

Consolidated Limited review report for the quarter and six months ended September 30, 2018

To
The Board of Directors
Odisha Cement Limited
New Delhi.

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Odisha Cement Limited (the Company) (pursuant to the schemes of amalgamation and arrangements, the Company shall be renamed as Dalmia Bharat Limited after approval from the Registrar of the Companies under section 13 of the Companies Act, 2013), its subsidiaries, its jointly controlled entities and associate (collectively referred as 'the Group') for the quarter and six months ended September 30, 2018, along with notes (the 'Statement'), being submitted by the Group pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the "Listing Regulations, 2015") read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, which has been initialed by us for identification purposes.
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. We draw attention to the following :
 - a. Note 6 to the statement regarding the dispute between the minority shareholder and one of the subsidiary Company. The matter, which is more fully described in the said note, was referred for arbitration by the National Company Law Tribunal ('NCLT'), Guwahati Bench (earlier Company Law Board, Kolkata) via order dated January 5, 2017. The issues between the parties are pending adjudication before the Arbitral Tribunal. Pending final



resolution of the matter, no adjustments are considered necessary in these unaudited consolidated quarterly financial results.

- b. Note 2(d) to the statement, which describes that the consolidated quarterly financial results had recognized goodwill arisen on giving impact of Schemes of arrangement and amalgamation from the appointed date, which is being amortised over for a period of 5 to 10 years in accordance with the provisions of schemes of arrangement and amalgamation approved by the Hon'ble NCLT. As a result of above amortization of goodwill, profit before tax for the quarter and Six Months ended September 30, 2018 is lower by Rs. 140 crore and Rs. 277 crore respectively.

Our opinion is not modified in respect to above matters.

5.



- a) We did not review the unaudited quarterly financial results of 26 subsidiaries (including 25 step down subsidiaries) whose unaudited quarterly financial results reflect total revenue of Rs. 349 crore and Rs. 713 crore for the quarter and six month ended September 30, 2018 respectively, total comprehensive income of Rs. 8 crore and 39 cores for the quarter and six month ended September 30, 2018 respectively, and total asset of Rs. 2694 cores as at September 30, 2018 as considered in this statement.
- b) Out of companies mention in 5(a) above, the unaudited financial information for 21 subsidiaries (including 20 step down subsidiaries) duly certified by the management have been furnished to us whose unaudited quarterly financial results reflect total revenue of Rs. 117 crore and Rs. 196 crore for the quarter and six month ended September 30, 2018 respectively, total comprehensive income of Rs. 2 crore and 14 cores for the quarter and six month ended September 30, 2018 respectively, and total asset of Rs. 1278 cores as at September 30, 2018 as considered in this statement. These subsidiaries (including step down subsidiaries) are not material to the Group.
- c) Out of companies mention in 5(a) above, the financial information of the balance 5 step down subsidiaries whose unaudited quarterly standalone/consolidated financial results reflect total revenue of Rs. 232 crore and Rs. 516 crore for the quarter and six month ended September 30, 2018 respectively, total comprehensive income of Rs. 5.07 crore and 25.90 cores for the quarter and six month ended September 30, 2018 respectively, and total asset of Rs. 1416 cores as at September 30, 2018 as considered in this statement, have been reviewed/audited by other auditors whose review reports have been furnished to us. Our report, to the extent it concerns these step down subsidiaries, on the unaudited quarterly consolidated results is based solely on the report of the other auditors.
- d) We did not review the unaudited financial results of a joint venture entity and an associate wherein Group's, share of profit including other comprehensive income of Rs. 0.04 crore and Rs. 0.07 crore for the quarter and six month ended September 30, 2018 respectively. Financial information of joint venture and an associate duly certified by the management is furnished to us. Our report, to the extent it concerns these joint venture entity and associate, on the unaudited quarterly consolidated financial results is based solely on the management



certified financial results. These joint venture and associate company are not material to the Group.

6. Based on our review conducted as per para 3 above and upon considerations of reports of other auditors read with para 4 & 5 above, nothing further has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards i.e. 'Ind AS' prescribed under Section 133 of the Companies Act, 2013, read with relevant Rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S. S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No: 000756N

Sunil Wahal
Partner
Membership No.: 087294

Place: New Delhi
Dated: October 30, 2018

ODISHA CEMENT LIMITED
(CIN No: U14200TN2013PLC112346)
Pursuant to the Restructuring Schemes and pending approval u/s 13 of the Companies Act,
2013, the Company shall be renamed as

DALMIA BHARAT LIMITED

Regd. Office: Dalmiapuram - 621 651, Distt. Tiruchirapalli (Tamil Nadu)
Phone 91 11 23465100 Fax 91 11 23313303
Website: www.dalmiabharat.com

