DRAFT LETTER OF OFFER
"THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION"

The Letter of Offer *(as defined below)* will be sent to you as a Public Shareholder (*as defined below*) of **Premier Explosives Limited ("Target Company")**. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager to the Open Offer *(as defined below)* or Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares *(as defined below)* in the Target Company, please hand over the Letter of Offer and the accompanying Form of Acceptance *(as defined below)* and transfer deed to the member of the stock exchange through whom the said sale was affected.

OPEN OFFER
BY
APOLLO MICRO SYSTEMS LIMITED ("ACQUIRER"/ "AMSL")
A listed public limited company incorporated under the Companies Act, 1956
Corporate Identity Number: L72200TG1997PLC026556
Registered Office: Plot No 128/A, Road No 12, BEL Road IDA Mallapur, Uppal Mandal Hyderabad, Telangana State, 500 076 – India; **Tel:** +91 40 27167000 - 99; **Fax**: +91 40 2715 0820; **Website**: www.apollo-micro.com

MAKE A CASH OFFER AT A PRICE OF INR 698/-/ (INDIAN RUPEES SIX HUNDRED AND NINETY EIGHT ONLY) ("OFFER PRICE") PER FULLY PAID-UP EQUITY SHARE OF FACE VALUE OF INR 2/- (INDIAN RUPEES TWO ONLY) EACH OF THE TARGET COMPANY ("EQUITY SHARES"), TO ACQUIRE UP TO 1,39,77,911 (ONE CRORE THIRTY-NINE LAKH SEVENTY-SEVEN THOUSAND NINE HUNDRED AND ELEVEN ONLY) EQUITY SHARES OF FACE VALUE OF INR 2/- (INDIAN RUPEES TWO ONLY) EACH ("OFFER SHARES") PAYABLE IN CASH, REPRESENTING 26.00% (TWENTY SIX PERCENT) OF THE EQUITY SHARE CAPITAL (*AS DEFINED BELOW*) OF THE TARGET COMPANY ("OFFER SIZE") IN ACCORDANCE TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THERETO ("SEBI (SAST) REGULATIONS") FROM THE PUBLIC SHAREHOLDERS ("OPEN OFFER" OR "OFFER")
OF
PREMIER EXPLOSIVES LIMITED ("TARGET COMPANY")
Corporate Identity Number (CIN): L24110TG1980PLC002633
Registered Office: Premier House, 11, Ishaq Colony, near AOC Centre, Trimulgherry, Secunderabad, Telangana – 500015; **Tel. No.:** +91 40 66146801- 05 / 27814748 / 27811616; **Email:** cs@pelgel.com**; Website:** www.pelgel.com

NOTE:

1. This Offer (*as defined below*) is being made pursuant to and in compliance with the provisions of Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations.
2. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. There is no differential pricing for the Offer.
5. Other than as set out in paragraph 7.4 (Statutory and Other Approvals) of section 7 (Terms and Conditions of the Offer) of this Draft Letter of Offer, to the best of the knowledge of the Acquirer, there are no other statutory or other approvals required to complete the transaction as contemplated in the SPA and/or this Open Offer, except for the Required Statutory Approval *(as defined below)*. However, in case any statutory or other approvals become applicable and are required by the Acquirer at a later date before the closure of the Tendering Period *(as defined below)*, this Open Offer shall be subject to receipt of such further approvals set out in paragraph 7.4 (Statutory and Other Approvals) of section 7 (Terms and Conditions of the Offer) of this Draft Letter of Offer *(as defined below)* for further details and current status of such statutory and other approvals.
6. Where any statutory/regulatory approval or exemption extends to some but not all of the Public Shareholders *(as defined below)*, the Acquirer shall have the option to make payment to such Public Shareholders *(as defined below)* in respect of whom no statutory /regulatory approval or exemption are required in order to complete this Offer.
7. In the event that the number of Equity Shares validly tendered by the Public Shareholders (as defined below) under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders *(as defined below)* on a proportionate basis in consultation with the Manager to the Open Offer, subject to a maximum of 1,39,77,911 (One Crore Thirty-Nine Lakh Seventy-Seven Thousand Nine Hundred And Eleven only) Equity Shares, representing 26.00% of the Equity Share Capital *(as defined below)*, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non- marketable lots, provided that the acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot. The minimum marketable lot for the Equity Shares for the purpose of this Offer shall be one Equity Share.
8. The Acquirer may withdraw the Offer in accordance with the conditions specified in paragraph 7.4 (Statutory and Other Approvals) of section 7 (Terms and Conditions of the Offer) of this Draft Letter of Offer *(as defined below)*. In the event of a withdrawal of the Offer, the Acquirer (through the Manager to the Open Offer) shall, within 2 (two) Working Days (as defined

below) of such withdrawal, make a public announcement of such withdrawal, stating the grounds and reasons for the withdrawal, in the same newspapers in which the Detailed Public Statement (as defined below) was published, in accordance with Regulation 23(2) of the SEBI (SAST) Regulations and such public announcement also will be sent to the Securities and Exchange Board of India ("SEBI"), Stock Exchanges (as defined below) and the Target Company at its registered office.

9. Under Regulation 18(4) of the SEBI (SAST) Regulations, the Acquirer is permitted to revise the Offer Price or the number of Offer Shares at any time prior to the commencement of the last one Working Day (as defined below) before the commencement of the Tendering Period (as defined below). In the event of such revision, in terms of Regulation 18 (5) of the SEBI (SAST) Regulations, the Acquirer shall: (i) make corresponding increase to the Escrow Amount (as defined below), as more particularly set out in section 6 (Offer Price and Financial Arrangements) of this DLOF *(as defined below)*, (ii) make public announcement in the same newspapers in which the Detailed Public Statement (as defined below) has been published, and (iii) simultaneously notify the SEBI, Stock Exchanges (as defined below), and the Target Company at its registered office of such revision. The Acquirer shall pay such revised price for all the Equity Shares validly tendered during the Offer and accepted under the Offer in accordance with the terms of the Letter of Offer (as defined below). Such revision would be done in compliance with other requirements prescribed under the SEBI (SAST) Regulations.
10. **There has been no competing offer as of the date of this DLOF *(as defined below)*.**
11. **If there is a competing offer at any time hereafter, the public offers under all subsisting bids shall open and close on the same date.**
12. Unless otherwise stated, the information set out in this DLOF *(as defined below)* reflects the position as of the date hereof.
13. A copy of the Public Announcement ("**PA**"), the Detailed Public Statement ("**DPS**"), this Draft Letter of Offer **("DLOF")**, and the Letter of Offer ("**LOF**") (including the Form of Acceptance *(as defined below)* will also be available on SEBI's website (www.sebi.gov.in).

All future correspondence, if any, should be addressed to the Manager to the Open Offer or the Registrar to the Offer at the addresses mentioned below:

MANAGER TO THE OPEN OFFER	REGISTRAR TO THE OFFER
Cumulative capital **CUMULATIVE CAPITAL PRIVATE LIMITED** **Address:** B 309-311, 215 Atrium, Nr. Courtyard Marriott Hotel, Andheri Kurla Road, Andheri East, Chakala MIDC, Mumbai, Maharashtra, India, 400093; **Tel. No.:** +91 981 966 2664 / +91 987 092 4935; **Email:** contact@cumulativecapital.group; **Website:** www.cumulativecapital.group; **Investor Grievance:** investor@cumulativecapital.group; **Contact Person:** Swapnilsagar Vithalani / Hetal Gajra; **SEBI Registration No:** INM000013129; **CIN:** U64910MH2023PTC414974;	KFINTECH EXPERIENCE TRANSFORMATION **KFIN TECHNOLOGIES LIMITED** **Address:** Selenium, Tower B, Plot No- 31 and 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Telangana, India; **Tel. No.:** +91 40 6716 2222, Fax: +91 40 2343 1563; **Email:** premier.openoffer@kfintech.com**;** **Website:** www.kfintech.com; **Investor Grievance:** einward.ris@kfintech.com; **Contact Person:** M. Murali Krishna; **SEBI Registration No.**: INR000000221; **CIN:** L72400MH2017PLC444072

TENTATIVE SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OPEN OFFER

Sr. No.	Nature of the Activity	Day and Date#
1.	Date of Public Announcement	Thursday, July 9, 2026
2.	Publication of Detailed Public Statement in newspapers	Thursday, July 16, 2026
3.	Filing of draft letter of offer with SEBI	Thursday, July 23, 2026
4.	Last date for public announcement for competing offer	Thursday, August 6, 2026
5.	Last date for receipt of comments from SEBI on the draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Open Offer)	Thursday, August 13, 2026
6.	Identified Date*	Monday, August 17, 2026
7.	Last date for dispatch of the Letter of Offer to the Public Shareholders of the Target Company as on the Identified Date	Monday, August 24, 2026
8.	Last date by which the recommendation of the committee of independent directors of the Target Company will be published.	Friday, August 28, 2026
9.	Last date for upward revision of the Offer Price and / or the Offer Size	Friday, August 28, 2026
10.	Date of public announcement for opening of the Offer in the newspapers where the DPS has been published.	Monday, August 31, 2026
11.	Date of Commencement of Tendering Period	Tuesday, September 1, 2026
12.	Date of Closing of Tendering Period	Tuesday, September 15, 2026
13.	Last date of communicating rejection/acceptance and payment of consideration for accepted tenders/return of unaccepted Equity Shares.	Tuesday, September 29, 2026
14.	Last date for publication of post-Offer public announcement in the newspapers in which the DPS has been published	Wednesday, October 7, 2026

** Date falling on the 10th (tenth) working day prior to commencement of the Tendering Period, for the purposes of determining the eligible shareholders of the Target Company to whom the letter of offer shall be sent. It is clarified that all the Public Shareholders (registered or unregistered) are eligible to participate in this Offer at any time prior to the closure of the Tendering Period.*

#The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and subject to receipt of requisite statutory and other approvals and may have to be revised accordingly. Where last dates are mentioned for certain activities, such activities may take place on or before the respective last dates.

RISK FACTORS

THE RISK FACTORS SET FORTH BELOW ARE INDICATIVE ONLY AND ARE NOT INTENDED TO PROVIDE A COMPLETE ANALYSIS OF ALL RISKS AS PERCEIVED IN RELATION TO THE CONSUMMATION OF THE UNDERLYING TRANSACTION CONTEMPLATED IN THE SPA AND THE OFFER AND THE PROBABLE RISK INVOLVED IN ASSOCIATING WITH THE ACQUIRER. THE RISK FACTORS SET FORTH BELOW DO NOT RELATE TO THE PRESENT OR FUTURE BUSINESS OR OPERATIONS OF THE TARGET COMPANY AND ANY OTHER RELATED MATTERS AND ARE NEITHER EXHAUSTIVE NOR INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF THE RISKS INVOLVED IN THE PARTICIPATION BY ANY PUBLIC SHAREHOLDER IN THE OFFER. THE PUBLIC SHAREHOLDERS ARE ADVISED TO CONSULT THEIR STOCKBROKER, INVESTMENT CONSULTANT OR TAX ADVISOR FOR AN UNDERSTANDING OF THE FURTHER RISKS ASSOCIATED WITH THEIR PARTICIPATION IN THE OFFER.

For capitalized terms used herein, please refer to the section on Definitions set out below.

1. Risk factors relating to the Offer

1.1. The Open Offer is an open offer under the SEBI (SAST) Regulations to acquire up to 1,39,77,911 (One Crore Thirty-Nine Lakh Seventy-Seven Thousand Nine Hundred and Eleven only) Equity Shares representing 26.00% (twenty-six percent) of the Equity Share Capital, from the Public Shareholders. If the aggregate number of Equity Shares validly tendered by the Public Shareholders under this Open Offer is more than the Offer Size (as defined below), then the Offer Shares validly tendered by the Public Shareholders will be accepted on a proportionate basis, subject to acquisition of a maximum of 1,39,77,911 (One Crore Thirty-Nine Lakh Seventy-Seven Thousand Nine Hundred and Eleven only) Equity Shares, representing 26.00% (twenty-six percent) of the Equity Share Capital. Accordingly, there is no assurance that all the Equity Shares tendered by the Public Shareholders in the Open Offer will be accepted. The unaccepted Equity Shares will be returned to the Public Shareholders in accordance with the schedule of activities for the Open Offer.

1.2. The Acquirer may withdraw the Offer in accordance with the conditions specified in this Draft Letter of Offer. In the event of a withdrawal of the Offer, the Acquirer (through the Manager to the Open Offer) shall, within 2 (two) Working Days of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the DPS had appeared, stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

1.3. In the event of any litigation leading to a stay order on or an injunction against this Offer by a court of competent jurisdiction, or SEBI instructing that the Offer should not proceed, the Offer may be withdrawn, or the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, in the event of any delay, the payment of consideration to the Public Shareholders of the Target Company, whose Equity Shares are validly tendered and accepted by the Acquirer under this Offer, as well as the return of Equity Shares not accepted under this Offer by the Acquirer may be delayed. In case the delay is due to non-receipt of statutory approval(s) (including Required Statutory Approvals), then in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may grant an extension for the purpose of completion of the Open Offer subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with Regulation 18(11A) of the SEBI (SAST) Regulations.

1.4. In terms of Regulation 23 of the SEBI (SAST) Regulations, in the event that, for reasons outside the reasonable control of the Acquirer, the approvals specified in paragraph 7.4 (Statutory and Other Approvals) of section 7 (Terms and Conditions of the Offer) of this Draft Letter of Offer or those which become applicable prior to completion of the Open Offer are not received or any of the conditions precedent under the SPA as specified in paragraph 3.1.6 (The salient features of the SPA) of section 3 (Details of the Offer) of this Draft Letter of Offer are not met, then the Acquirer shall have the right to withdraw the Open Offer. In the event of such a withdrawal of the Open Offer, a public announcement will be made within 2 (two) Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with the provisions of Regulation 23(2) of the SEBI (SAST) Regulations. Such public announcement for the withdrawal will be made in the same newspapers in which the DPS has been published and will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.

1.5. The Equity Shares tendered in the Offer will be held in trust by the Clearing Corporation, on behalf of the Public Shareholders who have tendered their Equity Shares until the completion of the formalities of this Offer and the Public Shareholders who have tendered their Equity Shares will not be able to trade in such Equity Shares held in trust by the Clearing Corporation during such period, even if the acceptance of the Equity Shares in this Offer and/or dispatch of payment consideration are delayed. Further, during such period, there could be fluctuations in the market price of the Equity Shares that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Offer. Accordingly, the Acquirer and Manager to the Open Offer makes no assurance with respect to the market price of the Equity Shares and disclaims any responsibility with respect to any decision by any Public Shareholders on whether or not to participate in the Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.

1.6. The tendered Equity Shares and documents will be held by the Registrar to the Offer in trust for the Acquirer, till the process of acceptance of tenders and the payment of consideration is completed. The Public Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer. During such period, there may be fluctuations in the market price of the Equity Shares.

1.7. The Public Shareholders should note that under the SEBI (SAST) Regulations, once the Public Shareholders have tendered their Equity Shares in the Offer, they will not be able to withdraw their Equity Shares from the Offer even in the event of a delay in the acceptance of the Equity Shares under the Offer and/or the dispatch of consideration. The Public Shareholders will not be able to trade in such Equity Shares which have been tendered in the Open Offer. During such period, there may be fluctuations in the market price of the Equity Shares. The Acquirer and Manager to the Open Offer make no assurance with respect to the market price of the Equity Shares, both during the period that the Open Offer is open and upon completion of the Open Offer and disclaim any responsibility with respect to any decision taken by the Public Shareholders with respect to whether or not to participate in the Open Offer. The Public Shareholders will be solely responsible for their decisions regarding their participation in this Open Offer.

1.8. All Public Shareholders, including non-resident holders of Equity Shares, must obtain all requisite approvals required, if any, to tender their Offer Shares in the Offer (including without limitation, approval from the RBI, if applicable) and submit copies of such approvals, along with the other documents required for accepting this Offer. In the event that copies of such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India (including non-resident Indians, foreign institutional investors and foreign portfolio investors) had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit copies of such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares, along with the other documents required to be submitted to accept this Offer. In the event copies of such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares. Public Shareholders classified as overseas corporate bodies ("**OCB**"), if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder. Such OCBs shall approach the RBI independently to seek approval to tender the Equity Shares held by them in the Open Offer. Where statutory or other approval(s) extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approval(s) are required in order to complete this Open Offer.

