

CORPORATE OFFICE

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**OCL INDIA LIMITED****ओसीएल इण्डिया लिमिटेड**

March 28, 2016

To,

BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring, Rotunda Building,
P.J. Towers, Dalal Street
Mumbai 400 001.

National Stock Exchange of India Limited
Listing Department,
Exchange Plaza, C-1, Block G,
Bandra-Kurla Complex,
Bandra (E)
Mumbai 400 051.

Sub: Disclosure of events under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Dear Sir / Madam,

Please be informed that the Board of Directors of OCL India Limited, a listed company ("OCL") at its meeting held on March 28, 2016 has:

- (i) Considered and approved shifting of registered office of OCL from Odisha to Tamil Nadu and consequent alteration of registered office clause of the Memorandum of Association ("MOA") of OCL;
- (ii) Considered and approved alteration of objects clause of the MOA so as to include an enabling clause for amalgamation;
- (iii) Considered and approved, after recommendation of the Audit Committee of OCL, a scheme of arrangement and amalgamation amongst OCL, Odisha Cement Limited ("ODCL"), Dalmia Cement East Limited ("DCEL"), Shri Rangam Securities & Holdings Limited ("SRSHL") and Dalmia Bharat Cements Holdings Limited ("DBCHL") and their respective shareholders and creditors in terms of Sections 391-394 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and Companies Act, 2013 ("Scheme").

OCL, ODCL, DCEL, SRSHL and DBCHL are all part of Dalmia Bharat group. Approximately 74.7% of the paid-up equity share capital of OCL is held by Dalmia Cement (Bharat) Limited ("DCBL"). ODCL is a wholly owned subsidiary of OCL. Further, DBCHL is a wholly owned subsidiary of DCBL and SRSHL and DCEL are step-down wholly owned subsidiaries of DCBL.



The Scheme involves, *inter alia*, the following:

1. Transfer and vesting of certain undertakings of OCL to ODCL, a wholly owned subsidiary of OCL, by way of slump sale on a going concern basis, and subsequent amalgamation of residual OCL with ODCL including change of ODCL's name to "OCL India Limited" (collectively referred to as "OCL Restructuring");
2. Transfer and vesting of certain undertakings of DCEL to ODCL by way of slump sale on a going concern basis, and subsequent amalgamation of residual DCEL, DBCHL and SRSHL with ODCL (collectively referred to as "DCEL DBCHL SRSHL Restructuring").

The Board of Directors of DCEL, SRSHL, DBCHL & ODCL in their respective meetings held today have also approved the Scheme. The Scheme shall be subject to approval of the shareholders, secured creditors, stock exchanges, High Court(s) and other authorities as may be required under applicable law.

Pursuant to Regulation 30(2) of the Listing Regulations read with Para A.1 of Annexure I of Circular number CIR/CFD/CMD/4/2015 dated 9 September 2015 issued by Securities and Exchange Board of India ("SEBI"), the prescribed details in connection with the Scheme are given below:

1. Brief details of the companies involved in the Scheme:

a. Name of the companies involved in the Scheme

Transferor Companies: (i) Dalmia Cement East Limited
(ii) Shri Rangam Securities & Holdings Limited
(iii) Dalmia Bharat Cements Holdings Limited
(iv) OCL India Limited

Transferee Company: Odisha Cement Limited

b. Size and turnover of the companies involved in the Scheme:

(Rs in Crores)

	Size		Turnover
	As on 31 March, 2015		As on 31 March, 2015
	Total assets	Net Worth	
Transferee Company			
ODCL	0.05	0.04	0.00
Transferor Companies			
DCEL	688.62	210.48	446.09
SRSHL	986.83	907.21	0.05
DBCHL	932.32	298.15	4.59
OCL	3,281.94	1,196.20	2,214.92



2. Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”:

ODCL, DBCHL, SRSHL and DCEL being related parties of OCL, the transactions under the Scheme would be deemed to be related party transactions under Regulation 2(zc) of Listing Regulations.

