

PUBLIC ANNOUNCEMENT UNDER REGULATION 3 (1), REGULATION 4 READ WITH REGULATION 15 (1) AND REGULATION 13 (2) (G) OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF

M/S CHITRADURGA SPINTEX LIMITED

("CSL"/"TARGET COMPANY"/"TC")

(Corporate Identification No. L85110KA1990PLC011467)

**Registered Office: Post Box No 9, Bangalore Road, Chitradurga District,
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CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM SHAREHOLDERS

OPEN OFFER FOR ACQUISITION OF 9,25,868 (NINE LACS TWENTY FIVE THOUSAND EIGHT HUNDRED SIXTY EIGHT ONLY) FULLY PAID UP EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH ("EQUITY SHARES") CONSTITUTING 26.00% OF THE EMERGING EQUITY AND VOTING SHARE CAPITAL (*AS DEFINED BELOW) OF CSL, ON A FULLY DILUTED BASIS, FROM THE PUBLIC SHAREHOLDERS OF CSL BY MR. JITESH MAHENDRA PATODIA (ACQUIRER-1) AND MR. ANSHAY JITESH PATODIA (ACQUIRER-2) (HEREINAFTER COLLECTIVELY REFERRED TO AS THE "ACQUIRERS") PURSUANT TO AND IN ACCORDANCE WITH REGULATION 3 (1) AND REGULATION 4 READ WITH OTHER APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED ("SEBI (SAST) REGULATIONS")

DEFINITIONS:

"Equity Shares" means the fully paid -up equity shares of Target Company of face value of Rs. 10 (Rupees Ten Only) each.

"Existing Share & Voting Capital" means paid up share capital of the Target Company prior to Proposed preferential issue i.e. Rs. 46,10,300 divided into 4,61,030 Equity Shares of Rs. 10 Each.

"Emerging Voting Capital" means 35,61,030 fully paid -up equity shares of the face value of Rs. 10/- each of the Target Company being the capital post allotment of 31,00,000 equity shares to the Acquirers and others on preferential basis.

"Proposed Preferential Issue" means the proposed preferential allotment as approved by Board of Directors of the Target Company at their Board Meeting held on 06th April, 2022 subject to approval of members and other regulatory approvals of 31,00,000 Equity Shares to the Acquirers and others of face value of Rs. 10 each at a premium of Rs. 5/- per Share.

1. OFFER DETAILS:

- **Offer Size:** This Open Offer is being made by the Acquirers for acquisition of 9,25,868 fully paid -up Equity Shares of Rs. 10/- Each constituting 26.00% of the emerging equity and voting share capital of the Target Company.
- **Offer Price:** An offer price of Rs. 15/- (Rupees Fifteen Only) per fully paid -up Equity Share (hereinafter referred to as the "Offer Price") will be offered for the equity shares tendered during the tendering period assuming full acceptance, the total consideration payable by the Acquirers will be Rs. 1,38,88,020/- (Rupees One Crore Thirty Eight Lacs Eighty Eight Thousand And Twenty Only).



Anshay Patodia

- **Mode of Payment:** The entire consideration will be paid in cash, in accordance with the provisions of Regulation 9 (1) (a) of SEBI (Substantial Acquisition of Shares and Takeovers), Regulations, 2011 (**Regulations**).
- **Type of Offer (Triggered offer, Voluntary offer/competing offer etc):** The Offer is a Triggered Offer made under Regulation 3 (1) and 4 of SEBI (Substantial Acquisition of Shares and Takeovers), Regulations, 2011 pursuant to the approval of Board of Directors of Target Company to issue Equity Shares to the Acquirers and others and also pursuant to the execution of the Share Purchase Agreement dated 06th April, 2022 ("the SPA") entered in to between the Acquirers and Ishwarappa Veerappa Mangala, Savanur Rekha, Shivanna Chandrasekhar Susheela, Sumana Basavaraju, Shivanna Jaya Prakash, Shivanna Koteshwar, Chandrasekhar Shivanna ("Selling Shareholders") for acquiring 80,787 Equity Shares ("Sale Shares") of Rs. 10 each at a price of Rs. 10 each per Equity Share ("the Negotiated Price") aggregating to Rs. 8.08 Lacs representing 2.27% of Emerging Voting Capital of Target Company.

Consequent upon acquisition of Sale Shares and acquiring the shares pursuant to the preferential allotment, the post preferential shareholding of the Acquirers will be 23,67,897 equity shares constituting 66.49% of the emerging capital. Pursuant to proposed allotment, the Acquirers shall hold the majority of equity shares by virtue of which they shall be in a position to exercise control over management and affairs of the Target Company.