1.9. As on the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirer, there are no statutory or other approval(s) required by the Acquirer to complete this Open Offer and/or to complete the transaction as contemplated in the SPA, except for the Required Statutory Approval. However, in case of any further statutory approval(s) being required by the Acquirer at a later date, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for obtaining such approvals. In case of delay in receipt of any statutory approval(s), SEBI may, if satisfied that such delay in receipt of the statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), and subject to such terms and conditions as may be specified by SEBI (including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations), grant an extension of time to the Acquirer pending receipt of such statutory approval(s) to make the payment of the consideration to the Public Shareholders whose Equity Shares have been accepted in the Offer. Furthermore, in case of delay in receipt of any such statutory approval(s), the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer.

1.10. The Acquirer and the Manager do not accept responsibility for the statements made with respect to the Target Company (pertaining to the information which has been compiled from information published or provided by the Target Company, or publicly available sources, and which information has not been independently verified by the Acquirer, or the Manager) in connection with this Offer as set out in this Draft Letter of Offer, the Detailed Public Statement, the Public Announcement and the Letter of Offer or any corrigendum or any material issued by or at the instance of the Acquirer, or the Manager. Further, the Acquirer and the Manager accept no responsibility made otherwise than in this Draft Letter of Offer, the Detailed Public Statement, the Public Announcement, the Letter of Offer or in the advertisements or any materials issued by or at the instance of the Acquirer in relation to the Offer; any person placing reliance on any other source of information (not released by the Acquirer, or the Manager) would be doing so at its/his/her own risk.

1.11. The Acquirer, the Manager and the Registrar to the Offer do not accept any responsibility for any loss of documents during transit (including but not limited to Form of Acceptance, delivery instruction slips, original share certificates, share transfer forms, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.

1.12. The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, and the Manager to the Open Offer do not accept any responsibility in this regard, including for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.

1.13. The Public Shareholders are advised to consult the stockbroker, investment consultants, and legal, financial, tax, or other advisors and consultants of their choosing, for assessing further risks with respect to their participation in the Offer and related transfer of Equity Shares of the Target Company to the Acquirer. Each Public Shareholder of the Target Company is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of accepting the Open Offer.

1.14. The Open Offer is being made for securities of an Indian company and Public Shareholders of the Target Company in the U.S. should be aware that the Letter of Offer and any other documents relating to the Open Offer have been or will be prepared in accordance with Indian procedural and disclosure requirements, including requirements regarding the Offer timetable and timing of payments, all of which differ from those in the U.S. Any financial information included in the Letter of Offer or in any other documents relating to the offer has been or will be prepared in accordance with non-U.S. accounting standards that may not be comparable to financial statements of companies in the U.S. or other companies whose financial statements are prepared in accordance with U.S. generally accepted accounting principles. Neither the U.S Securities Exchange Commission nor any U.S state securities commission has approved or disapproved the Open offer or passed any comment upon the adequacy or completeness of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in the U.S.

1.15. This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Draft Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Open Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Open Offer to any new or additional registration requirements. This DLOF does not in any way constitute an offer to purchase or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. This is not an offer for sale, or a solicitation of an offer to buy in, any foreign jurisdictions covered under the 'General Disclaimer' clause in section 2 (Disclaimer) of this DLOF and cannot be accepted by any means or instrumentality from within any such foreign jurisdictions.

1.16. Persons in possession of the LOF are required to inform themselves of any relevant restrictions in their respective jurisdictions. Any Public Shareholder who tenders his, her, or its Equity Shares in this Open Offer shall be deemed to have declared, represented, warranted, and agreed that he, she, or it is authorised under the provisions of any applicable local laws, rules, regulations, and statutes to participate in this Open Offer.

1.17. This Offer is subject to completion risks as would be applicable to similar transactions.

2. Probable risks involved in associating with the Acquirer

2.1. The Acquirer, and Manager make no assurance with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company.

2.2. The Acquirer makes no assurances with respect to its investment/divestment decisions relating to its proposed shareholding in the Target Company.

2.3. None of the Acquirer, or the Manager will be responsible in any manner for any loss of Equity Share certificate(s) and Offer acceptance documents during transit.

2.4. Neither the Manager to the Open Offer nor the Acquirer can provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and each of them expressly disclaim any responsibility or obligation of any kind with respect to any decision by any Public Shareholder regarding whether or not to participate in the Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.

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The risk factors set forth above are not a complete analysis of all risks in relation to the Offer or in association with the Acquirer but are only indicative in nature. The risk factors set forth above are limited to the Offer and do not pertain to the present or future business or operations of the Target Company or any other related matters and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by Public Shareholders in the Offer. Public Shareholders are advised to consult their stockbrokers, tax advisors or investment consultants for understanding further risks with respect to their participation in the Offer.

DISCLAIMER FOR PERSONS IN THE UNITED STATES

The Offer is being made for securities of an Indian company and Public Shareholders of the Target Company in the U.S. should be aware that the DLOF and any other documents relating to the Open Offer have been or will be prepared in accordance with Indian procedural and disclosure requirements, including requirements regarding the Offer timetable and timing of payments, all of which differ from those in the U.S. Any financial information included in the DLOF or in any other documents relating to the Offer has been or will be prepared in accordance with non- U.S. accounting standards that may not be comparable to financial statements of companies in the U.S. or other companies whose financial statements are prepared in accordance with U.S. generally accepted accounting principles.

The receipt of cash pursuant to the Offer by a Public Shareholder of the Target Company may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each Public Shareholder of the Target Company is urged to consult his independent professional adviser immediately regarding the tax consequences of accepting the Offer.

It may be difficult for U.S. holders of Equity Shares to enforce their rights and any claims they may have arising under the U.S. federal securities laws in connection with the Offer, since the Target Company, the Acquirer are incorporated in countries other than the U.S., and some or all of their officers and directors may be residents of countries other than the U.S. U.S. holders of Equity Shares in the Target Company may not be able to sue the Target Company, the Acquirer, or their respective officers or directors in a non - U.S. court for violations of U.S. Securities Laws. Further, it may be difficult to compel the Target Company, the Acquirer, or their respective affiliates to subject themselves to the jurisdiction or judgment of a U.S. court.

Neither the U.S. securities exchange commission nor any U.S. state securities commission has approved or disapproved the Offer or passed any comment upon the adequacy or completeness of the LOF. Any representation to the contrary is a criminal offence in the U.S.

DISCLAIMER FOR PERSONS IN OTHER FOREIGN COUNTRIES

This Draft Letter of Offer has not been filed, registered, or approved in any jurisdiction outside India. Recipients of this Draft Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Open Offer to any new or additional registration requirements. This Draft Letter of Offer does not in any way constitute an offer to purchase or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom its unlawful to make such offer or solicitation.

CURRENCY OF PRESENTATION

In this Draft Letter of Offer, all references to “INR” or “Rs.” Or “rupees” or “₹” are references to the Indian rupee(s), the official currency of India and all references to “USD” or “US Dollar” or “US$” are references to the United States dollar. In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping

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1. DEFINITIONS / ABBREVIATIONS

TERM	DEFINITION / DETAILS
“Acquirer” / “AMSL”	Apollo Micro Systems Limited, a listed public limited company, incorporated in India under the provisions of the Companies Act, 1956, bearing CIN ‘L72200TG1997PLC026556’ and having its registered office at Plot No 128/A, Road No 12, BEL Road IDA Mallapur, Uppal Mandal Hyderabad, Telangana State, 500 076 – India.
“Acquisition Window”	Separate window made available by the Stock Exchanges for the purpose of implementation of the Open Offer through stock exchange mechanism as provided under the Master Circular.
“Bank Guarantee”	An unconditional and irrevocable bank guarantee dated July 10, 2026 from State Bank of India furnished by Acquirer, for an amount of INR 173,00,00,000/- (Indian Rupees One Hundred and Seventy-Three Crore only), in favour of the Manager to the Open Offer, which is in excess of the requirements specified under Regulation 17 of the SEBI (SAST) Regulations.
“BSE”	BSE Limited.
“Buying Broker”	R.L.P. Securities Private Limited.
“Cash Escrow Amount”	The sum of INR 9,76,00,000/- (Indian Rupees Nine Crore Seventy-Six Lakh only) cash deposit being made by the Acquirer in the Escrow Account, which is in excess of 1% of the Maximum Consideration in accordance with the SEBI (SAST) Regulations.
“CCI”	Competition Commission of India.
“CDSL”	Central Depository Services (India) Limited
“CIN”	Corporate Identity Number.
“Clearing Corporation”	BSE Clearing Limited.
“CKYC”	Central Know Your Client
“Detailed Public Statement” / “DPS”	The detailed public statement dated July 15, 2026, in connection with the Offer, filed and submitted with SEBI, on behalf of the Acquirer by the Manager to the Open Offer published in the Newspapers on July 16, 2026.
“Depositories”	Central Depository Services (India) Limited i.e. CDSL and National Securities Depository Limited i.e. NSDL
“DIN”	Director Identification Number and allotted under the Companies Act 1956/ Companies Act, 2013, as applicable and the rules made thereunder.
“DLOF” / “Draft Letter of Offer”	This draft letter of offer dated July 23, 2026, filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations.
“DP”	Depository Participant
“Equity Share(s)”	Fully paid-up equity shares having a face value of INR 2/- (Indian Rupees Two only) each of the Target Company.
“Equity Share Capital”	Total equity share capital and voting capital of the Target Company on a fully diluted basis expected as of the 10th (tenth) Working Day from the closure of the Tendering Period of the Open Offer
“Escrow Account”	Escrow account under the name and title of **“Premier Explosives Limited Open Offer Escrow Account”** bearing account number 45370975811 with the Escrow Agent.
“Escrow Agent”/ “Escrow Banker”	State Bank of India, a body corporate constituted under the State Bank of India Act, 1955, and having its Corporate Centre at State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai and one of its Branch offices is at Commercial Branch, Local Head Office Campus, Bank Street, Koti, Hyderabad - 500095, in the State of Telangana
“Escrow Agreement”	Escrow agreement dated July 10, 2026, entered into between Acquirer, the Manager to the Open Offer and the Escrow Agent.
“Escrow Amount”	The bank guarantee of INR 173,00,00,000/- in favour of the Manager to the Open Offer and the cash amount of INR 9,76,00,000/- deposited by the Acquirer in the Escrow Account in compliance with Regulation 17 of the SEBI (SAST) Regulations.
“FATCA”	Foreign Account Tax Compliance Act
“FEMA”	Foreign Exchange Management Act, 1999, as amended, and as per rules or regulations issued thereunder.

TERM	DEFINITION / DETAILS
“FI”	Financial Institutions.
“FII” / “FPI”	Foreign Institutional Investor or Foreign Portfolio Investor as defined in FEMA.
“Fiscal”	Period of twelve months ending on March 31 of that particular year, unless stated otherwise.
“Form of Acceptance” / “FoA”	Form of Acceptance-cum-Acknowledgement.
“Identified Date”	The date falling on the 10^{th} (tenth) Working Day prior to the commencement of the Tendering Period, for the purpose of determining the Public Shareholders of the Target Company to whom the Letter of Offer shall be sent.
“Income Tax Act”	Income Tax Act, 2025 (as amended by Finance Act, 2026) and subsequent amendments thereto.
“ISIN”	International Securities Identification Number
“KYC”	Know Your Client
“Letter of Offer” / “LOF”	Letter of Offer dated [●], which shall be dispatched to the Public Shareholders of the Target Company.
“LTCG”	Long term capital gains
“Manager” / “Manager to the Open Offer”	Cumulative Capital Private Limited
“Master Circular”	Master Circular for SEBI (SAST) Regulations bearing reference no. SEBI/HO/CFD/PoD-1/P/CIR/2023/31 dated February 16, 2023.
“Maximum Consideration”	INR 975,65,81,878/- (Indian Rupees Nine Hundred Seventy-Five Crore Sixty-Five Lakh Eighty-One Thousand Eight Hundred and Seventy-Eight only) being the total consideration payable to the Public Shareholders by the Acquirer pursuant to the Offer, assuming full acceptance of the Offer.
“N.A.” / “NA”	Not Applicable
“Negotiated Price”	Approximate price of INR 697.52 (Indian Rupees Six Hundred Ninety-Seven and Fifty-Two Paise only) per Sale Share, aggregating to a purchase consideration of INR 1,550,00,00,000/- (Indian Rupees One Thousand Five Hundred and Fifty Crore only) for sale of 2,22,21,735 (Two Crore Twenty-Two Lakh Twenty-One Thousand Seven Hundred and Thirty-Five only) Equity Shares, which constitutes 41.33% of the issued, subscribed, paid-up and voting share capital of the Target Company, by the Seller to the Acquirer, pursuant to the execution of the SPA.
“Newspapers”	The newspapers wherein the DPS was published on behalf of the Acquirer was more specifically detailed below in Paragraph 3.2.2 of section 3 (Details of the Offer).
“NRI”	Non-Resident Indian as defined under FEMA
“NSDL”	National Securities Depository Limited
“NSE”	National Stock Exchange of India Limited
“OCB(s)”	Overseas Corporate Bodies
“Offer”/ “Open Offer”	Open offer made by the Acquirer for acquisition of the up to 1,39,77,911 (One Crore Thirty-Nine Lakh Seventy-Seven Thousand Nine Hundred and Eleven only) Equity Shares representing 26.00% (Twenty-Six percent) of the issued, subscribed, paid-up and voting share capital of the Target Company at an offer price of INR 698/- (Indian Rupees Six Hundred and Ninety-Eight only) per Equity Share.
“Offer Closing Date”	As per the tentative schedule of activities, Tuesday, September 15, 2026
“Offer Opening Date”	As per the tentative schedule of activities, Tuesday, September 1, 2026
“Offer Opening Public Announcement”	The announcement of the commencement of the Tendering Period made on behalf of the Acquirer.
“Offer Period”	The same meaning ascribed to it in the SEBI (SAST) Regulations.
“Offer Price”	INR 698/- (Indian Rupees Six Hundred and Ninety-Eight only) per Equity Share payable in cash to the Public Shareholders of the Target Company who validly tender their Equity Shares in the Offer, calculated in accordance with Regulation 8(1) and 8(2) of the SEBI (SAST) Regulations.
“Offer Shares”/ “Offer Size”	Up to 1,39,77,911 (One Crore Thirty-Nine Lakh Seventy-Seven Thousand Nine Hundred and Eleven only) Equity Shares representing 26.00%

TERM	DEFINITION / DETAILS
	(Twenty-Six percent) of the issued, subscribed, paid-up and voting share capital of the Target Company.
"PAN"	Permanent Account Number.
"PA" / "Public Announcement"	The public announcement in connection with the Offer made by the Manager to the Open Offer on behalf of the Acquirer filed to the Stock Exchanges, SEBI and sent to the Target Company on July 9, 2026.
"Public Shareholders"	All the public shareholders of the Target Company who are eligible to tender their Equity Shares in the Offer, other than: (i) the Acquirer, (ii) the parties to the underlying SPA (as defined below), and (iii) persons deemed to be acting in concert with the persons set out in (i) and (ii), pursuant to and in compliance with the SEBI (SAST) Regulations
"Purchase Consideration"	Aggregate consideration of INR 1,550,00,00,000/- (Indian Rupees One Thousand Five Hundred and Fifty Crore only) payable by the Acquirer under the SPA for the acquisition of the Sale Shares, payable in cash.
"Registrar to the Offer"	KFin Technologies Limited
"Required Statutory Approval"	The approval of the Competition Commission of India under the Competition Act, 2002 (as amended), if required for the consummation of the underlying transaction contemplated in the SPA and the Open Offer.
"Rs." / "Rupees" / "INR" / "₹"	The lawful currency of the Republic of India.
"RBI"	Reserve Bank of India.
"Sale Shares"	2,22,21,735 (Two Crore Twenty-Two Lakh Twenty-One Thousand Seven Hundred and Thirty-Five only) Equity Shares representing 41.33% of the issued, subscribed, paid-up and voting share capital of the Target Company held by the Seller proposed to be Acquired by the Acquirer from the Seller in accordance with the terms of the SPA.
"SCRR"	The Securities Contracts (Regulation) Rules, 1957, as amended.
"SEBI Act"	Securities and Exchange Board of India Act, 1992, as amended.
"SEBI (LODR) Regulations"	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
"SEBI (SAST) Regulations"	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
"SEBI"	Securities and Exchange Board of India.
"Seller"	AKS Family Trust, existing promoter of the Target Company.
"Share Purchase Agreement" / "SPA"	Share Purchase Agreement dated July 9, 2026 executed between the Acquirer, the Seller and the Target Company, wherein it is proposed that the Acquirer shall purchase Sale Shares, for a consideration aggregating to INR 1,550,00,00,000/- (Indian Rupees One Thousand Five Hundred and Fifty Crore only).
"Stock Exchanges"	BSE and NSE.
"STT"	Securities Transaction Tax.
"Target Company"	Premier Explosives Limited, a listed public limited company incorporated under the Companies Act, 1956, with CIN L24110TG1980PLC002633 and whose registered office is at Premier House, 11, Ishaq Colony, near AOC Centre, Trimulgherry, Secunderabad, Telangana - 500015.
"Tendering Period"	The period of 10 (ten) Working Days during which the Public Shareholders may tender their Equity Shares in acceptance of the Offer, which shall be disclosed in the Letter of Offer.
"TRS"	Transaction Registration Slip.
"U.S."	United States of America.
"USD" / "US$"	United States Dollars.
"Working Day"	Working days of SEBI as defined under Regulation 2(1)(zf) of the SEBI (SAST) Regulations.

