(s) held on October 15, 2018, have resolved and approved



October 26, 2018 to be the date for implementing the Scheme ("Implementation Date"), with effect from the Appointed Date, i.e., January 01, 2015.

7. Financial details of the Transferor Companies and Transferee Company involved in the Scheme as on March 31, 2018 (**PRE-MERGER**):

(in Rs.)

	Revenue	Profit/(Loss)	Capital Employed
TRANSFEEE/RESULTANT COMPANY			
Odisha Cement Limited	13,126	-1,79,225	1,30,290
TRANSFEROR COMPANIES			
OCL India Limited	36,71,69,49,669	4,22,25,22,707	27,43,72,69,161
Dalmia Cement East Limited	10,51,90,46,183	1,63,56,63,395	6,26,07,66,459
Shri Rangam Securities & Holdings Limited	-	-68,55,137	9,05,68,21,733
Dalmia Bharat Cement Holdings Limited	-	-69,72,45,494	64,86,48,517

Hope the above clarifies all the points.

For **OCL India Limited**


Rachna Gorla
Senior GM (Legal) & Company Secretary
FCS 6741