Unaudited Consolidated Financial Results for the quarter and half year ended 30-09-2018

(Rs. Crore)

S.No.	Particulars	For the quarter ended			For the half year ended		For the year ended
		30-09-18	30-06-18	30-09-17	30-09-18	30-09-17	31-03-18
		(unaudited)	(unaudited) (revised)	(unaudited) (revised)	(unaudited)	(unaudited) (revised)	(audited) (revised)
1	Revenue from Operations	2,158	2,368	1,836	4,526	4,127	8,828
2	Other Income	74	43	92	117	162	278
3	Total Revenue (1+2)	2,232	2,411	1,928	4,643	4,289	9,106
4	Expenses						
	(a) Cost of Materials consumed	451	446	313	897	663	1,401
	(b) Purchase of stock-in-trade	32	18	39	49	68	166
	(c) Change in inventories of finished goods, work-in-progress and stock-in-trade	(68)	(22)	(12)	(90)	(77)	18
	(d) Employees benefits expense	165	168	161	332.44	324	618
	(e) Finance Costs	-	-	-	-	-	-
	- Interest cost	138	128	160	266	330	598
	- other finance cost (Including exchange differences)	45	17	31	62	55	92
	(f) Foreign currency fluctuation cost on borrowings etc.(net)	42	17	6	59	25	15
	(g) Depreciation and amortisation expense	303	305	293	608	592	1,213
	(h) Power and Fuel	429	405	308	833	631	1,443
	(i) Freight Charges	-	-	-	-	-	-
	- on finished goods	350	399	306	749	648	1,475
	- on internal clinker transfer	42	66	14	108	34	84
	(j) Excise duty	-	-	-	-	247	247
	(k) Other expenses	368	365	266	733	592	1,347
	Total Expenses	2,296	2,310	1,885	4,607	4,130	8,717
5	Profit before exceptional items & tax (3-4)	(64)	100	43	36	159	389
6	Exceptional Items	-	-	-	-	-	-
7	Profit before tax (5-6)	(64)	100	43	36	159	389
8	Tax expense						
	(a) Current tax	(35)	46	5	11	8	108
	(b) Deferred tax/ (credit)	(10)	1	20	(9)	72	17
	(c) Current tax for earlier years	(22)	-	(0)	(22)	(11)	(28)
	(d) Deferred tax for earlier years	-	-	-	-	-	1
	Total tax expense/ (credit)	(66)	47	25	(20)	69	98
9	Profit for the period/ year (7-8)	2	54	18	56	90	291
10	Share of profit/(loss) of joint venture	0	0	0	0	0	-
11	Profit for the period/ year after share of profit/(loss) for joint venture (9+10)	2	54	18	56	90	291
12	Other Comprehensive Income (net of tax)	(28)	36	383	9	382	448
13	Total Comprehensive Income after tax (11+12)	(25)	90	402	65	472	739
	Total comprehensive income attributable to non controlling Interest	(0)	(1)	(1)	3	5	(1)
	Total comprehensive income attributable to owner of parent	(25)	91	403	62	467	740
14	Paid-up equity share capital - Face Value Rs. 2/- each	-	-	-	-	-	-
15	Share Suspense account (Refer note 10)	-	-	-	-	-	6,654
16	Other equity	-	-	-	-	-	3,681



Consolidated Statement of Assets and Liabilities

Disclosure as required under regulation 33 of SEBI (Listing obligation and disclosure requirement) Regulations, 2015

	Particulars	As at 30-09-18 Unaudited	As at 31-03-18 Audited (revised)
A	Assets		
1	Non-current assets		
	(a) Property, plant and equipment	9,168	9,125
	(b) Capital work in progress	249	168
	(c) Investment Property	0	0
	(d) Goodwill & other Intangible Assets	4,809	4,912
	(e) Intangible Assets under development	13	0
	(f) Biological Assets other than bearer plants	0	0
	(g) Investments	93	93
	(h) Financial assets		
	(i) Investments	1	4
	(ii) Loans	10	10
	(iii) Other financial assets	561	632
	(i) Income tax assets	166	97
	(j) Other non-current assets	310	133
	Sub - Total - Non-Current Assets	15,380	15,174
2	Current Assets		
	(a) Inventories	998	779
	(b) Financial assets		
	(i) Investments	3,075	3,408
	(ii) Trade receivables	715	524
	(iii) Cash & cash equivalents	144	323
	(iv) Bank Balance other than (iii) above	86	31
	(v) Loans	23	85
	(vi) Other financial assets	835	731
	(c) Income tax assets	0	25
	(d) Other current assets	108	256
	Sub - Total - Current Assets	5,984	6,161
	Total - Assets	21,364	21,335
B	Equity and Liabilities		
1	Equity		
	(a) Share Capital Suspense	6,654	6,654
	(b) Other equity	3,685	3,681
	Sub - Total - Equity	10,339	10,335
2	Non Controlling Interest	(27)	(30)
2	Non-current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	5,155	5,459
	(ii) Other financial liabilities	5	5
	(b) Provisions	126	88
	(c) Deferred tax liabilities (net)	1,400	1,422
	(d) Government grants	113	120
	Sub - Total - Non-Current Liabilities	6,799	7,093
3	Current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	866	863
	(ii) Trade payables	840	933
	(iii) Other financial liabilities	1,879	1,572
	(b) Government grants	8	22
	(c) Other current liabilities	556	479
	(d) Provisions	72	66
	(e) Current tax liabilities	32	2
	Sub - Total - Current Liabilities	4,254	3,938
	Total - Equity and Liabilities	21,364	21,335