Note: All capitalized terms used in this Draft Letter of Offer, but not specifically defined herein, shall have the meanings ascribed to them under the SEBI (SAST) Regulations.

2. DISCLAIMER

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE PUBLIC SHAREHOLDERS OF PREMIER EXPLOSIVES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS REGARD, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, CUMULATIVE CAPITAL PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JULY 23, 2026 TO SEBI IN ACCORDANCE WITH SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

GENERAL DISCLAIMER

This DLOF together with the PA dated July 9, 2026, and the DPS dated July 15, 2026 that was published on July 16, 2026, in connection with the Offer, have been prepared for the purposes of compliance with the SEBI (SAST) Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. Neither the publication of the Detailed Public Statement nor the delivery of the Letter of Offer, under any circumstances, create any implication that there has been no change in the affairs of the Target Company, the Acquirer, since the date hereof or that the information contained herein is correct as at any time subsequent to this date. It is not to be implied that the Acquirer are under any obligation to update the information contained herein at any time after this date.

No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The Letter of Offer shall be dispatched to all Public Shareholders whose name appears on the register of members of the Target Company, at their stated address, as of the Identified Date. However, receipt of the Letter of Offer by any shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the Detailed Public Statement and/or the Letter of Offer under any local securities laws), shall not be treated by such Public Shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only.

Persons in possession of the Detailed Public Statement and /or the Letter of Offer are required to inform themselves of any relevant restrictions. Any Public Shareholder who tenders his, her or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer.

3. DETAILS OF THE OFFER

3.1. BACKGROUND OF THIS OFFER

3.1.1. This Offer is being made under Regulations 3(1) and 4 of the SEBI (SAST) Regulations and is being made as a result of a direct substantial acquisition of Equity Shares and voting rights and control over the Premier Explosives Limited ("**Target Company**") by the Acquirer, pursuant to the Share Purchase Agreement.

3.1.2. Preceding the date of the PA, Apollo Micro Systems Limited ("**Acquirer**") was not holding any Equity Shares of the Target Company. The Acquirer has entered into a Share Purchase Agreement on July 9, 2026 with the AKS Family Trust, existing promoter of the Target Company ("**Seller**") and the Target Company ("**SPA**"), wherein it is proposed that the Acquirer shall purchase 2,22,21,735 (Two Crore Twenty-Two Lakh Twenty-One Thousand Seven Hundred and Thirty-Five only) Equity Shares ("**Sale Shares**"), which constitutes 41.33% of the issued, subscribed, paid-up and voting share capital of the Target Company, for a consideration aggregating to INR 1,550,00,00,000/- (Indian Rupees One Thousand Five Hundred and Fifty Crore only) ("**Purchase Consideration**"), calculated at approximately INR 697.52 (Indian Rupees Six Hundred Ninety-Seven and Fifty-Two Paise only) per Equity Share ("**Negotiated Price**") payable in cash. The summary of the transaction is as follows:

3.1.3. Subject to compliance with the SEBI (SAST) Regulations and pursuant to the consummation of the transaction as contemplated in the SPA (which is conditional upon the Required Statutory Approval), the shareholding of the Acquirer shall increase to more than 25% (Twenty-Five percent) of the Equity Share Capital of the Target Company and the Acquirer will have sole control over the Target Company and will become the promoter of the Target Company in accordance with the Regulation 31A(5) of the SEBI (LODR) Regulations. Further, pursuant to the consummation of the transaction as contemplated in the SPA, the Seller being Promoter of the Target Company intends to be reclassified as public shareholders in accordance with the procedures contained in the Regulation 31A of the SEBI (LODR) Regulations.

3.1.4. As a consequence of the substantial acquisition of shares, voting rights and control over the Target Company by the Acquirer, this Open Offer is a mandatory offer being made by the Acquirer in compliance with Regulations 3(1) and 4 of SEBI (SAST) Regulations.

3.1.5. The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.

3.1.6. **The salient features of the SPA are:**

The salient features of the Share Purchase Agreement dated July 9, 2026 ("**SPA**") entered into amongst the Acquirer, the Seller and the Target Company are set out below:

a) Acquisition of Sale Shares: Pursuant to the SPA, the Acquirer has agreed to acquire 2,22,21,735 (Two Crore Twenty-Two Lakh Twenty-One Thousand Seven Hundred Thirty-Five only) equity shares of the Target Company ("**Sale Shares**"), representing 41.33% of the voting share capital of the Target Company, from the Seller by way of an off-market transaction, together with all rights attached thereto, free and clear of all encumbrances.

b) Purchase Consideration: The aggregate consideration payable by the Acquirer for the acquisition of the Sale Shares is INR 1,550,00,00,000 (Indian Rupees One Thousand Five Hundred Fifty Crore only), calculated at approximately INR 697.52/- (Indian Rupees Six Hundred Ninety-Seven and Fifty-Two Paise only) per Sale Share, subject to adjustments in accordance with the terms of the SPA.

c) Conditions Precedent: Completion of the acquisition contemplated under the SPA is subject to the satisfaction (or waiver, where permissible) of the conditions precedent set out therein, including receipt of applicable regulatory approvals (including the approval of the Competition Commission of India, if applicable), fulfilment of the conditions precedent by the respective parties and compliance with the other obligations specified in the SPA.

d) Conduct of Business Prior to Closing: From the execution of the SPA until closing, the Seller and the Target Company have agreed to conduct the business of the Target Company in the ordinary course consistent with past practice and comply with the covenants and restrictions set out in the SPA, including preserving the business, assets and operations of the Target Company pending consummation of the transaction.

e) Closing and Completion Actions: Upon fulfilment (or waiver, where applicable) of the conditions precedent, the Seller shall transfer the Sale Shares to the Acquirer and the Acquirer shall pay the purchase consideration in accordance with the terms of the SPA. The parties shall thereafter implement the corporate and board actions contemplated under the SPA, upon Closing, including transfer of the Sale Shares and completion of the corporate actions contemplated thereunder subject to and in accordance with the applicable provisions of the SEBI (SAST) Regulations, and other applicable laws.

f) Change in Control and Management: Upon consummation of the transaction, the Acquirer will acquire control over the Target Company. In accordance with the terms of the SPA, the Seller-nominated directors shall tender their resignations with effect from Closing. The Acquirer shall be entitled to nominate directors to the Board of the Target Company subject to and in accordance with the applicable provisions of the SEBI (SAST) Regulations, and other applicable laws.

g) Representations, Warranties and Indemnities: The SPA contains customary representations, warranties, covenants and indemnities provided by the Seller and the Target Company in relation to, inter alia, title to the Sale Shares, the business and operations of the Target Company, financial and tax matters and compliance with applicable laws. The SPA also contains customary provisions relating to indemnification, limitations on liability, claim procedures and survival periods.

h) Mandatory Open Offer: The execution of the SPA and the proposed acquisition of the Sale Shares and control over the Target Company have triggered the obligation on the Acquirer to make the Open Offer in accordance with Regulations 3(1) and 4 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

3.1.7. The Offer is not a result of global acquisition resulting in indirect acquisition of Equity Shares of the Target Company.

3.1.8. No other person is acting in concert with the Acquirer for the purposes of this Open Offer.

3.1.9. There is no separate arrangement for the proposed change in control of the Target Company, except for the terms as mentioned in SPA.

3.1.10. Upon completion of the Open Offer, assuming full acceptances, the public shareholding of the Target Company will not fall below minimum level of public shareholding as required to be maintained as per Rule 19A(1) of Securities Contracts (Regulation) Rules, 1957 as amended and Regulation 38 of the SEBI (LODR) Regulations.

3.1.11. There may be changes in the composition of board of directors of the Target Company after the completion of Open Offer, in accordance with the SPA and applicable laws (including without limitation, the Companies Act, 2013, the SEBI (LODR) Regulations, the SEBI (SAST) Regulations and other applicable laws). No proposal in this regard has been finalized as on the date of this Draft Letter of Offer.

3.1.12. As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of Directors of the Target Company are required to constitute a committee of independent directors, to provide its written reasoned recommendation on the Offer to the Public Shareholders of the Target Company and such recommendations shall be published at least 2 (two) Working Days before the commencement of the Tendering Period in the same newspapers where the DPS of the Offer was published. A copy of the above shall be sent to SEBI, Stock Exchanges, and Manager to the Open Offer and in case of a competing offer/s to the Manager/s to the Open Offer for every competing Offer.

3.1.13. The Acquirer has not been prohibited by the SEBI from dealing in securities, in terms of Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

3.2. DETAILS OF THE PROPOSED OFFER

3.2.1. The Public Announcement in connection with the Offer made by the Manager to the Open Offer on behalf of the Acquirer filed to the Stock Exchanges, SEBI and sent to the Target Company on July 9, 2026.

3.2.2. In accordance with Regulation 14(3) of the SEBI (SAST) Regulations, the DPS in connection with the Offer was published on behalf of the Acquirer on July 16, 2026, in the following newspapers:

Newspaper	Language	Editions
Business Standard	English	All Edition
Business Standard	Hindi	All Edition
Navshakti	Marathi	Mumbai Edition
Nava Telangana	Telugu	Hyderabad Edition

3.2.3. The DPS was also submitted to SEBI and the Stock Exchanges and was also sent to the Target Company on July 16, 2026.

3.2.4. The copy of PA and DPS is available on the SEBI website (www.sebi.gov.in).

3.2.5. This Offer is a mandatory open offer and being made under Regulations 3(1) and 4 of the SEBI (SAST) Regulations to the Public Shareholders of the Target Company pursuant to the substantial acquisition of shares, voting rights and control over the Target Company by the Acquirer.

3.2.6. This Offer is being made by the Acquirer to the Public Shareholders of the Target Company to acquire up to 1,39,77,911 (One Crore Thirty-Nine Lakh Seventy-Seven Thousand Nine Hundred and Eleven only) Equity Shares ("**Offer Shares**") representing 26.00% (Twenty-Six percent) of the Equity Share Capital ("**Offer Size**"), at an offer price of INR 698/- (Indian Rupees Six Hundred and Ninety-Eight only) per Equity Share ("**Offer Price**") aggregating to a total consideration of up to INR 975,65,81,878/- (Indian Rupees Nine Hundred Seventy-Five Crores Sixty-Five Lakhs Eighty-One Thousand Eight Hundred and Seventy-Eight only) (assuming full acceptance) ("**Maximum Consideration**"), subject to the receipt of the Required Statutory Approval and the terms and conditions mentioned herein. The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.

3.2.7. The Offer Price has been arrived at in accordance with applicable provisions of Regulation 8(1) and 8(2) of the SEBI (SAST) Regulations.

3.2.8. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.

3.2.9. As on the date of this DLOF, there are no outstanding partly paid-up Equity Shares of the Target Company or outstanding convertible instruments (warrants/fully convertible debentures/partially convertible debentures) issued by the Target Company.

3.2.10. There is no differential pricing for the Offer.

3.2.11. The Acquirer has not acquired any Equity Shares of the Target Company from the date of the PA to the date of this DLOF. The Acquirer shall disclose during the Offer Period any acquisitions made by the Acquirer of any Equity Shares of the Target Company in the prescribed form, to each of the Stock Exchanges and to the Target Company at its registered office within 24 (twenty-four) hours of such acquisition, in accordance with Regulation 18(6) of the SEBI (SAST) Regulations.

3.2.12. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. Further, there has been no competing offer as of the date of this DLOF. If there is a competing offer at any time hereafter, the public offers under all subsisting bids shall open and close on the same date.

3.2.13. The Public Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are clear and free from all liens, charges and encumbrances. The Offer Shares will be acquired, subject to such Offer Shares being validly tendered in this Offer, together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, and the tendering Public Shareholders shall have obtained all necessary consents required by them to tender the Offer Shares on the foregoing basis. All the Equity Shares validly tendered by the Public Shareholders in this Open Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in this DLOF, and those which will be set out in the letter of offer to be sent to all Public Shareholders in relation to the Offer.

3.2.14. Pursuant to completion of this Open Offer, assuming full acceptance of the Offer Shares, the public shareholding of the Target Company shall not fall below the minimum public shareholding requirement as per Rule 19A(1) of the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**"), as amended, read with Regulation 38 of SEBI (LODR) Regulations.

3.2.15. The Offer Price is subject to revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer at any time prior to 1 (One) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations.

3.2.16. The Manager does not hold any Equity Shares in the Target Company as on the date of this Draft Letter of Offer. The Manager to the Open Offer further declares and undertakes not to deal on its account, in the Equity Shares of the Target Company during the Offer Period.

3.3. OBJECT OF THE OPEN OFFER

3.3.1. The Offer is being made to the Public Shareholders in accordance with regulations 3(1) and 4 of the SEBI (SAST) Regulations as a result of the completion of the consummation of the underlying transaction contemplated in the SPA.

3.3.2. The object of acquisition is to acquire substantial equity shares and voting rights accompanied with change in management and control of the Target Company. The Acquirer reserves the right to modify the present structure of the business in a manner which is useful to the larger interest of the shareholders. Any change in the structure that may be carried out, will be in accordance with the laws and rules as applicable.

3.3.3. The Acquirer does not have any plans to dispose off or otherwise encumber any significant assets of the Target Company or any of its subsidiary/(ies) for the next 2 (two) years from the date of closure of the Open Offer, except in the ordinary course of business of the Target Company or any of its subsidiary/(ies), and except to the extent required for the purpose of restructuring and/or rationalization of the business, assets, investments, liabilities or otherwise of the Target Company or any of its subsidiary/(ies). In the event any substantial asset of the Target Company or any of its subsidiary/(ies) is to be sold, disposed off or otherwise encumbered other than in the ordinary course of business, the Acquirer in consultation with board of directors of the Target Company and based on the requirements of the business of the Target Company or any of its subsidiary/(ies) undertakes that it shall do so only upon the receipt of the prior approval of the shareholders of the Target Company, by way of a special resolution passed by postal ballot, in terms of Regulation 25(2) of SEBI (SAST) Regulations and subject to the provisions of applicable law as may be required.

3.3.4. The Acquirer has not formulated any proposal as on the date of this Draft Letter of Offer which may have an adverse material impact on the employees of the Target Company and the locations of its places of business.

4. BACKGROUND OF THE ACQUIRER AND SELLER

4.1. DETAILS OF THE ACQUIRER: APOLLO MICRO SYSTEMS LIMITED ("ACQUIRER" / "AMSL")

4.1.1. The Acquirer was incorporated as "Apollo Micro Systems Private Limited" on March 3, 1997 as a private limited company, under the Companies Act, 1956 and was granted a certificate of incorporation issued by the Registrar of Companies, Andhra Pradesh at Hyderabad. AMSL became a public limited company with effect from April 1, 2017 and a fresh certificate of incorporation consequent upon conversion was issued by Registrar of Companies, Hyderabad.

4.1.2. The registered office of the Acquirer is situated at Plot No 128/A, Road No 12, BEL Road IDA Mallapur, Uppal Mandal Hyderabad, Telangana State, 500 076 - India. The CIN number of the Acquirer is L72200TG1997PLC026556.

4.1.3. The Acquirer is engaged in electronic, electro-mechanical, engineering designs, manufacturing and supplies. AMSL designs, develops and sells high-performance, mission and time critical solutions to Defence, Space and Home Land Security for Ministry of Defence, government controlled public sector undertakings and private sectors.

4.1.4. Name of the Group to which the Acquirer belongs to: Apollo Micro Systems.

4.1.5. The names of the persons forming part of promoter and promoter group of the Acquirer are set out below:

Promoter:
Mr. Baddam Karunakar Reddy

Members of the promoter group:
Mrs. Srilakshmi Reddy Vangeti
Mr. Baddam Chanakya Reddy
Mr. Baddam Kanishka Reddy

4.1.6. The equity shares of the Acquirer are listed on BSE (scrip code: 540879) and NSE (scrip code: APOLLO) and are currently not suspended from trading on BSE and NSE. The ISIN of the Acquirer is INE713T01028.