For the purposes of the Scheme, valuation has been done by M/s Sharp & Tannan, an Independent Chartered Accountant (“Valuer”). As per the fairness opinion issued by Axis Capital Ltd., an Independent Merchant Banker, the valuation determined by the Valuer for the purposes of the Scheme is fair. In view of the aforesaid fairness opinion, the transactions under the Scheme can be said to be at arm’s length.

In this connection, it will be pertinent to also mention that the Ministry of Corporate Affairs vide its general circular bearing number 30/2014 dated 17 July, 2014 has clarified that transactions arising, *inter alia*, out of arrangements and amalgamation dealt with under Sections 391 – 394 of the Companies Act, 1956, will not attract the provisions of Section 188 of Companies Act, 2013.

3. Nature of business of the companies involved in the Scheme:

Name of company	Area of Business
Transferee Company	
ODCL	ODCL is authorised to carry on, <i>inter alia</i> , the business of manufacturing and selling cement.
Transferor Companies	
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.
SRSHL	SRSHL is engaged in the business of, <i>inter alia</i> , providing consultancy services.
DBCHL	DBCHL is engaged in the business of, <i>inter alia</i> , providing management services.
OCL	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.



4. Rationale for the Scheme

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

- (i) Consolidation of business & operations of the Dalmia Bharat group in Eastern India into one entity
- (ii) Simplification of group corporate structure
- (iii) Synergistic integration of OCL and DCEL's business operations thus enabling better operational management and greater focus
- (iv) Reflection of fair value of OCL & DCEL in the amalgamated entity
- (v) Greater economies of scale, stronger base for future growth and reduction in overhead cost

5. Share Exchange ratio and discharge of consideration:

The consideration for restructurings contemplated under the Scheme is set out below:

- (a) **OCL Restructuring** - Pursuant to OCL Restructuring, shareholders of OCL shall be issued 1(one) fully paid-up equity share of face value of INR 10 each of ODCL, for every 1(one) fully paid up equity share of face value of INR 2 each held in OCL.

Post OCL Restructuring, the equity shareholding of ODCL shall reflect the pre-merger mirror image of the equity shareholding of OCL.

The equity shares that ODCL shall issue to shareholders of OCL pursuant to the Scheme are proposed to be listed on BSE Ltd and National Stock Exchange of India Ltd.

- (b) **DCEL DBCHL SRSHL Restructuring** - Pursuant to DCEL DBCHL SRSHL Restructuring, shareholders of DBCHL (*the 100% holding company of DCEL and SRSHL*) shall be issued 3,43,00,000 optionally convertible redeemable preference shares (unlisted) ("**OCRPS**") of ODCL of INR 10 each at a premium of INR 90 per share on the following terms:

- Term: upto 10 years;
- Conversion option: before 18 months from the date of allotment at the then prevailing SEBI preferential issue guidelines price;
- Coupon: 0.1% per annum;
- Redemption period: after 18 months but before 10 years at the option of the holder;
- Redemption premium: on a 6% p.a. yield-to-maturity basis.

OCL, DBCHL, SRSHL and DCEL shall stand dissolved without winding up pursuant to the Scheme.

The aforesaid share exchange ratio has been arrived at based on the valuation report prepared by M/s Sharp & Tannan, an Independent Chartered Accountant, submitted to the



Audit Committee and presented to the Board at its meeting. Fairness opinion on the valuation report has been provided by Axis Capital Ltd, an independent merchant banker.

6. Post-restructuring shareholding pattern:

Upon the Scheme becoming effective, OCL (being the Transferor Company), which will merge into ODCL (its wholly owned subsidiary), shall dissolve without winding up. Consequently, the shares of OCL held by its shareholders, shall be deemed to have been automatically cancelled and be of no effect.

Since upon the Scheme becoming effective, since OCL will merge into ODCL, the post-merger equity shareholding pattern of ODCL shall be the pre-merger mirror image of the equity shareholding of OCL.

The equity shares that are to be issued by ODCL pursuant to the Scheme are proposed to be listed on BSE Ltd and National Stock Exchange of India Ltd.

This information is provided in compliance with Regulation 30 of Listing Regulations.

Thanking you,

Yours faithfully,

For OCL India Limited



Rachna Goria

General Manager (Legal) & Company Secretary