

**PUBLIC ANNOUNCEMENT UNDER REGULATIONS 3(1) AND 4 READ WITH REGULATIONS 13, 14 AND 15(1) OF  
THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND  
TAKEOVERS) REGULATIONS, 2011, AS AMENDED**

**FOR THE ATTENTION OF THE PUBLIC SHAREHOLDERS OF KANDAGIRI SPINNING MILLS LIMITED**

Open Offer for acquisition of up to 10,00,805 (Ten Lakhs Eight Hundred and Five Only) fully paid-up Equity Shares of face value of ₹10/- each ("Equity Shares") representing 26.00% of total Voting Share Capital (as defined below) of Kandagiri Spinning Mills Limited ("Target Company") from the Public Shareholders (as defined below) of the Target Company, by Akshayam Creations LLP ("Acquirer") together with Persons Acting in Concert with the Acquirer namely, Mr. Sigamani Sivakumar ("PAC-1"), Mr. Manoj Kumar Maurya ("PAC-2"), Mr. Adinarayana Sripathy Kumar ("PAC-3") and Mr. Balasubramanian Prabhakaran ("PAC-4") (hereinafter PAC-1, PAC-2, PAC-3 and PAC-4 collectively referred to as "PACs") pursuant to and in compliance with requirements of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "SEBI (SAST) Regulations") (hereinafter altogether referred to as the "Open Offer" or "Offer").

This public announcement ("**Public Announcement**" or "**PA**") is being issued by Systematix Corporate Services Limited ("**Manager to the Offer**") for and on behalf of the Acquirer and the PACs to the Public Shareholders of the Target Company pursuant to and in compliance with, Regulation 3(1) and 4 read with Regulation 13, Regulation 14 and Regulation 15(1) and other applicable Regulations of the SEBI (SAST) Regulations.

For the purposes of this Public Announcement, the following terms shall have the meanings assigned to them below:

- a. "**Equity Shares**" or "**Shares**" shall mean the fully paid-up equity shares of face value of ₹ 10 (Indian Rupees Ten only) each of the Target Company;
- b. "**Public Shareholders**" shall mean all the public shareholders of the Target Company who are eligible to tender their Equity Shares in the Offer, and excludes: (i) the Acquirer, (ii) the Selling Shareholders as listed in the underlying SPA (as defined below), and (iii) persons deemed to be acting in concert with the persons set out in (i) or (ii), pursuant to and in compliance with the SEBI (SAST) Regulations;
- c. "**Selling Shareholders**" means the individuals listed under Paragraph 4.1 of this PA, who are identified and disclosed as members of the promoter and promoter group of the Target Company as per the shareholding pattern of the Target Company for the quarter ended December 31, 2024, each of whom are parties to the Share Purchase Agreement (as defined below)
- d. "**Stock Exchange**" means the BSE Limited ("**BSE**");
- e. "**SCRR**" means the Securities Contract (Regulations) Rules, 1957, as amended;
- f. "**Share Purchase Agreement**" or "**SPA**" means the Share Purchase Agreement dated February 03, 2025 executed between the Acquirer and the Selling Shareholders, pursuant to which the Acquirer has agreed to acquire 24,99,509 (twenty-four lakh ninety-nine thousand five hundred and nine) fully paid up Equity Shares of the Target Company constituting 64.93% of total Voting Share Capital of the Target Company at a price of ₹ 16/- (Rupees Sixteen Only) per Equity Share aggregating to Rs. 3,99,92,144/- (Rupees Three Crores Ninety-Nine Lakhs Ninety-Two Thousand One Hundred and Forty-Four only) ("**SPA Consideration**");
- g. "**Voting Share Capital**" shall mean the total voting equity share capital of the Target Company on a fully diluted basis as of the 10th (tenth) Working Day from the closure of the Tendering Period of the Open Offer; and

- h. **“Tendering Period”** means 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;
- i. **“Working Day”** means any working day of the Securities and Exchange Board of India (**“SEBI”**).