4.1.7. As on the date of this DLOF, the issued equity share capital of the Acquirer is INR 37,15,99,512/- (Indian Rupees Thirty-Seven Crore Fifteen Lakh Ninety-Nine Thousand Five Hundred and Twelve only) comprising of 37,15,99,512 (Thirty-Seven Crore Fifteen Lakh Ninety-Nine Thousand Five Hundred and Twelve only) equity shares of INR 1/- (Indian Rupee One only) each, out of which 1,42,94,072 (One Crore Forty-Two Lakh Ninety-Four Thousand and Seventy-Two only) equity shares were issued and allotted for which trading approval is awaited. Further, as on the date of this DLOF the promoter and promoter group of the Acquirer holds 49.98% of equity share capital of the Acquirer and remaining 50.02% is held by public shareholders.

4.1.8. The shareholding pattern of the Acquirer as submitted with the Stock Exchanges for the quarter ended June 30, 2026, is as follows:

Sr. No.	Shareholder's Category	Number of shares	Percentage (%)
1.	Promoter & Promoter Group	18,57,24,200	49.98
2.	Institutions (Domestic and Foreign)	3,45,89,027	9.31
3.	Public	15,12,86,285	40.71
Total Paid Up Capital		**37,15,99,512**	**100.00**

Note: The above shareholding pattern includes 1,42,94,072 (One Crore Forty-Two Lakh Ninety-Four Thousand and Seventy-Two only) equity shares for which trading approval is currently awaited.

4.1.9. As on the date of Public Announcement, the closing market price of the equity shares of the Acquirer was INR 398.60 (Indian Rupees Three Hundred Ninety-Eight and Sixty Paisa only) on BSE. (Source: website of BSE) and was INR 398.30 (Indian Rupees Three Hundred Ninety-Eight and Thirty Paisa only) on NSE. (Source: website of NSE).

4.1.10. The Company Secretary and Compliance Officer of the Acquirer is Mr. Seshadri Vasan Gollur (email: cs@apollo-micro.com; Tel. no.: +91 402 7167000 - 99).

4.1.11. The Acquirer has received a certificate on Corporate Governance from its Secretarial Auditor on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of SEBI (LODR) Regulations, for the year ended March 31, 2025 dated July 28, 2025.

4.1.12. No other person is acting in concert with the Acquirer for the purposes of this Open Offer. While persons may be deemed to be acting in concert with the Acquirer in terms of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations ("**Deemed PACs**"), although such Deemed PACs are not acting in concert with the Acquirer for the purposes of this Open Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.

4.1.13. As on the date of this DLOF, the Acquirer does not hold any Equity Shares or voting rights of the Target Company. Furthermore, the Acquirer has not acquired any Equity Shares after the date of the PA. The directors and the key managerial persons of the Acquirer do not hold any Equity Shares or voting rights in the Target Company.

4.1.14. Neither the Acquirer nor its directors or key employees have any relationship or interest in the Target Company or its promoter, directors and key managerial personnel. There are no directors on the board of the Target Company representing the Acquirer.

4.1.15. The Acquirer has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the Securities and Exchange Board of India Act, 1992, as amended ("**SEBI Act**") or under any other regulations made under the SEBI Act.

4.1.16. Neither the Acquirer nor any of its promoters, directors, key managerial personnel (as defined in the Companies Act, 2013) have been categorised or declared: (i) a 'wilful defaulter' by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and in terms of the Regulation 2(1)(ze) of the SEBI (SAST) Regulations; or (ii) a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018) and in terms of the Regulation 2(1)(ja) of the SEBI (SAST) Regulations.

4.1.17. There are no statutory approvals / regulatory actions / administrative warnings / directions subsisting or proceedings pending against the Acquirer under the SEBI Act and regulations made there under.

4.1.18. As on date of this DLOF, the Acquirer is not an existing shareholder of the Target Company and hence, compliance under the provisions of chapter V of the SEBI (SAST) Regulations is not applicable on it.

4.1.19. The Acquirer confirms that there are no pending litigations pertaining to the securities market where it is made party to as on date of this DLOF.

4.1.20. The board of directors of the Acquirer comprises the following members:

Name and Designation	DIN	Date of appointment	Qualification and Experience
Raghupathy Goud Theegala - Chairperson and Non-Executive - Independent Director	07785738	Original Date of Appointment: August 21, 2017 Last re-appointment: August 22, 2022	He holds a Bachelor's degree in Commerce from Osmania University and a Bachelor's degree in Law from Bangalore University. He commenced his professional career by practicing law for a period of three years. Thereafter, he joined the Andhra Pradesh Police as a Sub-Inspector. Prior to his association with the Acquirer, he served with the Andhra Pradesh Lokayukta and Upa-Lokayukta.
Baddam Karunakar Reddy – Managing Director	00790139	Original Date of Appointment: Since Incorporation i.e. March 3, 1997 Last re-appointment: April 1, 2022	He holds a Bachelor's Degree in Arts from Osmania University. He has over 38 years of experience in the industry and is the founder and managing director of the Acquirer.
Chandrapati Venkata Siva Prasad - Whole-time Director (Technical)	03601703	Original Date of Appointment: July 1, 2011 Last re-appointment: August 22, 2022	He holds a M. Tech degree in Digital Signal Processing. He has over 25 years of experience across various technologies. He has been associated with the Acquirer's research and development activities and has played a key role in leading and executing defence projects.
Addepalli Krishna Sai Kumar - Whole-time Director (Operations)	03601692	Original Date of Appointment: July 1, 2011 Last re-appointment: August 22, 2022	He holds a Bachelor's Degree in Electronics and Communication. He has over 23 years of experience in marketing, finance, and operations. He has been associated with the Acquirer since 2003 and has played a key role in expanding the Acquirer's customer base, entering new markets, strengthening its supply chain management, implementing quality process initiatives, and contributing to its business development activities across the defence and non-defence sectors.
Kavya Gorla - Non-Executive - Non Independent Director	06407238	Original Date of Appointment: October 13, 2022 Last re-appointment: November 12, 2022	She holds a Bachelor's degree in Electronics and Communication Engineering. She combines her technical expertise with over 9 years of experience in the aviation sector. She underwent flight training in Florida, USA, and has been a licensed pilot since 2007. She has developed expertise in areas including airplane aerodynamics, aircraft engines, avionics, and radio navigation systems.
Karunasree Samudrala - Non-Executive - Independent Director	06960974	Original Date of Appointment: May 29, 2018 Last re-appointment: May 29, 2023	She holds a Fellow Membership of the Institute of Chartered Accountants of India. She is having 22 years of wide experience in Accounting, Audit (including statutory, internal, and tax audits across multiple sectors such as

Name and Designation	DIN	Date of appointment	Qualification and Experience
			FMCG, stock markets, and banking), and Taxation.
Chandrasekhar Matham - Non-Executive - Independent Director	09844975	Original Date of Appointment: January 21, 2023 Last re-appointment: March 28, 2023	He holds a Doctor of Philosophy in VLSI and Embedded Systems from Sri Krishnadevaraya University, Anantapur. He also holds a Master of Technology in Electronics and Instrumentation Engineering (EIE) from the Indian Institute of Science, Bengaluru and a Master of Science (Tech.) in Applied Electronics from Osmania University. He has over two decades of experience in defence research and development and more than a decade of experience in teaching undergraduate and postgraduate engineering students at Central and State Universities.
Aditya Kumar Halwasiya - Non-Executive – Non Independent Director	08200117	Original Date of Appointment: January 21, 2023 Last re-appointment: March 28, 2023	He holds a Master's Degree in Global Finance from Fordham University, New York, USA. He has been over 6 years of experience in business marketing with Universal Petro-Chemicals Limited. He also serves in an advisory capacity at Columbia Petrochem Limited. In addition, he has experience in managing capital market investments and overseeing real estate projects across India.

Note: None of the directors of the Acquirer as mentioned above, are on the board of directors of the Target Company.

4.1.21. The key financial information of the Acquirer based on the consolidated audited financial statements for the Fiscal 2026, 2025 and 2024, are as follows:

(INR in Lakh)

Statement of Profit & Loss	Fiscal 2026	Fiscal 2025	Fiscal 2024
Revenue from operations	90,432.38	56,206.92	37,163.42
Other Income	627.34	288.54	182.57
Total Income	91,059.73	56,495.46	37,345.99
Total Expenditure excluding Interest and Depreciation and Amortisation	68,616.11	43,285.96	28,776.86
Profit Before Interest, Tax and Depreciation and Amortisation	22,443.61	13,209.51	8,569.13
Depreciation and Amortisation	2,231.51	1,533.29	1,129.56
Finance cost	4,732.37	3,421.57	3,030.17
Profit Before Tax	**15,479.73**	**8,254.64**	**4,409.40**
Tax Expense	4,741.72	2,618.88	1,298.74
Profit after tax	**10,738.01**	**5,635.76**	**3,110.66**

(INR in Lakh)

Balance Sheet	Fiscal 2026	Fiscal 2025	Fiscal 2024
Equity and Liabilities			
Equity Share Capital	3,572.92	3,064.90	2,823.59
Other Equity (including Non-Controlling Interest)	1,27,249.12	57,692.03	49,098.31
Net Worth	1,30,822.04	60,756.93	51,921.90
Non-Current Liabilities	18,590.44	11,520.01	4,527.00
Current Liabilities	87,438.35	57,671.94	39,175.17
Total Equity and Liabilities	**2,36,850.83**	**1,29,948.85**	**95,624.07**
Assets			
Non-Current Assets (excluding Goodwill)	55,780.57	27,018.58	18,920.92

Balance Sheet	Fiscal 2026	Fiscal 2025	Fiscal 2024
Goodwill	14,519.55	1.89	1.89
Current Assets	1,66,550.71	1,02,928.38	76,701.26
Total miscellaneous expenditure not written off	-	-	-
Total Assets	**2,36,850.83**	**1,29,948.85**	**95,624.07**

Other Financial Data	Fiscal 2026	Fiscal 2025	Fiscal 2024
Dividend (%)	25*	25	2.5
Basic Earnings Per Share	3.18	1.86	1.24
Diluted Earnings Per Share	3.15	1.86	1.17
Return on Net Worth (%)	8.60	9.29	6.00
Book value per Equity Share	36.75	19.80	18.36

**subject to Shareholders' approval*

4.1.22. The contingent liabilities and commitments as on Fiscal 2026 (to the extent not provided) of the Acquirer is as below:

(INR in Lakh)

Sr. No.	Particulars	As at March 31, 2026
1.	**Contingent Liabilities**	
	(a) Claims against the Acquirer not acknowledged as debts *(refer note below (a))*	6,356.28
	(b) Guarantees Outstanding guarantees and performance guarantees to various Banks, in respect of the guarantees given by those banks in favour of various authorities and others *(refer note below (b))*	4,832.63
2.	**Commitments**	
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for; - the Acquirer has commitments relating to construction of new factory building at Shamshabad.	2,130.91

Notes:

a) The Acquirer's pending litigations comprise claims against the Acquirer and proceedings pending with Tax / Statutory/ Government Authorities. After review of all its pending litigations and proceedings, the Acquirer has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Acquirer does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/authorities.

b) The Acquirer has issued guarantees and performance-guarantees on behalf of its customers in favor of various banks to support the customers' obligations to such banks. These guarantees and performance-guarantees have been provided in the normal course of business and are subject to the terms and conditions agreed with the respective banks.

As of March 31, 2026, the aggregate amount of such outstanding guarantees and counter-guarantees amounted to INR 4,832.63, which represents the maximum potential exposure to the Acquirer under these arrangements. Management believes that the likelihood of any material obligation arising under these guarantees is remote, and accordingly, no provision has been recognized in the financial statements.

These guarantees do not involve the Acquirer in any commitments or contingencies other than those arising in the ordinary course of business.

4.2. DETAILS OF THE SELLER: AKS FAMILY TRUST ("SELLER")

4.2.1. The details of the Seller are set out below:

Name and Nature of the Seller	Part of Promoter Group	Details of Equity Shares/ voting rights held by the Seller			
		Pre-transaction		Post-transaction	
		Number of Equity Shares	%	Number of Equity Shares	%
AKS Family Trust – Trust, registered under Indian Trusts Act, 1882	Yes	2,22,21,735	41.33	Nil	NA

**Pursuant to the consummation of the transaction as contemplated in the SPA, the Seller forming part of promoter and promoter group of Target Company, intend to be reclassified as public shareholders in accordance with the procedures contained in Regulation 31A of the SEBI (LODR) Regulations.*

4.2.2. Address of the Seller: 81 Jyoti Colony, Kakaguda, Secunderabad, Telangana, India – 500015

4.2.3. There is no name change of the Seller since inception.

4.2.4. The Seller does not belong to any group.

4.2.5. As per the shareholding pattern as on June 30, 2026 filed as per Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Target Company with the Stock Exchanges, the Seller is the Promoter of the Target Company.

4.2.6. Seller is not prohibited by the SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 and subsequent amendments or under any other regulations made under the SEBI Act, 1992.

5. BACKGROUND OF THE TARGET COMPANY: PREMIER EXPLOSIVES LIMITED (“TARGET COMPANY”)

(Information relating to the Target Company mentioned under this section has been sourced from the Target Company, information published by the Target Company or publicly available sources)

5.1.1. The Target Company is a public listed company limited by shares. It was incorporated as “Premier Explosives Private Limited” on February 14, 1980, as a private limited company under the Companies Act, 1956 and was granted a certificate of incorporation issued by the Registrar of Companies, Andhra Pradesh. On October 29, 1987, it was converted into public limited company under the provisions of the Companies Act, 1956 and a fresh certificate of incorporation consequent on change of name, on the name of “Premier Explosives Limited” was issued by Registrar of Companies, Andhra Pradesh. There has been no change in the name of the Target Company in the last three years.

5.1.2. The registered office of the Target Company is located at Premier House, 11, Ishaq Colony, near AOC Centre, Trimulgherry, Secunderabad, Telangana - 500015.

5.1.3. The CIN of the Target Company is L24110TG1980PLC002633.

5.1.4. The Target Company is primarily engaged in the business of manufacturing of high energy materials for defence, aerospace and mining sectors. It also undertakes operation and maintenance services of solid propellant plants and solid fuel complex.

5.1.5. The Equity Shares of the Target Company are listed on BSE (scrip code: **526247**) and NSE (scrip code: **PREMEXPLN**). The ISIN of Equity Shares is INE863B01029. The entire paid-up equity share capital of the Target Company is listed on the Stock Exchanges and has not been suspended from trading by any of the Stock Exchanges. The Equity Shares of the Target Company have not been delisted from any other stock exchanges in India in last 5 (five) years.

5.1.6. The total authorised share capital of the Target Company is INR 15,00,00,000/- (Indian Rupees Fifteen Crores only) comprising of 7,50,00,000 (Seven Crores Fifty Lakhs only) Equity Shares having a face value of INR 2/- (Indian Rupees Two only) each. The issued, subscribed, paid-up and voting equity share capital of the Target Company is INR 10,75,22,390 (Indian Rupees Ten Crore Seventy-Five Lakh Twenty-Two Thousand Three Hundred and Ninety only) divided into 5,37,61,195 (Five Crore Thirty-Seven Lakh Sixty-One Thousand One Hundred and Ninety-Five only) Equity Shares of INR 2/- (Indian Rupees Two only) each. The share capital structure of the Target Company is as follows:

Paid-up Equity Shares of Target Company	No. of Equity Shares/voting rights	% of Equity Shares/ voting rights
Fully paid-up Equity Shares	5,37,61,195	100
Partly paid-up Equity Shares	Nil	Not Applicable
Total paid-up Equity Shares	5,37,61,195	100
Total voting rights in Target Company	5,37,61,195	100

5.1.7. As per the shareholding pattern filed by the Target Company with the Stock Exchanges for the quarter ended June 30, 2026, the Target Company has disclosed that: (i) there are no partly paid-up Equity Shares; (ii) it has not issued any convertible securities; (iii) it has not issued any warrants/ fully convertible debenture/ partly convertible debenture or options or similar instruments; and (iv) there are no locked in Equity Shares of the Target Company.

5.1.8. The equity shares of the Target Company are frequently traded within the meaning of explanation provided in Regulation 2(1)(j) of the SEBI (SAST) Regulations.

