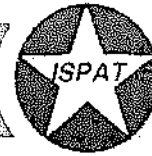


BALASORE ALLOYS LIMITED



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E-mail : mail@balasorealloys.com
Website : www.balasorealloys.com
CIN : L27101OR1984PLC001354
REF: BAL/SEC/2018
January 09, 2018

The Secretary,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

Dear Sir,

Subject: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Ref: Balasore Alloys Limited
Scrip Code: 513142

With reference to above captioned subject matter and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we inform that, consequent upon a scheme of arrangement sanctioned by the High Court of Zimbabwe on 20 December 2017 received by us on 8 January 2018, Balasore Alloys Ltd, by virtue of the scheme being approved by the requisite margins of members and creditors of Zimbabwe Alloys Ltd (ZAL), shall acquire either by itself and / or through its nominees and affiliates, 70% shares of Zimbabwe Alloys Ltd (ZAL), 1899 Bristol Road, Heavy industrial sites, Gweru, Zimbabwe, currently under Judicial Management. It is pertinent to mention that ZAL holds 19,780 hectares of mining areas in different parts of Zimbabwe, which has proven resources of 72.25 million tonnes of chrome ore. Zimbabwe Alloys Chrome (Pvt) Ltd, a wholly – owned subsidiary of ZAL has a ferro chrome plant. The scheme is subject to fulfilment of certain conditions precedent contained in the scheme of arrangement. Further, the scheme is also subject to section 191 of Companies Act of Zimbabwe.

Other disclosure pertaining to this acquisition, pursuant to provisions of Para A of Part A of Schedule III of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, are annexed herewith as Annexure I.

You are requested to take note of the above. This letter would be uploaded at www.balasorealloys.com

Thanking you,

Yours faithfully,
For Balasore Alloys Ltd.


Trilochan Sharma
President & Company Secretary

Annexure I:

Disclosure pursuant to Para A of the Part A of Schedule III of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder:

Sr No.	Particulars	Details / Information
1	Name of the target entity, details in brief such as size, turnover etc.;	<p>Zimbabwe Alloys Limited (ZAL) is a limited company incorporated under the provisions of the Companies Act of Zimbabwe. Zimbabwe Alloys Chrome (Pvt) Ltd, which undertakes ferrochrome production is a wholly – owned subsidiary of ZAL.</p> <p>Zimbabwe has the 2nd largest chrome ore resource in the world. The group is into the business of chrome ore mining & beneficiation and manufacturing of ferro chrome. The group has been under financial difficulties for the past several years resulting into minuscule production and insignificant turnover. The companies had a low turnover of US\$ 2.4million at group level for Y2016 as per management accounts. ZAL, however has material proven resources of 72.25 million tones of chrome ore in its mines which made the acquisition an attractive business proposition. The resources have substantial portion of ores that is available on the mines surface for alluvial mining.</p>
2	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length";	No, the transaction is not a related party transaction
3	Industry to which the entity being acquired belongs;	Mining of Chrome ore and marketing of chrome ore concentrates and manufacturing and marketing of high carbon ferrochromium and ferrosilicon chromium, -



4	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	The target company is operating in similar business segment in separate geographical region. The acquisition will help Balasore Alloys Ltd in creating synergies and in expanding its business base to different parts of the world.								
5	Brief details of any governmental or regulatory approvals required for the acquisition;	Sanction of Scheme of Arrangement by Zimbabwe high court on 20th December 2017 received by us on 8th January 2018.								
6	Indicative time period for completion of the acquisition;	March 2018 subject to compliance of conditions precedent in the scheme.								
7	Nature of consideration - whether cash consideration or share swap and details of the same;	Cash payment of USD 16.47 MN for acquisition of 70% shares from existing shareholders. A further payment of USD 74.26 MN to creditors, towards injection of working capital and for CAPEX. The payments towards the creditors and members to the company will be paid in a staggered manner.								
8	Cost of acquisition or the price at which the shares are acquired;	As stated in point no 7 above.								
9	Percentage of shareholding / control acquired and / or number of shares acquired;	Equity shares representing 70% of share capital of the target company proposed to be acquired.								
10	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	<p>Zimbabwe Alloys Limited is a limited company incorporated under the provisions of the Companies Act of Zimbabwe. with registration no: 43/1950 on 8th February 1950.</p> <p>The company is into the business of chrome ore mining & beneficiation and ferro chrome manufacturing.</p> <p>The turnover as per the management of the target companies for last 3 years is as under:</p> <p>(\$000)</p> <table><tr><td>Year</td><td>2014</td><td>2015</td><td>2016</td></tr><tr><td>Net Sales</td><td>3,863</td><td>3,108</td><td>2,356</td></tr></table>	Year	2014	2015	2016	Net Sales	3,863	3,108	2,356
Year	2014	2015	2016							
Net Sales	3,863	3,108	2,356							



		<p>Note: The above financial figures reflect very miniscule operation by the target company due to reason as stated in point no. 1.</p> <p>A revival plan focusing on increasing production from the mining operations and enhancing ferro chrome production has been prepared after a detailed due diligence exercise. The projected financial model based on export of chrome products is quite robust with attractive IRR.</p>
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For Balasore Alloys Limited


 Trilochan Sharma
 President & Company Secretary