## 1. OFFER DETAILS:

- 1.1 **Offer Size:** The Acquirer along with PACs are hereby making this Open Offer to the Public Shareholders of the Target Company to acquire up to 10,00,805 Equity Shares of the Target Company (collectively, the **“Offer Shares”**), constituting 26% of the Voting Share Capital, at a price of ₹ 25 per Offer Share aggregating to a total consideration of ₹ 2,50,20,125 (assuming full acceptance) (the **“Offer Size”**), in accordance with the terms and conditions mentioned in this Public Announcement, and to be set out in the detailed public statement (the **“DPS”**) and the letter of offer (the **“LoF”**) to be issued in relation to the Open Offer pursuant to the SEBI (SAST) Regulations.
- 1.2 **Offer Price / Consideration:** The Open Offer is made at a price of ₹ 25 (Rupees Twenty-Five only) per Equity Shares determined in accordance with Regulation 8(1) & 8(2) of the SEBI (SAST) Regulations. Assuming full acceptance, the total consideration payable by the Acquirer along with PACs under the open Offer will be ₹ 2,50,20,125/- (Rupees Two Crores Fifty Lakhs Twenty Thousand One Hundred and Twenty-Five Only).
- 1.3 **Mode of payment (cash/ security):** The Offer Price is payable in cash by the Acquirer along with PACs in accordance with the provision of Regulation 9(1) (a) of the SEBI (SAST) Regulations.
- 1.4 **Type of offer (Triggered offer, voluntary offer/ competing offer etc.):** Triggered Offer. This Open Offer is a mandatory open offer by the Acquirer along with PACs under Regulations 3(1) and 4 of the SEBI (SAST) Regulations pursuant to the execution of the Share Purchase Agreement (as defined in paragraphs 2.1 and 2.2 below). This Open Offer is not subject to any minimum level of acceptance.

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

- 2.1 The Acquirer has entered into a share purchase agreement dated February 03, 2025 with the Selling Shareholders (the **“Share Purchase Agreement”** or **“SPA”**), pursuant to which the Acquirer has agreed to purchase 24,99,509 Equity Shares of the Target Company representing 64.93% of the Voting Share Capital from the Selling Shareholders and acquire control over the Target Company, subject to the fulfillment of certain conditions precedent as set out under the SPA (**“Underlying Transaction”**). The sale of such Equity Shares under the SPA is proposed to be executed at a price of ₹ 16 per Equity Share (the **“SPA Price”**). The SPA also sets forth the terms and conditions agreed between the Acquirer and the Selling Shareholders, and their respective rights and obligations.
- 2.2 Pursuant to the consummation of the Underlying Transaction and subject to compliance with the SEBI (SAST) Regulations and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI (LODR) Regulations”**); the Acquirer will have control over the Target Company and become the promoter of the Target Company. Further, pursuant to the consummation of the Underlying Transaction, the Selling Shareholders along with the other member of the promoter group of the Target Company except Mr. Sigamani Sivakumar, Mrs. S Swetha and Mrs. S. Balamani seek to be reclassified as public shareholders in accordance with the procedures contained in the SEBI (LODR) Regulations.
- 2.3 A tabular summary of the Underlying Transaction is set out below:

Details of Underlying Transaction					
Type of Transaction (direct/	Mode of Transaction (Agreement/ Allotment/ market purchase)*	Equity Shares / Voting rights acquired/ proposed to be acquired	Total Consideration for shares /	Mode of payment (Cash/	Regulation which has triggered

indirect)		Number	% of total equity / voting capital	Voting Rights acquired (In ₹)	securities)	
Direct	<b>Share Purchase Agreement dated February 03, 2025</b> - The Acquirer has entered into the SPA with the Selling Shareholders pursuant to which the Acquirer has agreed to acquire 24,99,509 Equity Shares of the Target Company and acquire control over the Target Company, subject to the fulfillment of certain conditions precedent as set out under the SPA.	24,99,509	64.93%	3,99,92,144	Cash	Regulation 3(1) and 4 of SEBI (SAST) Regulations.

*\*Please refer to paragraphs 2.1 and 2.2 of this Public Announcement above for further details in connection with the Underlying Transaction.*

### 3. ACQUIRER AND PACs:

Details		Acquirer	PAC 1	PAC 2	PAC 3	PAC 4	Total
Name of the Acquirer and PACs		Akshayam Creations LLP	Sigamani Sivakumar	Manoj Kumar Maurya	Adinarayana Sripathy Kumar	Balasubramanian Prabhakaran	-
Address		D No 97, Chittu Koil Street, Salem 636 001, Tamil Nadu, India	60/70, Marimuthu Street, Ammapet, Salem - 636 003, Tamil Nadu, India	31, South East Layout, Fairlands, Salem - 636 016 Tamil Nadu, India	5/33, Vidyalaya Road, Hastampatti, Salem - 636 007 Tamil Nadu, India	No. 120/3, Old No 3/75A, Plot no. 65, 1st Main Road, New Fairlands, Salem - 636 016 Tamil Nadu, India	-
Name(s) of persons in control/ promoters of Acquirer control/ PAC where Acquirer/PAC are companies/LLP		Acquirer is Limited Liability Partnership (“LLP”) under Laws of India. The following persons form part of LLP: • Mr. Sigamani Sivakumar, • Mr. Manoj Kumar Maurya, • Mr. Adinarayana Sripathy Kumar, and • Mr. Balasubramanian Prabhakaran	Not Applicable	Not Applicable	Not Applicable	Not Applicable	4
Name of the Group, if any, to which the Acquirer belong to		Nil	PAC 1 is one of the member of Promoter & Promoter Group of the Target Company	Nil	Nil	PAC 4 is associated with the Thriveni Group of Companies.	-
Pre-transaction shareholding	No. of Equity Shares	Nil	2,88,033	Nil	Nil	Nil	2,88,033
	% of total equity / voting	Nil	7.48%	Nil	Nil	Nil	7.48%