5.1.9. As on the date of this Draft Letter of Offer, the composition of the board of directors of the Target Company is as follows:

Sr. No.	Name of the Director	Designation	DIN	Date of Appointment
1	Dr. Amarnath Gupta	Chairman & Non-Executive Non-Independent Director	00053985	Original Date of Appointment: February 20, 1980 Last re-designation: February 14, 2022
2	Mr. T.V. Chowdary	Managing Director	00054220	Original Date of Appointment: August 31, 2005 Last re-designation: February 14, 2022
3	Mr. Y. Durga Prasada Rao	Director (Operations)	08072805	Original Date of Appointment: August 10, 2019 Last re- appointment: August 10, 2022
4	Dr. (Mrs.) Kailash Gupta	Non-Executive and Non-Independent Director	00054045	Original Date of Appointment: May 27, 1999
5	Mrs. Shonika Prasad	Non-Executive and Non-Independent Director	00250015	Original Date of Appointment: January 7, 2022 Last regularization: February 12, 2022
6	Lt Gen. P R Kumar (Retd)	Independent Director	07352541	Original Date of Appointment: November 2, 2016 Last re-appointment: November 2, 2021
7	Dr. Narendra Kumar Nanda	Independent Director	02455894	Original Date of Appointment: August 13, 2024 Last regularization: September 27, 2024
8	Dr. Gnana Sekaran Venkasamy	Independent Director	02012032	Original Date of Appointment: August 13, 2024 Last regularization: September 27, 2024
9	Mr. CH. Seshagiri Rao	Independent Director	10595215	Original Date of Appointment: August 13, 2024 Last regularization: September 27, 2024
10	Dr. (Mrs.) Kumuda Raghavan	Independent Director	10698094	Original Date of Appointment: August 13, 2024 Last regularization: September 27, 2024

5.1.10. None of the directors of the Acquirer are on the board of directors of the Target Company and there are no directors on the board of the Target Company representing the Acquirer.

5.1.11. During the last 3 (three) years, the Target Company has not undertaken any activities with respect to a scheme of amalgamation, restructuring, merger/demerger and spin off. Further with effect from June 21, 2024, the equity shares of the Target Company having face value of INR 10/- (Indian Rupees Ten only) each, fully paid-up, subdivided / split of into 5 equity shares having face value of INR 2/- (Indian Rupees Two only) each, fully paid-up.

5.1.12. As on the date of this DLOF, the below punitive action has been taken by the Stock Exchanges against the Target Company:

- Both NSE and BSE had imposed fines on the Target Company of INR 1,43,960 for the quarter ended March 31, 2021 and INR 2,05,320 for the quarter ended June 30, 2021, for non-compliance with Regulation 17(1A) of the SEBI (LODR) Regulations in relation to the continuation of the directorship of Dr. (Mrs.) Kailash Gupta, who had attained the age of 75 years on January 30, 2021. Subsequently, the aforesaid fine of INR 1,43,960/- pertaining to the quarter ended March 31, 2021 was duly paid to NSE and BSE by the Target Company, and the shareholders of the Target Company approved the continuation of her directorship by way of a special resolution passed through postal ballot on June 26, 2021. The Target Company subsequently filed applications with both NSE and BSE seeking waiver of the aforesaid fines. NSE rejected the waiver application and directed the Target Company to pay the INR 2,05,320/-, which was accordingly paid. However, no communication has been received till date from BSE regarding the waiver application.

- NSE and BSE had imposed fines of INR 1,06,200/- each on the Target Company for non-compliance with Regulation 17(1A) of the SEBI (LODR) Regulations in relation to the appointment of Dr. (Mrs.) Kumuda Raghavan as an additional director in the capacity of an independent woman director with effect from August 13, 2024,who had attained the age of 75 years on July 14, 2023, without obtaining prior shareholders' approval. The Target Company obtained shareholders' approval for her appointment on September 27, 2024. Thereafter, the Target Company, vide its reply dated March 29, 2025, submitted its response to the Stock Exchanges and applied for waiver of the fines, inter alia, stating that the proviso to Regulation 17(1A), requiring prior shareholders' approval, came into effect on December 12, 2024, subsequent to the appointment of Dr. (Mrs.) Kumuda Raghavan. As on the date of this DLOF, the waiver application is pending with the Stock Exchanges.

5.1.13. The key financial information of the Target Company based on the consolidated audited financial statements for the Fiscal 2026, 2025 and 2024, are as follows:

(INR in Lakh)

Statement of Profit & Loss	**Fiscal 2026**	**Fiscal 2025**	**Fiscal 2024**
Revenue from Operations	38,834.14	41,745.23	27,171.67
Other Income	4,214.24	211.32	414.86
Total Income	43,048.38	41,956.55	27,586.53
Total Expense excluding Interest, Depreciation and Amortisation	34,970.99	35,947.64	21,322.71
Profit Before Depreciation, Interest and Tax	**8,077.39**	**6,008.91**	**6,263.82**
Depreciation and Amortisation	1,168.55	1,147.42	1,151.69
Finance Cost	338.47	1,081.63	1,050.39
Exceptional items and share of loss from joint venture	521.21	-	-
Profit before Tax	**6,049.16**	**3,779.86**	**4,061.74**
Tax Expense	1,467.61	906.53	1,219.98
Profit after Tax	**4,581.55**	**2,873.33**	**2,841.76**

(INR in Lakh)

Balance Sheet	**Fiscal 2026**	**Fiscal 2025**	**Fiscal 2024**
Equity and Liabilities			
Equity Share Capital	1,075.22	1,075.22	1,075.22
Other Equity (including Non-Controlling Interest)	27,967.56	23,640.46	21,073.57
Net Worth	29,042.78	24,715.68	22,148.79
Non-Current Liabilities	3,598.68	3,197.04	3,631.99

Balance Sheet	Fiscal 2026	Fiscal 2025	Fiscal 2024
Current Liabilities	15,673.70	24,918.61	18,412.10
Total Equity and Liabilities	**48,315.16**	**52,831.33**	**44,192.88**
Assets			
Non-Current Assets (excluding Goodwill)	22,482.72	20,887.50	20,722.62
Current Assets	25,832.44	31,943.83	23,470.26
Total miscellaneous expenditure not written off	-	-	-
Total Assets	**48,315.16**	**52,831.33**	**44,192.88**

Other Financial Data	Fiscal 2026	Fiscal 2025	Fiscal 2024*
Dividend (%) on face value	25%	25%	25%
Face Value	2	2	2
Earnings per share	8.52	5.34	5.27
Return on Net Worth (%) #	15.78%	11.63%	12.83%
Book Value per Equity Share	54.02	45.97	41.20

** The effect of share split from face value of INR 10/- (Indian Rupees Ten only) each to equity shares having face value of INR 2/- (Indian Rupees Two only) each with effect from ex-date June 21, 2024 has been considered.*

#Return on Net Worth is calculated by dividing Profit after Tax with Net Worth.

5.1.14. The shareholding pattern of the Target Company Pre-Offer (as on June 30, 2026, as disclosed to the Stock Exchanges) and post-Offer is as follows:

Shareholders' Category	Shares / voting rights prior to the SPA / acquisition and the Offer		Shares / voting rights agreed to be acquired which triggered under the SEBI (SAST) Regulations		Shares / voting rights to be acquired in Open Offer (assuming full acceptances)		Shareholding / voting rights after the acquisition and offer (assuming full acceptance)	
	(A)		(B)		(C)		(A) + (B) + (C) = (D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter								
a) Parties to SPA, namely								
1. AKS Family Trust	2,22,21,735	41.33%	(2,22,21,735)	(41.33%)	-	-	-	-
Total 1(a)	**2,22,21,735**	**41.33%**	**(2,22,21,735)**	**(41.33%)**	-	-	-	-
b) Promoters Other than (a) above	-	-	-	-	-	-	-	-
Total 1(a+b)	**2,22,21,735**	**41.33%**	**(2,22,21,735)**	**(41.33%)**	-	-	-	-
(2) Acquirer								
1. Apollo Micro Systems Limited	-	-	2,22,21,735	41.33%	1,39,77,911	26.00%	3,61,99,646	67.33%
Total (2)	-	-	**2,22,21,735**	**41.33%**	**1,39,77,911**	**26.00%**	**3,61,99,646**	**67.33%**
(3) Parties to SPA other than (1) & (2) above	-	-	-	-	-	-	-	-
(4) Public Shareholders (i.e. Other than SPA and Acquirer)								
a) Institutions (Domestic and Foreign)	59,35,885	11.04%	-	-	(1,39,77,911)	(26.00%)	1,75,61,549	32.67%
b) Others	2,56,03,575	47.63%	-	-				
Total 4(a+b)	**3,15,39,460**	**58.67%**			**(1,39,77,911)**	**(26.00%)**	**1,75,61,549**	**32.67%**
Grand Total (1+2+3+4)	**5,37,61,195**	**100.00%**	-	-	-	-	**5,37,61,195**	**100.00%**

a. *Total no. of shareholders in Public Shareholders as on June 30, 2026 is 84,315.*

b. *Pursuant to this Offer and the transactions contemplated in the SPA, the Acquirer shall become the promoter of the Target Company and the existing promoter i.e. Seller will cease to be the promoter of the Target Company in accordance with the provisions of Regulation 31A of the SEBI (LODR) Regulations.*

5.1.15. Upon completion of the Open Offer, assuming full acceptances, the public shareholding of the Target Company will not fall below minimum level of public shareholding as required to be maintained as per Rule 19A(1) of Securities Contracts (Regulation) Rules, 1957 as amended and Regulation 38 of the SEBI (LODR) Regulations.

5.1.16. Acquirer has not acquired any Equity Shares after date of PA till the date of this Draft Letter of Offer.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. JUSTIFICATION OF OFFER PRICE

6.1.1. The Equity Shares of the Target Company are listed on BSE Limited (Scrip Code: 526247) and National Stock Exchange of India Limited (Scrip Code: PREMEXPLN). The ISIN of Equity Shares is INE863B01029.

6.1.2. The trading turnover in the equity shares of the Target Company on BSE and NSE, during the twelve calendar months preceding the month in which the PA was issued (i.e. July 1, 2025 to June 30, 2026) is given below:

Name of the Exchange	Traded turnover of Equity Shares of the Target Company during the Twelve Months period ("A")	Total Number of Equity Shares listed ("B")	Total Turnover % (A/B)
BSE	1,27,74,787	5,37,61,195	23.76
NSE	18,23,73,553	5,37,61,195	339.23

(Source: www.bseindia.com and www.nseindia.com)

6.1.3. Based on the above, the equity shares are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

6.1.4. The Offer Price of INR 698/- (Indian Rupees Six Hundred and Ninety-Eight only) per equity share is justified in terms of Regulation 8(1) and 8(2) of the SEBI (SAST) Regulations, being higher than the highest of the following:

Sr. No	Particulars	Price (in INR per Equity Share)
(a)	The Negotiated Price under the SPA	697.52
(b)	The volume-weighted average price paid or payable for acquisition, by the Acquirer during the 52 weeks immediately preceding the date of the PA.	Not Applicable
(c)	The highest price paid or payable for any acquisition, by the Acquirer, during the 26 weeks immediately preceding the date of the PA.	Not Applicable
(d)	The volume-weighted average market price of the Equity Shares of the Target Company for a period of 60 trading days immediately preceding the date of the PA on NSE	696.31
(e)	Where the shares are not frequently traded, the price determined by an independent registered valuer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies	Not Applicable(1)
(f)	The per Equity Share value computed under Regulation 8(5) of the SEBI (SAST) Regulations, if applicable	Not Applicable(2)

Source: *Certificate dated July 9, 2026, issued by M/s VASG & Associates (FRN: 06070S) (Mr. A. Viswanatha Rao, Partner, Membership no.: 029597).*

Notes:

(1) Not applicable as the Equity Shares are frequently traded.

(2) Not applicable since the acquisition is not an indirect acquisition.

6.1.5. In view of the parameters considered and presented in the table in paragraph 6.1.4 above, the minimum Offer Price per Equity Share under Regulation 8(1) read with Regulation 8(2) of the SEBI (SAST) Regulations is the highest of above parameters, *i.e.*, INR 697.52 (Indian Rupees Six Hundred Ninety-Seven and Fifty-Two Paisa only) per Equity Share. Accordingly, the Offer Price is justified in terms of the SEBI (SAST) Regulations. There are no partly paid-up Equity Shares of the Target Company.

6.1.6. As on the date of this DLOF, there have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters in terms of Regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be adjusted by the Acquirer, in consultation with the Manager, in the event of any corporate action(s) such as issuances pursuant to rights issue, bonus issue, stock consolidations, stock splits, payment of dividend, de-mergers, reduction of capital, etc. where the record date for effecting such corporate action(s) falls prior to the 3 (three) Working Days before the commencement of the Tendering Period, in accordance with Regulation 8(9) of the SEBI (SAST) Regulations.

6.1.7. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may be undertaken by the Acquirer at any time prior to the commencement of 1 (one) Working Day before the commencement of the Tendering Period of this Offer, in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. Further, in the event of any acquisition of the Equity Shares by the Acquirer, during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price per Equity Share, the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition, in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any Equity Shares after the 3rd (third) Working Day before the commencement of the Tendering Period and until the expiry of the Tendering Period.

6.1.8. As on the date of this DLOF, there is no revision in the Offer Price or Offer Size. In the event of a revision in the Offer Price or Offer Size, the Acquirer shall: (a) make corresponding increases to the Escrow Amount in the Escrow Account (as defined below); (b) make a public announcement in the same newspapers in which the DPS has been published; and (c) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges, and the Target Company at its registered office of such revision.

6.1.9. If the Acquirer acquires Equity Shares of the Target Company during the period of 26 (twenty six) weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all the Public Shareholders whose shares have been accepted in the Offer, within 60 (sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2021, as amended, or open market purchases made in the ordinary course on the Stock Exchanges, not being negotiated acquisition of shares of the Target Company in any form.

6.2. FINANCIAL ARRANGEMENTS

6.2.1. The total consideration, i.e., total funding requirement for the Open Offer, assuming full acceptance of the Offer, is INR 975,65,81,878/- (Indian Rupees Nine Hundred Seventy-Five Crore Sixty-Five Lakh Eighty-One Thousand Eight Hundred and Seventy-Eight only) ("**Maximum Consideration**"). There is no differential pricing for the Offer.

6.2.2. In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer has opened an escrow account under the name and title of **"PREMIER EXPLOSIVES LIMITED - OPEN OFFER ESCROW ACCOUNT" ("Escrow Account")** with State Bank of India, a body corporate constituted under the State Bank of India Act, 1955, and having its Corporate Centre at State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai and one of its Branch offices is at Commercial Branch, Local Head Office Campus, Bank Street, Koti, Hyderabad - 500095, in the State of Telangana ("**Escrow Agent**") pursuant to an escrow agreement dated July 10, 2026 executed between the Manager to the Open Offer, the Acquirer and the Escrow Agent ("**Escrow Agreement**") and has made a cash deposit in the Escrow Account of a sum of INR 9,76,00,000/- (Indian Rupees Nine Crore Seventy-Six Lakh only) on July 13, 2026, ("**Cash Escrow Amount**"), and has been confirmed vide a confirmation letter dated July 13, 2026, issued by the Escrow Agent, which is in excess of 1% of the Maximum Consideration in accordance with the SEBI (SAST) Regulations.

6.2.3. By way of security for performance by the Acquirer of its obligations under the SEBI (SAST) Regulations, the Acquirer has furnished an unconditional and irrevocable bank guarantee dated July 10, 2026 from State Bank of India ("**Bank Guarantee**"), for an amount of INR 173,00,00,000/- (Indian Rupees One Hundred and Seventy-Three Crore only), in favour of the Manager to the Open Offer, which is in excess of the requirements specified under Regulation 17 of the SEBI (SAST) Regulations (i.e. 25.00% of the first INR 500,00,00,000 (Indian Rupees Five Hundred Crore) of the Maximum Consideration and 10.00% of the remainder of the Maximum Consideration). The Bank Guarantee is valid up to December 31, 2026. The Acquirer undertakes that, in the event the Open Offer process is not completed within the validity period of the Bank Guarantee, the same shall be extended at least up to 30 days from the date of completion of payment of the Open Offer consideration. The bank issuing the Bank Guarantee is neither an associate company nor a group company of the Acquirer, or the Target Company. The Manager to the Open Offer has been duly authorized to realize the value of the Cash Escrow Amount and Bank Guarantee in terms of the SEBI (SAST) Regulations. The Bank Guarantee together with the Cash Escrow Amount, is in excess of the amount required for compliance with Regulation 17 of the SEBI (SAST) Regulations.

6.2.4. The Manager to the Open Offer is duly authorized to operate the Escrow Account and the Escrow Account to the exclusion of all others and has been duly empowered to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.