Notes

- 1 Key numbers of standalone financial results of the company for the quarter ended 30-09-2018 are as under:

(Rs. Crore)

Particulars	For the quarter ended			For the half year ended		For the year ended
	30-09-18	30-06-18	30-09-17	30-09-18	30-09-17	31-03-18
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
Revenue from operations	37	35	30	72	53	125
Profit before tax	13	20	45	32	54	93
Net Profit after tax	9	14	34	23	36	72

The standalone financial results are available at the company's website www.dalmiabharat.com and on the website of the stock exchanges www.bseindia.com and www.nseindia.com

- 2 Update on Schemes of Arrangement and Amalgamation which were filed with the jurisdictional High Courts/ NCLT are as under:

a) Scheme of Arrangement and Amalgamation for slump sale of Power Business from DCB Power Ventures Limited and amalgamation of Adwetha Cement Holdings Limited ("ACHL") into and with the Company's subsidiary Dalmia Cement (Bharat) Limited ("DCBL") and another Scheme of Arrangement and Amalgamation for amalgamation of Adhunik Cement Limited (ACL) and Adhunik MSP Cement (Assam) Limited (ACAL) with DCBL were sanctioned by Hon'ble National Company Law Tribunal and the accounting effect of these schemes were given effect from the Appointed Date (1st Jan 2015). Pursuant to the Schemes becoming effective, ACHL, ACL and ACAL stands dissolved without winding up.

b) Scheme of Arrangement and Amalgamation involving Company's step down subsidiaries, OCL India Limited ("OCL"), Dalmia Cement East Limited ("DCEL"), Shri Rangam Securities & Holdings Limited ("SRSHL"), Dalmia Bharat Cements Holdings Limited ("DBCHL") and Odisha Cement Limited ("ODCL") has been sanctioned by the Hon'ble National Company Law Tribunal, Chennai Bench. As decided by the Board of directors of all transferor and transferee companies at their respective meeting(s) held on October 15, 2018, the said scheme was implemented on October 26, 2018. Accordingly, upon implementation of the Scheme, OCL, DCEL, SRSHL and DBCHL stand liquidated without winding up and accounting for arrangement and amalgamation was given effect with effect from the appointed date i.e. January 1, 2015.

c) Scheme of Arrangement and Amalgamation amongst Dalmia Bharat Limited ("DBL"), Dalmia Cement (Bharat) Limited ("DCBL") and the Company has been sanctioned by the Hon'ble NCLT. The said scheme was implemented by the Board of Directors of all the transferor and transferee companies from today, i.e. October 30, 2018. Accordingly, upon implementation of the Scheme, DBL stands amalgamated with the Company and Business Undertakings of the Company has been transferred to the Company's subsidiary, DCBL, w.e.f from the Appointed Date (1st Jan 2015). Pursuant to Scheme becoming effective, DBL stands dissolved without winding up and accounting for arrangement and amalgamation has been given effect from the appointed date.

d) The amalgamation of ACHL, ACL, ACAL, OCL, DCEL, DBCHL, SRSHL & DBL has been accounted in accordance with the requirement of Accounting Standard 14 "Accounting for Amalgamations" notified under Section 133 of the Companies Act, 2013 and as per the provisions of the Scheme. Goodwill arisen on amalgamation is being amortised over a period of 5 and 10 years from the Appointed Date.

As a result of amortisation of intangible assets and goodwill recorded as per the aforesaid schemes alongwith the amortisation of goodwill on account of amalgamation of ACHL in the Company as stated in note 2(a) above, the profit/ (loss) before tax is lower/ higher by as under:

Particulars	(Rs. Crore)					
	Quarter ended			Half year ended		Year ended
	30-09-2018	30-06-2018	30-09-2017	30-09-2018	30-09-2017	31-03-2018
Goodwill	104	103	104	206	212	417
Intangible Assets	36	36	36	71	71	143
Total	140	139	140	277	283	560

Consequently, the accounts (including earning per share for the previous periods, previous year and paid up equity share capital) have been revised and restated giving the effect of the above Schemes.

