



Premier Explosives Limited



June 29th, 2016

To,
The Bombay Stock Exchange Limited
Corporate Relationship Department
Floor – 25, P.J.Towers, Dalal Street,
MUMBAI – 400 001
Scrip Code: 526247

To,
National Stock Exchange of India Limited
Listing Department,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E),
Mumbai-400051
Trading Symbol: 'PREMEXPLN EQ'

Dear Sir/Madam,

Sub: Acquisition of Stake

This is to inform you that the Company has acquired additional stake in Premier Wire Products Limited, an associate Company and, pursuant to Regulation 30 read with Part A of Schedule III of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, the requisite details of acquisition are given below:

a) Name of the Target entity, details in brief such as size, turnover etc;

Name: Premier Wire Products Limited
Total capital (equity and preference): Rs.6.50 crores (As on 31/03/2016)
Turnover: Rs.9.17 crores (for the year 2015-16)

b) Whether the acquisition would fall within related party transactions 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'

The stake of the Promoters of Premier Explosives Limited in equity shares of Premier Wire Products Limited, 'Pre-Acquisition' is 64.85%.

'Post acquisition', the promoter's stake is 17.46%

Premier Explosives Limited is being allotted equity shares at par and the transaction is at arm's length.

c) Industry to which entity being acquired belongs

Premier Wire Products Limited makes Galvanised Iron (GI) wire which is a raw material used for manufacture of detonators.





d) Objects and effects of acquisition

Currently Premier Wire Products Limited is an associate of Premier Explosives Limited with an equity holding of 25.71%. By increasing the equity holding to 80%, Premier Explosives Limited aims to acquire management control of Premier Wire Products Limited for an assured supply of raw materials on a long term basis and other potential improvements in post-management-control situation

e) Brief details any government approvals required for the acquisition:

None

f) Indicative time period for completion of the acquisition

30th June, 2016

g) Nature of consideration

Cash consideration

h) Cost of acquisition or the price at which the shares are acquired

Shares are being acquired at a price of Rs.10/- per equity share, being the face value.

i) Percentage of shareholding/control acquired and/or number of shares acquired:

	Pre-acquisition	Issue of new shares	Post acquisition
Total no. of equity shares held by Premier Explosives Limited in Premier Wire Products Limited	4,50,000	47,50,000*	52,00,000
Total equity shares of Premier Wire Products Limited	17,50,000	47,50,000	65,00,000
Shareholding of Premier Explosives Limited in Premier Wire Products Limited	25.71%	100%	80%

* An equal number (47, 50,000) of preference shares held by Premier Explosives Limited prior to the acquisition will be redeemed post acquisition with the proceeds of the fresh equity.

Vyankar





**Premier
Explosives
Limited**

ISO 9001 REGISTERED



j) Brief background about the entity

Premier Wire Products Limited, an unlisted, public limited company, was incorporated on 6th September, 2007. The Company is engaged in the manufacture of Galvanised Iron Wire (GI Wire) meant specifically for lead wire in detonators. The factory is located in Ramajipet village of Nalgonda district, Telangana, which is about 5 km from Peddakandukuru factory of Premier Explosives Limited.

Premier Wire Products Limited sells its products to Premier Explosives Limited as well as other detonator manufacturers. It had achieved a turnover of Rs.9.17 crores, Rs.11.21 crores and Rs.11.99 crores during the financial years 2015-16, 2014-15 and 2013-14 respectively.

This is for your kind information and record

Thanking You,

Yours faithfully

For **Premier Explosives Limited**

Vijayashree.K

Company Secretary