6.2.5. The Acquirer has confirmed that it has and it will continue to have and maintain sufficient means and firm arrangements to enable compliance with its payment obligations under this Open Offer.

6.2.6. The Acquirer has confirmed that it has made firm financial arrangements to fulfil the payment obligations under this Open Offer in terms of Regulation 25(1) of the SEBI (SAST) Regulations and the Acquirer is able to implement this Open Offer.

6.2.7. M/s. VASG & Associates (FRN: 06070S) having its office at 503/A, 5th Floor, Kubera Towers, Narayanguda, Hyderabad - 500029, Tel. No.: +91 40 66849660; Mr. A Viswanatha Rao, Partner, membership no.: 029597), has vide its certificate dated July 9, 2026, certified that the Acquirer has adequate and firm financial resources through verifiable means to fulfil its obligations under this Offer.

6.2.8. Based on the aforesaid financial arrangements and on the confirmations received from the Escrow Banker and the Chartered Accountant, the Manager to the Open Offer is satisfied (a) about the adequacy of resources of the Acquirer to meet the financial requirements of the Open Offer and the ability of the Acquirer to implement the Open Offer in accordance with the SEBI (SAST) Regulations, and (b) that firm arrangements for payments through verifiable means are in place to fulfil the Open Offer obligations.

6.2.9. In case of upward revision of the Offer Price and/or the Offer Size, the Acquirers would deposit appropriate additional amount into an Escrow Account to ensure compliance with Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

7. TERMS AND CONDITIONS OF THE OFFER

7.1. OPERATIONAL TERMS AND CONDITIONS

7.1.1. This Offer is being made by the Acquirer to all the Public Shareholders: (i) whose names appear in the register of members of the Target Company as of the close of business on the Identified Date; (ii) who are beneficial owners of the Equity Shares and appear as beneficiaries on the records of the respective Depositories, as of the close of business on the Identified Date; and (iii) who acquire the Equity Shares any time prior to the date of the closure of the Tendering Period for this Offer whether or not they have been registered as holders of the Equity Shares. In terms of the tentative schedule of activities, the Tendering Period for the Offer shall commence on September 1, 2026, and close on September 15, 2026 (both days inclusive).

7.1.2. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.

7.1.3. The PA, the DPS, the DLOF and the Letter of Offer will also be available on SEBI's website (www.sebi.gov.in). In case of non-receipt of the Letter of Offer, the Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the Letter of Offer from SEBI's website. The acceptance of this Offer by Public Shareholders must be absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever. Neither the Acquirer, the Manager to the Open Offer or the Registrar to the Offer accept any responsibility for any loss of documents (including but not limited to Open Offer acceptance forms, copies of delivery instruction slips, original share certificates and transfer forms etc.) during transit and Public Shareholders are advised to adequately safeguard their interest in this regard. The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager to the Open Offer.

7.1.4. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

7.1.5. The Public Shareholders may tender their Equity Shares in the Offer at any time from the commencement of the Tendering Period but prior to the closure of the Tendering Period. The Acquirer has up to ten (10) Working Days from the closure of the Tendering Period to pay the consideration to the Public Shareholders whose Equity Shares are accepted in the Open Offer.

7.1.6. The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that they have good and valid title on the Offer Shares. The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that the Offer Shares are clear from all liens, charges and encumbrances. The Offer Shares will be acquired, subject to such Offer Shares being validly tendered in this Offer, together with all the economic, voting and beneficial rights attached thereto, including all the rights to dividends, bonuses and right offers declared thereof, and the tendering Public Shareholders shall have obtained all necessary consents required by them to tender the Offer Shares.

7.1.7. The acquisition of Equity Shares under the Open Offer from all Public Shareholders (resident and non-resident) is subject to all approvals required to be obtained by such Public Shareholders in relation to the Open Offer and the transfer of Equity Shares held by them to the Acquirer. Further, if the Public Shareholders who are not persons resident in India require or had required any approvals in respect of the transfer of Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Open Offer. In the event such prior approvals are not submitted, the Acquirer reserves its right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non-repatriable basis.

7.1.8. The Target Company does not have any Equity Shares which are currently locked-in.

7.1.9. The marketable lot for the Equity Shares of the Target Company shall be 1 (one).

7.1.10. All the Equity Shares validly tendered under this Open Offer to the extent of the Offer Size will be acquired by the Acquirer in accordance with the terms and conditions set forth in this Draft Letter of Offer.

7.1.11. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected.

7.1.12. The Acquirer reserves the right to revise the Offer Price upwards at any time prior to the commencement of the last 1 (one) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall: (i) make corresponding further deposits into the Escrow Account; (ii) make a public announcement in the same newspapers in which the DPS was published; and (iii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges, and the Target Company at its registered office of such revision. The Acquirer would pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of this Draft Letter of Offer.

7.1.13. The Identified Date for this Offer as per the schedule of activities is August 17, 2026. The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the LOF would be sent. It is clarified that all the Public Shareholders (even if they acquire Equity Shares and become shareholders of the Target Company after the Identified Date) are eligible to participate in the Open Offer.

7.1.14. The LOF shall be sent to all Public Shareholders whose names appear in the register of members of the Target Company on the Identified Date. Accidental omission to dispatch the LOF to any Public Shareholder to whom this Offer has been made or non-receipt of the LOF by any such Public Shareholder shall not invalidate this Offer in manner whatsoever. In case of non-receipt of the LOF, Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the LOF and the Form of Acceptance from the website of the Registrar to the Offer (www.kfintech.com) or the Stock Exchanges (www.bseindia.com; www.nseindia.com).

7.1.15. The instructions, authorizations and provisions contained in the Form of Acceptance constitute an integral part of the terms of the Open Offer. The Public Shareholders can write to the Registrar to the Offer/ Manager to the Open Offer requesting for the Letter of Offer along with the Form of Acceptance and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the date of the Closure of the Tendering Period. Alternatively, the Letter of Offer along with the Form of Acceptance will also be available at SEBI's website, www.sebi.gov.in, and the Public Shareholders can also apply by downloading such forms from the website.

7.2. LOCKED-IN EQUITY SHARES

The locked-in Equity Shares, if any, held by Public Shareholders, may be tendered in the Open Offer and transferred to the Acquirer subject to the continuation of the residual lock-in period in the hands of the Acquirer, as may be permitted under applicable law. The Manager to the Open Offer shall ensure that there shall be no discrimination in the acceptance of locked-in and non-locked-in Equity Shares.

7.3. ELIGIBILITY FOR ACCEPTING THE OFFER

7.3.1. The Letter of Offer shall be sent to the Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company on the Identified Date.

7.3.2. All Public Shareholders registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period are eligible to participate in this Offer.

7.3.3. The Public Announcement, the DPS, this Draft Letter of Offer, the Letter of Offer and the Form of Acceptance will also be available on SEBI's website (www.sebi.gov.in). In case of non-receipt of the Letter of Offer, the Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance from SEBI's website.

7.3.4. The acceptance of this Offer by the Public Shareholders must be absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

7.3.5. All Public Shareholders, (including resident or non-resident shareholders) must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) held by them, in the Offer and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares held by them, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares.

7.3.6. The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s).

7.3.7. By accepting this Offer, the Public Shareholder(s) confirm that they are not persons acting in concert with the Acquirer for the purpose of this Offer.

7.3.8. Neither the Acquirer, the Manager to the Open Offer or the Registrar to the Offer accept any responsibility for any loss of document including but not limited to original equity share certificates, Form of Acceptance, delivery instruction slips, share transfer forms etc. during transit and the Public Shareholders are advised to adequately safeguard their interest in this regard.

7.3.9. The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager to the Open Offer. If the number of Equity Shares validly tendered by the Public Shareholders under this Open Offer is more than the Offer Size, then the Offer Shares validly tendered by the Public Shareholders will be accepted on a proportionate basis, subject to acquisition a maximum of 1,39,77,911 (One Crore Thirty-Nine Lakh Seventy-Seven Thousand Nine Hundred And Eleven only) Equity Shares, representing 26.00% (twenty-six percent) of the Equity Share Capital, in consultation with the Manager to the Open Offer.

7.3.10. As per the provisions of Regulation 40(1) of the SEBI LODR Regulations and SEBI's press release dated December 03, 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from April 01, 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations.

7.3.11. The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of the Offer.

7.3.12. For any assistance, please contact the Manager to the Open Offer or the Registrar to the Offer.

7.4. STATUTORY AND OTHER APPROVALS

7.4.1. As on the date of this DLOF, to the best of the knowledge of the Acquirer, there are no statutory or other approval(s) required to acquire the Offer Shares that are validly tendered pursuant to this Offer and/or to complete the transaction as contemplated in the SPA, except for the Required Statutory Approval. However, if any further statutory or other approval(s) becomes applicable prior to the completion of the Offer, the Offer would also be subject to such statutory or other approval(s) being obtained and the Acquirer shall make necessary applications for such approvals

7.4.2. All Public Shareholders, including non-resident holders of Equity Shares, must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares. Further, if the holders of the Equity Shares who are not persons resident in India (including non-resident Indians, foreign institutional investors and foreign portfolio investors) had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares. Public Shareholders classified as overseas corporate bodies ("**OCB**"), if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder. Such OCBs shall approach the RBI independently to seek approval to tender the Equity Shares held by them in the Open Offer. Where statutory or other approval(s) extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approval(s) are required in order to complete this Open Offer.

7.4.3. Subject to the receipt of the statutory and other approvals set out herein, the Acquirer shall complete payment of consideration within 10 (ten) Working Days from the closure of the tendering period to those Public Shareholders whose documents are found valid and in order and are approved for acquisition by the Acquirer in accordance with Regulation 21 of the SEBI (SAST) Regulations. Where statutory or other approval(s) extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approval(s) are required in order to complete this Open Offer.

7.4.4. In case of delay in receipt of the Required Statutory Approval or any statutory or other approval(s) which may be required by the Acquirer, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that such delay in receipt of the Required Statutory Approval or any statutory or other approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the Public Shareholders whose Offer Shares have been accepted in the Offer, at such rate as may be prescribed by SEBI from time to time, in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations.

7.4.5. In terms of Regulation 23 of the SEBI (SAST) Regulations, in the event that, for reasons outside the reasonable control of the Acquirer, the approvals specified in paragraph 7.4 (Statutory and Other Approvals) of section 7 (Terms and Conditions of the Offer) of this Draft Letter of Offer or those which become applicable prior to completion of the Open Offer are not received or any of the conditions precedent under the SPA as specified in paragraph 3.1.6 (The salient features of the SPA) of section 3 (Details of the Offer) of this Draft Letter of Offer are not met, then the Acquirer shall have the right to withdraw the Open Offer. In the event of such a withdrawal of the Open Offer, the Acquirer (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

8.1. All Public Shareholders, registered or unregistered, holding Equity Shares in dematerialized form or physical form, are eligible to participate in this Offer at any time from Offer Opening Date to Offer Closing Date.

8.2. The Open Offer will be implemented by the Acquirer through stock exchange mechanism made available by the Stock Exchanges i.e., BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"), in the form of separate window ("**Acquisition Window**") as provided under the SEBI (SAST) Regulations and SEBI's Master Circular SEBI/HO/CFD/PoD-1/P/CIR/2023/31 dated February 16, 2023 ("**Master Circular**"). BSE shall be the designated stock exchange ("**Designated Stock Exchange**") for the purpose of tendering Equity Shares in the Open Offer.

8.3. The Acquirer has appointed R.L.P. Securities Private Limited ("**Buying Broker**") as its broker for the Offer through whom the purchase and settlement of the Equity Shares tendered in the Offer will be made. The contact details of the Buying Broker are as mentioned below:

R.L.P. Securities Private Limited
402, Nirmal Towers, Dwarakapuri Colony, Punjagutta, Hyderabad, Telangana – 500 082;
Tel. No.: +91 40 23352485, +91 93931 36201;
Email: rlpsecurities@yahoo.com;
Contact person: Mr. CH V A Varaprasad, Compliance Officer;
SEBI Registration No.: INZ000166638

8.4. All Public Shareholders who desire to tender their Equity Shares under the Offer would have to intimate their respective stockbrokers ("**Selling Brokers**") within the normal trading hours of the secondary market, during the Tendering Period. The Selling Broker can enter orders for dematerialised as well as physical Equity Shares. The Buying Broker or its affiliate may also act as Selling Broker for Public Shareholders.

8.5. A separate Acquisition Window will be provided by the BSE to facilitate the placing of orders. The Selling Broker would be required to place an order / bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window. Before placing the order / bid, the Selling Broker will be required to mark lien on the tendered Equity Shares in terms of SEBI circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021. Details of such Equity Shares marked as lien in the demat account of the Public Shareholders shall be provided by the depository to BSE Clearing Limited ("**Clearing Corporation**"). Upon finalization of the entitlement, only accepted quantity of Equity Shares will be debited from the demat account of the concerned Public Shareholder.

8.6. The cumulative quantity tendered shall be displayed on the Stock Exchanges website throughout the trading session, at specific intervals, during the Tendering Period.

8.7. In terms of the Master Circular, a lien shall be marked against the Equity Shares tendered in the Offer. Upon finalization of the entitlement, only the accepted quantity of Equity Shares will be debited from the demat account of the concerned Public Shareholder

8.8. Modification/ withdrawal of orders will not be allowed.

8.9. Public Shareholders can tender their Equity Shares only through a broker with whom the Public Shareholder is registered as client (KYC Compliant). In the event Selling Broker(s) are not registered with BSE or NSE if the Public Shareholder does not have any stock broker then that Public Shareholder can approach any BSE or NSE registered stock broker and can make a bid by using quick unique client code ("**UCC**") facility through that BSE or NSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case Public Shareholder is not able to bid using quick UCC facility through any other BSE or NSE registered stockbroker then the Public Shareholder may approach Buying Broker, to bid by using quick UCC facility. The Public Shareholder approaching BSE or NSE registered stockbroker (with whom he does not have an account) may have to submit following details:

8.10. IN CASE OF PUBLIC SHAREHOLDER BEING AN INDIVIDUAL

(a) If Public Shareholder is registered with KYC Registration Agency ("**KRA**"): Forms required:
   (i) Central Know Your Client ("**CKYC**") form including Foreign Account Tax Compliance Act ("**FATCA**"), In Person Verification ("**IPV**"), Original Seen and Verified ("**OSV**") if applicable.

(ii) Know Your Client ("**KYC**") form and the supporting documents (all documents self-attested) including Bank details (cancelled cheque)
(iii) Demat details (Demat Master /Latest Demat statement)

(b) If Public Shareholder is not registered with KRA: Forms required:
(i) CKYC form including FATCA, IPV, OSV if applicable
(ii) KRA form
(iii) KYC form Documents required (all documents self-attested):
- PAN card copy
- Address proof
- Bank details (cancelled cheque)

(iv) Demat details (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

8.11. IN CASE OF PUBLIC SHAREHOLDER IS HUF

(a) If Public Shareholder is registered with KRA: Forms required:
(i) CKYC form of KARTA including FATCA, IPV, OSV if applicable
(ii) KYC form documents required (all documents self-attested):
- Bank details (cancelled cheque)

(iii) Demat details (Demat Master /Latest Demat statement)

(b) If Public Shareholder is not registered with KRA: Forms required:
(i) CKYC form of KARTA including FATCA, IPV, OSV if applicable
(ii) KRA form
(iii) Know Your Client (KYC) form Documents required (all documents self-attested):
- PAN card copy of HUF & KARTA
- Address proof of HUF & KARTA
- HUF declaration
- Bank details (cancelled cheque)

(iv) Demat details (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

8.12. IN CASE OF PUBLIC SHAREHOLDER OTHER THAN INDIVIDUAL AND HUF

(a) If Public Shareholder is KRA registered: Form required
(i) Know Your Client (KYC) form Documents required (all documents certified true copy)
- Bank details (cancelled cheque)

(ii) Demat details (Demat master /Latest Demat statement)
(iii) FATCA, IPV, OSV if applicable
(iv) Latest list of directors/authorised signatories/partners/trustees
(v) Latest shareholding pattern
(vi) Board resolution
(vii) Details of ultimate beneficial owner along with PAN card and address proof
(viii) Last 2 years financial statements

(b) If Public Shareholder is not KRA registered: Forms required:
(i) KRA form
(ii) Know Your Client (KYC) form Documents required (all documents certified true copy):
- PAN card copy of company/ firm/trust
- Address proof of company/ firm/trust
- Bank details (cancelled cheque)

(iii) Demat details (Demat Master /Latest Demat statement)
(iv) FATCA, IPV, OSV if applicable
(v) Latest list of directors/authorised signatories /partners/trustees
(vi) PAN card copies & address proof of directors/authorised signatories/partners/trustees
(vii) Latest shareholding pattern

(viii) Board resolution/partnership declaration
(ix) Details of ultimate beneficial owner along with PAN card and address proof
(x) Last 2 years financial statements
(xi) MOA/Partnership deed /trust deed

It may be noted that, other than submission of above forms and documents, in person verification may be required.