2. **TRANSACTION WHICH HAS TRIGGERED THE OPEN OFFER OBLIGATIONS (UNDERLYING TRANSACTION):**

| Details of underlying transaction | | | | | | |
|--|--|--|---|--|--|--|
| Type of Transaction (Direct/ Indirect) | Mode of Transaction (Agreement/ Allotment/ market purchase) | Shares / Voting rights acquired/ proposed to be acquired | | Total Consideration for shares /VRs acquired (Rs. in Lacs) | Mode of payment (Cash/ securities) | Regulation which has triggered |
| | | Number | % vis a vis total Equity / voting capital | | | |
| Direct | Resolution passed at the meeting of Board of Directors of The Target Company held on 06 th April, 2022 for issue of equity shares on preferential basis under section 62 of the Companies Act, 2013 and in terms of SEBI (ICDR) Regulations, 2018 subject to statutory approvals. | 22,50,000 | 63.18% of the emerging capital | 337.50 | Cash to Target Company pursuant to preferential issue | Regulation 3 (1) and 4 of SEBI (SAST) Regulations 2011 |
| Direct | Share Purchase Agreement (SPA) | 80,787 | 2.27% of the emerging capital | 8.08 | Cash to the Current Promoters and Promoter group of the Target Company | Regulation 3 (1) and 4 of SEBI (SAST) Regulations 2011 |

[Handwritten Signature]

Anshay Patodia

3. DETAILS OF THE ACQUIRERS:


| Name of Acquirers | Address | Name(s) of persons in control/promoters of acquirers where Acquirers are companies | Name of the Group, if any, to which the Acquirers belongs to | Pre Transaction Shareholding Number and % of Total Present Share Capital | Proposed shareholding after acquisition of shares which triggered open offer Number and % of Total Emerging Capital | Any other interest in the Target Company |
|--|--|--|--|--|---|--|
| Mr. Jitesh Mahendra Patodia (Acquirer-1) | B-8, Konark Enclave, Bund Garden Road, Pune - 411001 | N.A. | N.A. | 30,000 (6.51%) | 17,45,964 (49.03%) | N.A. |
| Mr. Anshay Jitesh Patodia (Acquirer-2) | B-8, Konark Enclave, Bund Garden Road, Pune - 411001 | N.A. | N.A. | 7,110 (1.54%) | 6,21,933 (17.46%) | N.A. |

Note: The present Equity Share Capital of the Target Company is Rs. 46,10,300/- comprising of 4,61,030 Equity Shares of Rs. 10/- Each. Post preferential issue, the equity share capital will increase to Rs. 3,56,10,300/- comprising of 35,61,030 Equity Shares of Rs. 10/- Each.

4. DETAILS OF SELLING SHAREHOLDERS:

| Name | Part of promoter group (Yes/ No) | Details of shares/ voting rights held by the selling shareholders | | | |
|---------------------------------|----------------------------------|---|--------------|------------------|------------|
| | | Pre Transaction | | Post Transaction | |
| | | Number | %* | Number | %* |
| Ishwarappa Veerappa Mangala | Yes | 10,300 | 0.29% | Nil | Nil |
| Savanur Rekha | Yes | 23,400 | 0.66% | Nil | Nil |
| Shivanna Chandrasekhar Susheela | Yes | 11,610 | 0.33% | Nil | Nil |
| Sumana Basavaraju | Yes | 10,300 | 0.29% | Nil | Nil |
| Shivanna Jaya Prakash | Yes | 8,470 | 0.24% | Nil | Nil |
| Shivanna Koteswar | Yes | 14,150 | 0.40% | Nil | Nil |
| Chandrasekhar Shivanna | Yes | 2,557 | 0.07% | Nil | Nil |
| TOTAL | | 80,787 | 2.27% | Nil | Nil |

* As a percentage of emerging equity and voting share capital of the Target Company.

 Anshay Patodia

5. **TARGET COMPANY:**

The Target Company i.e. Chitradurga Spintex Limited and having its present registered office at Post Box No 9, Bangalore Road, Chitradurga District, Challakere, Karnataka, 577522.

The shares of the Target Company are listed at BSE Limited ("BSE") having scrip code and id is 521244 and CHITRTX respectively. The Equity Shares of Target Company are frequently traded on BSE in terms of Regulation 2 (1) (j) of the Takeover Regulations.

6. **OTHER DETAILS:**

- 6.1 This to inform to all the Shareholders of Target Company that the details of the open offer would be published shortly in the newspaper in terms of the provisions of Regulation 14 (3) of SEBI (SAST) Regulations, 2011 vide a Detailed Public Statement on or before April 13, 2022.
- 6.2 The Acquirers undertake that they are aware and will comply with their obligations under the SEBI (SAST) Regulations, 2011 and have adequate financial resources to meet the Offer obligations.
- 6.3 This is not a Competitive Bid.

Issued by:



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Contact person: Mr. Sarthak Vijlani

Signed by:

Mr. Jitesh Mahendra Patodia
(Acquirer-1)

Mr. Anshay Jitesh Patodia
(Acquirer-2)

Place: Mumbai

Date: April 06, 2022