- 3 Other finance cost in S. No. 4 (e) above includes foreign currency fluctuations arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs as per IND AS 23. Remaining foreign currency fluctuation cost/ (gain) is included in S No 4 (f). The foreign currency fluctuation loss for the quarter and six months ended 30th September, 2018 is Rs. 83 Cr. and Rs. 115 Cr. respectively.
- 4 The Company's Subsidiary DCBL had acquired Kalyanpur Cements Limited (KCL) pursuant to the provisions of Insolvency and Bankruptcy Code, 2016 ("IBC"). DCBL and its nominees have invested Rs.150 Crore as fresh equity in KCL. KCL had become the wholly owned subsidiary of the DCBL w.e.f. 10th July 2018 and has been renamed as Dalmia DSP Limited.
- DCBL has also filed Resolution Plan (RP) pursuant to the provisions of IBC to the Resolution Professional appointed for revival of Murl Industries Limited (MIL) which has been recommended by the Committee of Creditors to the National Company Law Tribunal, Mumbai Bench for its approval. MIL has an integrated cement manufacturing plant with an installed capacity of 3 MnT in Chandrapur district, Maharashtra along with a captive thermal power plant of 50 MW. In addition MIL also has paper and solvent extraction units in Maharashtra. Following receipt of requisite approvals, RP provides for payment of Rs. 402.00 to MIL creditors by the Company. The matter is currently in the NCLT Mumbai and High Court Nagpur Bench. The Resolution Plan, after its approval by NCLT, would help the Company to further consolidate its footprint in Western region.
- 5 Rajputana Properties Private Limited (RPPL), a subsidiary of the Company had filed Resolution Plan ("RP") pursuant to the provisions of Insolvency and Bankruptcy Code, 2016 ("IBC") for acquisition of Binani Cement Limited ("BCL") to the Resolution Professional which was approved by the Committee of Creditors with 99.4% vote and was recommended by the Committee of Creditors to the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench for its approval. A letter of intent ("LOI") was issued to RPPL by the Resolution Professional of BCL and the same was accepted by the RPPL. Further, Company has given a corporate guarantee on behalf of RPPL for issuance of a Performance Bank Guarantee ("PBG") of Rs. 627 Crore as a term of acceptance in accordance with the terms of the LOI. Thereafter, NCLT, on hearing applications filed by other resolution applicant, had directed the CoC to consider RP of other applicant and thereafter an opportunity is to be given to RPPL to match the bid. RPPL challenged this order in the National Company Law Appellate Tribunal (NCLAT). The hearing of all parties in NCLAT has been concluded in Sep 18 and the NCLAT order is awaited.
- 6 The National Company Law Tribunal – Guwahati Bench (NCLT), vide its order dated 5th January, 2017, has held that the petition filed by a Group of Minority Shareholders of one of the subsidiary Companies, against the Dalmia Group is not tenable and directed both the parties to settle their claims and counter-claims through arbitration as contractually provided in the Shareholders' Agreement. Guwahati HC is to first decide on maintainability of the revision petitions filed against NCLT order by the minority shareholders. The issues between the parties are pending adjudication before the Arbitral Tribunal. Pending final disposal of the disputes, no adjustments are considered necessary in these financial statements.
- 7 Effective 1st July, 2017, sales are recorded net of GST whereas earlier sales were recorded gross of excise duty which formed part of expenses. Hence, revenue from operations for the six months period ended 30th September, 2018 are not comparable with previous period corresponding figures.

- 8 Ind-AS 115 – Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 01st April, 2018 replaces the earlier Revenue recognition standards. The application of Ind-AS 115 did not have any significant impact on financial results of the Company.
- 9 The Company has only one reportable segment namely "Cement".
- 10 Share suspense account represents share spending to be issued pursuant to the Scheme, referred in note 2(c),above, on the record date which has not yet been declared
- 11 The Board of Directors of the Company has approved Final Dividend of Rs 1.70/- per equity share of Rs 2/- each for the year 2017-18 in its meeting held on 30th October, 2018.
- 12 Figures for corresponding previous periods have been regrouped and rearranged wherever considered necessary.
- 13 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 30th October 2018 and 31st October, 2018 respectively have been reviewed by the Statutory Auditors of the Company.

New Delhi
31st October 2018



(Jayesh Doshi)
(Whole time Director and CFO)