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

8.13. PROCEDURE FOR TENDERING SHARES HELD IN DEMATERIALIZED FORM

8.13.1. The Public Shareholders who are holding Equity Shares in electronic/ dematerialised form and who desire to tender their Equity Shares in this Offer shall approach their respective Selling Broker indicating to their Selling Broker the details of Equity Shares that such Public Shareholder intends to tender in this Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.

8.13.2. The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of the Stock Exchanges. Before placing the order/bid, the Selling Broker will be required to mark lien on the tendered Equity Shares.

8.13.3. The lien shall be marked by the Selling Broker in the demat account of the Public Shareholder for the Equity Shares tendered in the Open Offer. Details of such Equity Shares marked as lien in the demat account of the Public Shareholder shall be provided by the depositories to the Clearing Corporation.

8.13.4. In case, the demat account of the Public Shareholders is held in one depository and clearing member pool and clearing corporation account is held with another depository, the Equity Shares tendered under this Offer shall be blocked in the Public Shareholders demat account at the source depository during the Tendering Period. Inter Depository Tender Offer ("**IDT**") instruction shall be initiated by the Public Shareholder at source depository to clearing member pool/ clearing corporation account at target depository. Source depository shall block the Public Shareholder's securities (i.e., transfers from free balance to blocked balance) and send IDT message to target depository for confirming creation of lien. The details of Equity Shares blocked in the shareholders demat account shall be provided by the target Depository to the Clearing Corporation.

8.13.5. Upon placing the order, the Selling Broker shall provide Transaction Registration Slip ("**TRS**") generated by the stock exchange bidding system to the Equity Shareholder. TRS will contain details of order submitted like bid identification number, depository participant identification, client identification number of Equity Shares tendered, etc. On receipt of TRS from the respective Seller Broker, the Public Shareholder has successfully placed the bid in the Offer. Modification / withdrawal of orders will not be allowed.

8.13.6. For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than the time provided by the Stock Exchanges on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to custodian again for confirmation.

8.13.7. The details of settlement number for early pay-in of equity shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges / Clearing Corporation, before the opening of the Offer.

8.13.8. Upon finalization of the entitlement, only accepted quantity of Equity Shares shall be debited from the demat account of the Public Shareholders and shall be transferred to Clearing Corporations. The lien marked against unaccepted shares shall be released post finalization of entitlement on settlement date.

8.13.9. The Public Shareholders will have to ensure that they keep their DP account active and unblocked to successfully facilitate the tendering of the Equity Shares.

8.13.10. The cumulative quantity tendered shall be made available on the website of the Stock Exchanges throughout the trading sessions and will be updated at specific intervals during the Tendering Period.

8.13.11. In case any person has submitted Equity Shares in physical form for conversion to demat, such Public Shareholders should ensure that the process of getting the Equity Shares converted to demat mode is completed well in time so that they can participate in the Offer before the closure of the Tendering Period.

8.13.12. **The Public Shareholders holding shares in Demat mode are not required to fill any Form of Acceptance, unless required by their respective Selling Broker.**

8.13.13. All non-resident Public Shareholders (i.e., Public Shareholders not residing in India including NRIs, OCBs and FPIs) are mandatorily required to fill the Form of Acceptance. The non-resident Public Shareholders holding Equity Shares in demat mode, directly or through their respective Selling Brokers, are required to send the Form of Acceptance along with the required documents to the Registrar to the Offer *i.e.* Kfin Technologies Limited, at Selenium, Tower B, Plot No- 31 and 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Telangana, India. The envelope should be superscribed as "Premier Explosives Limited – Open Offer". The detailed procedure for tendering Equity Shares will be included in the Form of Acceptance.

8.14. PROCEDURE FOR TENDERING SHARES HELD IN PHYSICAL FORM

8.14.1. As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations, as amended and SEBI's press release dated December 3, 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from April 01, 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly, Public Shareholders holding Equity Shares in physical form as well are eligible to tender their Equity Shares in this Open Offer as per the provisions of the SEBI (SAST) Regulations.

8.14.2. The Public Shareholders who are holding equity shares in physical form and are desirous of tendering their equity shares in the Offer shall approach the relevant Selling Broker and submit the following set of documents for verification:

(i) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company;

(ii) Original share certificate(s);

(iii) Valid share transfer deed(s) (Form SH-4) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place;

(iv) Self-attested PAN Card copy (in case of joint holders, PAN card copy of all transferors);

(v) Any other relevant document such as (but not limited to) powers of attorney and/or corporate authorizations (including board resolution(s)/specimen signature(s)), Notarized Copy of death Certificate/ succession certificate or probated will, if the original shareholder has deceased, etc.

(vi) Self-attested copy of proof of address such as valid Aadhar card, voter ID, passport or driving license.

(vii) In addition, if the address of the Public Shareholder has undergone a change from the address registered in the 'Register of Members' of the Target Company, the Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (i) valid Aadhar card, (ii) voter identity card, or passport.

8.14.3. Based on these documents, the Selling Broker should place bids on behalf of the Public Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Open Offer, using the acquisition window of BSE. Upon placing the bid, the Selling Broker shall provide a Transaction Registration Slip ("**TRS**") generated by the Stock Exchange bidding system to the Public Shareholder. The TRS will contain the details of the order submitted like folio number, certificate number, distinctive number of Equity Shares tendered etc.

8.14.4. The Selling Broker(s)/Public Shareholder must deliver the original share certificates relating to its Equity Shares and other documentation listed in paragraph 8.14.2 above along with the TRS either by speed post or courier or hand delivery to the Registrar to the Offer *i.e.* Kfin Technologies Limited, at Selenium, Tower B, Plot No- 31 and 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Telangana, India, so that the same reaches to the Registrar to the Offer within 2 (two) days of Offer Closing Date, i.e. Tuesday, September 15, 2026 (by 5.00 p.m. (IST)). The envelope should be superscribed "**Premier Explosives Limited – Open Offer**". **Physical share certificates and other relevant documents must reach the Registrar to the Offer within 2 (two) days of Offer Closing Date.**

8.14.5. The Public Shareholders holding physical shares should note that their Equity Shares will not be accepted unless the complete set of documents specified in paragraph 8.14.2 above are submitted. Acceptance of the physical shares in this Offer shall be subject to verification by the Registrar to the Offer. On receipt of the confirmation from the Registrar to the Offer, the bid will be accepted or rejected (as applicable) and accordingly depicted on the exchange platform. **Physical share certificates and other relevant documents should not be sent to the Acquirer, Target Company or the Manager**.

8.14.6. All documents as mentioned above, shall be enclosed with the Form of Acceptance, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate(s) enclosed with the Form of Acceptance instead of the Equity Share certificate(s) of the Target Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Public Shareholders; (iii) If the Public Shareholders tender Equity Shares but the Registrar to the Offer does not receive the Equity Share certificate(s); (iv) In case the signature on the Form of Acceptance and Form SH-4 does not match as per the specimen signature recorded with Target Company/registrar of the Target Company.

8.14.7. Public Shareholders who have sent the Equity Shares held by them for dematerialization need to ensure that the process of dematerialization is completed in time for the credit in the demat account, to be received on or before the closure of the Tendering Period or else their application will be rejected.

8.14.8. The Public Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance. Detailed procedure for tendering Equity Shares has been included in the Form of Acceptance.

8.14.9. Non-resident Public Shareholders (i.e., Public Shareholders not residing in India including NRIs, OCBs and FPIs) are mandatorily required to fill the FOA. The non-resident Public Shareholders holding Equity Shares in dematerialised mode, directly or through their respective Selling Brokers, are required to send the FOA along with the required documents to the Registrar to the Offer, i.e. KFin Technologies Limited at Selenium, Tower B, Plot No- 31 and 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Telangana, India. The envelope should be superscribed as "**Premier Explosives Limited – Open Offer**". The detailed procedure for tendering Equity Shares will be included in the FOA.

8.15. ACCEPTANCE OF SHARES

8.15.1. Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.

8.15.2. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot.

8.15.3. The marketable lot for the Equity Shares of the Target Company for the purpose of this Offer shall be 1 (One).

8.15.4. In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, the Acquirer will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares.

8.16. PROCEDURE FOR TENDERING EQUITY SHARES IN CASE OF NON-RECEIPT OF LETTER OF OFFER

8.16.1. Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.

Accidental omission to send the Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Offer in any way.

8.16.2. A Public Shareholder may participate in the Offer by approaching their broker/Selling Broker and tender the Equity Shares in the Offer as per the procedure mentioned in this Letter of Offer or in the relevant Form of Acceptance.

8.16.3. The Letter of Offer along with Form of Acceptance will be sent (through electronic mode or physical mode) to all the Public Shareholders of the Target Company, as appearing in the list of members of the Target Company as on the Identified Date. In case of non-receipt of the Letter of Offer along with Form of Acceptance, such Public Shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in). Such Public Shareholders of the Target Company may also obtain an electronic copy of the Letter of Offer along with Form of Acceptance from the Registrar to the Offer on providing suitable documentary evidence of holding the Equity Shares of the Target Company. Public Shareholders can also download the soft copy from the Registrar's website (https://kosmic.kfintech.com/karisma/lofv2.aspx).

8.16.4. In case of non-receipt of the LOF, such Public Shareholders of the Target Company may download the same from the website of SEBI at www.sebi.gov.in or obtain a physical copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.

8.16.5. Alternatively, in case of non-receipt of the Letter of Offer, the Public Shareholders holding the Equity Shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of Equity Shares held, client identification number, DP name, depository participant identification number, number of Equity Shares tendered and other relevant documents as mentioned in LOF. Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE before the closure of the Tendering Period.

8.16.6. **Physical share certificates and other relevant documents should not be sent to the Acquirer, Target Company or the Manager.**

8.17. SETTLEMENT PROCESS

8.17.1. On closure of the Tendering Period, reconciliation for acceptances shall be conducted by the Manager and the Registrar to the Offer and the final list shall be provided to the stock exchanges to facilitate settlement on the basis of the shares transferred to the Clearing Corporation.

8.17.2. In the case of IDT, Clearing Corporation will cancel the excess or unaccepted Equity Shares in target depository. Source depository will not be able to release the lien without a release of IDT message from target depository. Further, release of IDT message shall be sent by target depository either based on cancellation request received from Clearing Corporation or automatically generated after matching with tender accepted detail as received from the Registrar to the Offer. Post receiving the IDT message from target depository, source depository will cancel/release excess or unaccepted block Equity Shares in the demat account of the Public Shareholder. Post completion of the Tendering Period and receiving the requisite details viz., demat account details and accepted tendered quantity, source depository shall debit the Equity Shares as per the communication/ message received from target depository to the extent of accepted tendered Equity Shares from the Public Shareholder's demat account and credit it to Clearing Corporation settlement account in target depository on settlement date.

8.17.3. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. Selling Broker(s) should use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favour of the Clearing Corporation.

8.17.4. For Equity Shares accepted under the Offer, the Clearing Corporation will make direct funds pay- out to respective Public Shareholders. If the relevant Public Shareholder's bank account details are not available or if the funds transfer instruction is rejected by RBI/relevant bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.

8.17.5. In case of certain client types viz. NRIs, non-resident clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for onwards releasing the same to their respective Public Shareholder's account. For this purpose, the client type details would be collected from the Registrar to the Offer.

8.17.6. For the Public Shareholder(s) holding Equity Shares in physical form, the funds pay-out would be given to their respective Selling Broker's settlement bank accounts for releasing the same to the respective Public Shareholder's account.

8.17.7. The Public Shareholders will have to ensure that they keep the DP account active and unblocked so that lien can be released in case of rejection or non–acceptance of the shares under the Open Offer. The Public Shareholders holding Equity Shares in dematerialized form will have to ensure that they update their bank account details with their correct account number used in core banking and IFSC codes.

8.17.8. The Public Shareholders will have to ensure that they keep the Depository Participant account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of the shares under the Offer.

8.17.9. The direct credit of Equity Shares shall be given to the demat account of the Acquirer as indicated by the Buying Broker.

8.17.10. The Target Company is authorized to split the share certificate and issue a new consolidated share certificate for the unaccepted Equity Shares in case the Equity Shares accepted are less than the Equity Shares tendered in the Open Offer by the Public Shareholders holding Equity Shares in the physical form.

8.17.11. **Once the basis of acceptance is finalised, the lien marked against unaccepted shares shall be released.**

8.17.12. Any excess physical Equity Shares, including to the extent tendered but not accepted, will be returned by speed post back to the Public Shareholder(s) directly by Registrar to the Offer. Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered speed post at the registered Public Shareholders'/unregistered owners' sole risk to the sole/first Public Shareholder/unregistered owner.

8.17.13. Public Shareholders who intend to participate in the Offer should consult their respective Selling Broker for any cost, applicable taxes, charges, and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Acquirer, and the Manager to the Open Offer accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.

8.17.14. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions/orders regarding these Equity Shares are not received together with the Equity Shares tended under the Offer.

8.17.15. Buying Brokers would also issue a contract note to the Acquirer for the Equity Shares accepted under the Offer.

8.17.16. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number to the Acquirer. The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.

8.17.17. The Acquirer intend to complete all formalities, including the payment of consideration to the Public Shareholders of the Target Company whose shares have been accepted in the Offer, within a period of 10 (ten) Working Days from the closure of the Tendering Period, and for this purpose, open a special account as provided under Regulation 21(1) of the SEBI (SAST) Regulations.

8.17.18. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the Public Shareholders who have accepted the Open Offer within such period, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations.

9. NOTE ON TAXATION

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 2025 (AS AMENDED BY FINANCE ACT 2026) ("IT Act") AND THE REGULATIONS THEREUNDER.

THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.

THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS.

THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE PUBLIC SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, PUBLIC SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE ACQUIRER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, PUBLIC SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY OF INCOME-TAX IMPLICATIONS, RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN OPEN OFFER ON THE RECOGNISED STOCK EXCHANGE, AS SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

THE SUMMARY ON TAX CONSIDERATIONS IN THIS SECTION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS NOTE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, THE PUBLIC SHAREHOLDERS OF THE TARGET COMPANY SHOULD CONSULT WITH THEIR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO THEIR RESPECTIVE CIRCUMSTANCES. THE LAW STATED BELOW IS AS PER THE INCOME-TAX ACT, 2025.

9.1 General:

(a) STT

As the tendering of Equity Shares is being undertaken on the Stock Exchange, such transaction will be chargeable to STT. STT is payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian Stock Exchange. Currently, the STT rate applicable on the purchase and sale of shares on the Stock Exchange is 0.1% of the value of security transacted.

(b) Income Tax

i. The basis of charge of Indian Income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the IT Act.

ii. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e., income which is received or deemed to be received or accrues or arises or deemed to accrue or arise in India). In case of shares of a company, the source of income from shares would depend on the "situs" of such shares. As per judicial precedents, generally the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred.

iii. Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act.

iv. Further, the non-resident shareholder can avail beneficial treatment under the Double Taxation Avoidance Agreement ("**DTAA**") between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions including but not limited to (a) conditions (if any) present in the said DTAA read with the relevant provisions of the MIL as ratified by India with the respective country of which the said shareholder is a tax resident and (b) non-applicability of GAAR and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.

v. The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.

vi. The shareholders may be required to undertake compliances such as filing an annual income tax return, as may be applicable to different categories of persons, with the income tax authorities, reporting their income for the relevant year.

vii. The summary of income-tax implications on tendering of listed Equity Shares on the recognised stock exchange in India is set out in the succeeding paras. All references to Equity Shares herein refer to listed Equity Shares unless stated otherwise.

9.2 Classification of Shareholders:

Public Shareholders can be classified under the following categories:

(a) Resident Shareholders being:

i. Individuals, Hindu Undivided Family ("**HUF**"), Association of Persons ("**AOP**") and Body of Individuals ("**BOI**")

ii. Others
- Company
- Other than Company

(b) Non-Resident Shareholders being:

i. Non-Resident Indians (NRIs)

ii. Foreign Institution Investors (FIIs) / Foreign Portfolio Investors (FPIs)

iii. Others:
- Company
- Other than Company

9.3 Classification of Income:

Shares can be classified under the following two categories:

(a) Shares held as investment (Income from transfer of such shares taxable under the head "**Capital Gains**")

(b) Shares held as stock-in-trade (Income from transfer of such shares taxable under the head "Profits and Gains from Business or Profession"). As per the current provisions of the IT Act, unless specifically exempted, gains arising from the transfer of shares may be treated either as "Capital Gains" or as "Business Income" for income-tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade). While the IT Act does not prescribe specific criteria for the characterization of such income, principles established by several Court rulings and administrative guidance issued by the Central Board of Direct Taxes ("**CBDT**") should be considered in determining the characterization of income.

9.4 Shares held as investment:

As per the provisions of the IT Act, where the shares are held as investments (i.e., capital asset), income arising from the transfer of such shares is taxable under the head "Capital Gains".

Further, Section 2(22) of the IT Act has provided for deemed characterization of securities held by FPIs as capital assets, whether or not such assets have been held as a capital asset; and therefore, the gains arising in the hands of FPIs will be taxable in India as capital gains.

Capital gains in the hands of shareholders would be computed as per provisions of section 72 of the IT Act and the rate of income-tax would depend on the period of holding.

9.5 Period of holding:

Depending on the period for which the shares are held, the gains would be taxable as "short-term capital gain" ("**STCG**") or "long-term capital gain" ("**LTCG**"):

a) In respect of Equity Shares held for a period less than or equal to 12 months prior to the date of transfer, the same should be treated as a "short-term capital asset", and accordingly the gains arising therefrom should be taxable as STCG.

b) Similarly, where Equity Shares are held for a period more than 12 months prior to the date of transfer, the same should be treated as a "long-term capital asset", and accordingly the gains arising therefrom should be taxable as LTCG.

9.6 Tax on LTCG:

Acceptance under the present off-market Open Offer is chargeable to STT and hence LTCG arising on such transfer of equity shares falls under the provisions of Section 198 of the IT Act and the LTCG will be chargeable to tax as follows:

a) All resident and non-resident shareholders, including FIIs/FPIs and Specified Funds will not be liable to pay any tax on LTCG if the LTCG amount is Rs. 1,25,000 or less
b) If the LTCG amount is more than Rs. 1,25,000 then all resident and non-resident shareholders, including FIIs/FPIs and Specified Funds will be chargeable to tax at the rate of 12.5% (Twelve and a Half per cent) (plus applicable surcharge and health and education cess) on the LTCG amount in excess of Rs. 1,25,000
c) However, wherever applicable, taxability of capital gain arising to a non-resident in India from the transfer of equity shares shall be determined basis the provisions of the IT Act or the DTAA entered between India and the country of which the non-resident seller is resident, whichever is more beneficial, subject to fulfilling relevant conditions and maintaining & providing necessary documents prescribed under the IT Act, as discussed in ensuing paragraphs.
d) No benefit of indexation by virtue of period of holding will be available in any case.
e) In the case of a resident individual / resident Hindu undivided family, whose total income as reduced by the long-term capital gains is below the maximum amount which is not chargeable to income-tax, the long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax
f) Where the gross total income of the tendering shareholder includes any income arising from the transfer of a long-term capital asset, the gross total income shall be reduced by such income and the deduction under Chapter VIII of the IT Act shall be allowed as if the gross total income as so reduced were the gross total income of the tendering shareholder.
g) Long-term capital loss computed for a given tax year is allowed to be set-off only against LTCG computed for the said tax year, in terms of Section 108 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight tax years, for being set off only against subsequent tax years' LTCG, in terms of Section 111 of the IT Act.

9.7 Tax on STCG:

Acceptance under the present off-market Open Offer is chargeable to STT and hence STCG arising on such transfer of equity shares falls under the provisions of Section 196 of the IT Act and the STCG will be chargeable to tax as follows:

a) All resident and non-resident shareholders, including FIIs/FPIs, will be liable to short term capital gains tax (plus applicable surcharge and health and education cess) @ 20% (Twenty percent) (plus applicable surcharge and health and education cess)
b) However, wherever applicable, taxability of capital gain arising to a non-resident in India from the transfer of equity shares shall be determined basis the provisions of the IT Act or the DTAA entered between India and the country of which the non-resident seller is resident, whichever is more beneficial, subject to fulfilling relevant conditions and maintaining & providing necessary documents prescribed under the IT Act, as discussed in ensuing paragraphs.
c) Short term capital loss computed for a given tax year is allowed to be set-off against STCG as well as LTCG computed for the said tax year, in terms of Section 108 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight tax years, for being set-off against subsequent years' STCG as well as LTCG, in terms of Section 111 of the IT Act.

9.8 Minimum Alternate Tax:

Companies, both resident and non-resident in India, should also examine the applicability of Section 206 of the IT Act, containing provisions related to Minimum Alternate Tax ("**MAT**"), with the assistance of their tax advisor.

9.9 Investment Funds

As per serial No. 1 of the table appearing in Schedule V, read with section 11, of the IT Act, any income of an Investment Fund, other than the income chargeable under the head, "Profits and gains of business or profession" would be exempt from income tax but would be taxable in the hands of their investors. For this purpose, an "Investment Fund" means a fund registered as Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternate Investment Fund) Regulations, 2012.

9.10 Mutual Funds

As per serial No. 20 and 21 of the table appearing in Schedule VII, read with section 11, of the IT Act, any income of mutual funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorised by the Reserve Bank of India and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

9.11 Shares held as Stock-in-Trade:

a) If the shares are held as stock-in-trade by any of the shareholders of the Target Company, then the gains would be characterized as business income and taxable under the head "Profits and Gains from Business or Profession".

b) Resident Shareholders Profits of:
   i. Individuals, HUF, AOP and BOI will be taxable at applicable slab rates.
   ii. Domestic companies having turnover or gross receipts not exceeding Rs. 400 crore in the relevant financial year as prescribed will be taxable @ 25%.
   iii. Domestic companies which have opted for concessional tax regime under Section 200 and 201 of the IT Act will be taxable at 22%.
   iv. For persons other than stated above, profits will be taxable @ 30%.
   v. Surcharge and health and education cess are applicable in addition to the taxes described above.
   vi. No benefit of indexation by virtue of period of holding will be available in any case

c) Non-Resident Shareholders: Non-resident shareholders can avail beneficial provisions of the applicable DTAA, read with the MLI, entered into between India and the respective country of which the said shareholder is tax resident, subject to satisfying relevant conditions (including non-applicability of GAAR) and providing and maintaining necessary information and documents as prescribed under the IT Act.

d) Where DTAA provisions are not applicable:
   i. No benefit of indexation by virtue of period of holding will be available in any case.
   ii. For non-resident individuals, HUF, AOP, BOI, profits would be taxable at applicable slab rates.
   iii. For foreign companies, profits would be taxed in India @ 40%.
   iv. For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%.

e) Other Matters: Further, the provisions of Minimum Alternate Tax on the book profits as contained in Section 115JB of the IT Act or Alternate Minimum Tax contained in Section 115JC of the IT Act, as the case may be, also need to be considered by the shareholders (other than resident company which has opted for concessional tax regime under Section 115BAA or Section 115BAB of the IT Act). Foreign companies will not be subject to MAT if the country of residence of such of the foreign country has entered into a DTAA with India under Sections 90/90A of the IT Act and such foreign company does not have a permanent establishment in India in terms of the DTAA. In case where the said conditions are not satisfied, MAT will be applicable to the foreign company. In case of non-corporate shareholders, applicability of the provisions of Alternative Minimum Tax as per Section 115JC of the IT Act will also need to be analyzed depending on the facts of each case.

9.12 Tax Deduction at Source

a) Resident Shareholders: In absence of any specific provision under the IT Act, the Acquirer is not required to deduct tax on the consideration payable to the shareholders pursuant to Tendering of the listed Equity Shares under the Offer on recognized stock exchange in India.

b) Non-Resident Shareholders:

i. In case of FIIs: Section 196D of the IT Act provides for specific exemption from withholding tax in case of capital gains arising in hands of FIIs. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIs, subject to fulfilment of the following conditions:
- FIIs/FPIs furnishing the copy of the registration certificate issued by SEBI (including for subaccount of FII/FPI, if any);
- FIIs/FPIs declaring that they have invested in the Equity Shares in accordance with the applicable SEBI regulations and will be liable to pay tax on their income as per the provisions of the IT Act.
- If the above conditions are not satisfied, FIIs/FPIs may submit a valid and effective certificate for deduction of tax at a nil/lower rate issued by the income tax authorities under the IT Act ("TDC"), along with the Form of Acceptance-cum-Acknowledgement, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer shall deduct tax in accordance with such TDC.

ii. In case of non-resident tax payer (other than FIIs):

Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess). Subject to regulations in this regard, wherever applicable and it is required to do so, tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the IT Act read with the provisions of the relevant DTAA and MLI, if applicable. In doing this, the Acquirer will be guided by generally followed practices and make use of data available in its records except in cases where the non-resident shareholders provide a specific mandate in this regard.

9.12.1 However, the Acquirer will not be able to deduct income-tax at source on the consideration payable to such non-resident shareholders as there is no ability for the Acquirer to deduct taxes since the remittance/payment will be routed through the stock exchange, and there will be no direct payment by the Acquirer to the non-resident shareholders.

9.12.2 Since the tendering of the Equity Shares under the Offer is through the stock exchange, the responsibility to discharge tax due on the gains (if any) is primarily on the non-resident shareholder given that practically it is very difficult to withhold taxes. The Acquirer believes that the responsibility of withholding/ discharge of the taxes due on such gains (if any) on sale of Equity Shares is solely on the non-resident shareholders. It is therefore important for the non-resident shareholders to suitably compute such gains (if any) on this transaction and immediately pay taxes in India in consultation with their custodians, authorized dealers and/or tax advisors, as appropriate.

9.12.3 In the event the Acquirer is held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer is entitled to be indemnified. The non-resident shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

9.12.4 Remittance/Payment of Interest:

a) In case of interest, if any, paid by the Acquirer to resident and non-resident shareholder for delay in receipt of statutory approvals as per Regulation 18(11) of the SEBI (SAST) Regulations or in accordance with Regulation 18(11A) of the SEBI (SAST) Regulations, the final decision to deduct tax or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments. In the event, the Acquirer decides to withhold tax, the same shall be basis the documents submitted along with the form of acceptance or such additional documents as may be called for by the Acquirer. It is recommended that the shareholders consult their custodians/ authorized dealers/ tax advisors appropriately with respect to the taxability of such interest amount (including on the categorisation of the interest, whether as capital gains or as other income). In the event the Acquirer is held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer should be indemnified.

b) The shareholders must file their tax return in India inter alia considering the interest (in addition to the gains on the sale of shares), if any, arising pursuant to this Open Offer. The shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

9.12.5 **Rate of Surcharge and Cess**: As per the current provisions of the IT Act, in addition to the basic tax rate, surcharge, health and education cess are leviable. Summary of the same is provided below:

Surcharge:

i. In case of domestic companies:
Surcharge @ 12% is leviable where the total income exceeds Rs. 10 crore and @ 7% where the total income exceeds Rs. 1 crore but less than Rs. 10 crore for companies not opting for tax regime u/s. 115BAA and 115BAB.
In case of domestic companies which are liable to pay tax under section 115BAA or section 115BAB: Surcharge @ 10% is leviable

ii. In case of companies other than domestic companies:
Surcharge @ 5% is leviable where the total income exceeds Rs. 10 crore.
Surcharge @ 2% where the total income exceeds Rs. 1 crore but less than Rs. 10 crore

iii. In case of individuals, HUF, AOP, BOI:
Surcharge at the rate of 10% is leviable where the total income exceeds Rs. 50 lakh but does not exceed Rs. 1 crore.
Surcharge at the rate of 15% is leviable where the total income exceeds Rs. 1 crore but does not exceed Rs. 2 crore.
Surcharge at the rate of 25% is leviable where the total income exceeds Rs. 2 crore but does not exceed Rs. 5 crore.
Surcharge at the rate of 37% is leviable where the total income exceeds Rs. 5 crore.
However, for the purpose of income chargeable under section 111A, 112, 112A and 115AD(1)(b) (for income chargeable to tax under the head capital gains), the surcharge rate shall not exceed 15%.

iv. In case of Firm and Local Authority:
Surcharge @12% is leviable where the total income exceeds Rs. 1 crore.
Cess: Cess Health and Education Cess @ 4% is currently leviable in all cases.

THE ABOVE DISCLOSURE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS DISCLOSURE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, PUBLIC SHAREHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO THEIR PARTICULAR CIRCUMSTANCES.

Note: The CBDT has vide Notification No. 9/2014 dated January 22, 2014, notified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (FPI) Regulations, 2014 as FII for the purpose of Section 115AD of the IT Act.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Public Shareholders at the registered office of the Manager to the Open Offer at Cumulative Capital Private Limited - B 309-311, 215 Atrium, Nr. Courtyard Marriott Hotel, Andheri Kurla Road, Andheri East, Chakala MIDC, Mumbai, Maharashtra, India, 400093, between 10:00 AM and 5:00 PM on any Working Day (except Saturdays, Sundays and public holidays) during the period from the date of commencement of the Tendering Period until the date of closure of the Tendering Period. Copies of these documents will be available for inspection to the Public Shareholders electronically during the Tendering Period. The Public Shareholders interested to inspect any of the following documents can send an email from their registered email ids (including shareholding details and authority letter in the event the Public Shareholder is a corporate body) with a subject line "PEL-Open Offer-Documents for Inspection", to the Manager to the Open Offer at contact@cumulativecapital.group and upon receipt and processing of the received request, access can be provided to the respective Public Shareholders for electronic inspection of documents :

10.1 Certificate of incorporation and constitutional documents of the Acquirer;

10.2 Annual reports for the Fiscal 2024 and 2025 and audited financial statements for year ended March 31, 2026 of the Acquirer;

10.3 Certificate dated July 9, 2026, issued by M/s VASG & Associates (FRN: 06070S) (Mr. A. Viswanatha Rao, Partner, Membership no.: 029597), certifying that the Acquirer has adequate financial resources to fulfil their obligations under this Offer;

10.4 Certificate dated July 9, 2026, issued by M/s VASG & Associates (FRN: 06070S) (Mr. A. Viswanatha Rao, Partner, Membership no.: 029597), certifying the Offer Price computation and the status of the Equity Shares being frequently traded;

10.5 Annual reports for the Fiscal 2024 and 2025 and audited financial statements for year ended March 31, 2026 of Target Company;

10.6 Copy of Escrow Agreement dated July 10, 2026, entered into by and among the Acquirer, Escrow Agent and Manager to the Open Offer;

10.7 Letter dated July 13, 2026 received from the Escrow Banker confirming the receipt of the cash deposit in the Escrow Account;

10.8 Bank guarantee dated July 10, 2026 from State Bank of India for an amount of INR 173,00,00,000/- (Indian Rupees One Hundred and Seventy-Three Crore only), in favour of the Manager to the Open Offer;

10.9 Copy of Share Purchase Agreement dated July 9, 2026;

10.10 Public Announcement dated July 9, 2026, published copy of the Detailed Public Statement dated July 15, 2026 published on July 16, 2026, Letter of Offer dated [●], dispatch advertisement and issue opening public announcement to be made;

10.11 Recommendation made by the Target Company's committee of independent directors constituted by the Board of Directors published in the newspapers; and

10.12 Observation letter no. [●] from SEBI dated [●].

11 DECLARATION BY THE ACQUIRER

11.1 The Acquirer accepts full responsibility for the information contained in the PA, DPS and this DLOF (other than specified in Para 10.2 below), and also for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations in respect of this Offer and undertakes it is aware of and will comply with its obligations under the SEBI (SAST) Regulations in respect of this Open Offer.

11.2 The information pertaining to the Target Company contained in the PA, the DPS, this DLOF or any other advertisement/publications made in connection with the Open Offer has been compiled from publicly available sources or provided by the Target Company. All the information pertaining to the Seller contained in the PA, the DPS, this DLOF or any other advertisement/publications made in connection with the Open Offer has been obtained from the Seller or compiled from publicly available sources. The Acquirer and the Manager to the Open Offer do not accept any responsibility with respect to the information provided by the Target Company and/or the Seller.

11.3 The person signing this DLOF is duly and legally authorized by the Acquirer, to sign the DLOF.

Issued by Manager to the Open Offer
For and on behalf of the Acquirer
Apollo Micro Systems Limited
Sd/-
Baddam Karunakar Reddy
Managing Director
Plot No 128/A, Road No 12,
BEL Road IDA Mallapur,
Uppal Mandal Hyderabad,
Telangana State, 500 076 - India
Place: Hyderabad
Date: July 23, 2026