	capital						
Proposed shareholding after acquisition of shares which Triggered the Open Offer	No. of Equity Shares	24,99,509	Nil	Nil	Nil	Nil	24,99,509
	% of total equity / voting capital	64.93%	Nil	Nil	Nil	Nil	64.93%
Any other interest in the Target Company		None	PAC 1 is an existing Promoter and Non-Executive, Non Independent Director of the Target Company.	None	None	None	-

#### 4. DETAILS OF SELLING SHAREHOLDERS:

4.1 The details of the Selling Shareholders under the Share Purchase Agreement are as follows:

Sr. No	Name of Selling Shareholders	Part of Promoter Group (Yes/No)	Details of Shares/ Voting Rights held by the Selling Shareholders			
			Pre-Transaction		Post Transaction	
			No. of Shares	% of Voting Share Capital	No. of Shares	% Voting Share Capital
1	R. Selvarajan	Yes	7,78,730	20.23	Nil	
2	S. Vijay Shankar	Yes	4,09,582	10.64		
3	S. Sivakumar	Yes	2,88,033	7.48		
4	Dinakaran Sambandam	Yes	1,17,716	3.06		
5	Devarajan Sambandam	Yes	1,39,137	3.62		
6	Jegarajan Sambandam	Yes	1,13,307	2.94		
7	S. Nirmala	Yes	1,13,040	2.94		
8	M. Rajamani (Deceased) (Please refer note)	Yes	1,60,788	4.18		
9	S Swetha	Yes	1,02,567	2.66		
10	R Selvarajan HUF	Yes	65,520	1.70		
11	A Sarayu	Yes	53,090	1.38		
12	Kalavathi S	Yes	37,930	0.99		
13	R Malarselvi	Yes	35,159	0.91		
14	S Balamani	Yes	30,000	0.78		
15	D Senthilnathan	Yes	18,820	0.49		
16	Parameswari J	Yes	15,300	0.40		
17	D Manjula	Yes	7,650	0.20		
18	V. Abhinav	Yes	2,800	0.07		
19	Sakthivel J	Yes	2,000	0.05		
20	Sudharsan D	Yes	2,000	0.05		
21	Anupama D	Yes	1,170	0.03		
22	Ramya Jegarajan	Yes	1,170	0.03		
23	D Minusakthipriya	Yes	1,000	0.03		
24	Niranjankumar D	Yes	1,000	0.03		
25	Rathipriya D	Yes	1,000	0.03		
26	Valarnila V	Yes	1,000	0.03		
	<b>Total</b>		<b>24,99,509</b>	<b>64.93</b>	<b>Nil</b>	<b>Nil</b>

*Note: The legal heirs of the deceased Selling Shareholder shall complete the process for transmission of the respective portion of Sale Shares standing registered in the name of the deceased Selling Shareholders.*

4.2 The Selling Shareholders have not been prohibited by SEBI from dealing in securities, in terms of the directions issued by SEBI under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.

4.3 Pursuant to the consummation of the Underlying Transaction, the Acquirer will acquire control over the Target Company and the Acquirer will become the promoter of the Target Company, including in accordance with the provisions of the SEBI (LODR) Regulations, and each of the Selling Shareholders, except Mr. Sigamani Sivakumar, Mrs. S Swetha and Mrs. S. Balamani will cease to be part of the promoter and promoter group of the Target Company. Accordingly, the Selling Shareholders will be de-classified from the "Promoter & Promoter Group" category of the Target Company, subject to receipt of necessary approvals as required in terms of the SEBI (LODR) Regulations and satisfaction of the conditions prescribed therein.

- 4.4 If, as a result of the acquisition of Equity Shares pursuant to the Share Purchase Agreement and the Open Offer, the public shareholding in the Target Company falls below the minimum level required as per Rule 19A of the SCRR, the Acquirer and the PACs will ensure that the Target Company satisfies the minimum public shareholding set out in Rule 19A of the SCRR in compliance with applicable laws.

**5. TARGET COMPANY:**

<b>Name of the Company:</b>	Kandagiri Spinning Mills Limited
<b>Registered Office:</b>	Post Box No. 3, Mill Premises, Udayapatti P.O., Salem 636 140, Tamil Nadu, India.
<b>CIN:</b>	L17111TZ1976PLC000762
<b>Exchange where Listed:</b>	The Equity Shares of the Target Company are currently listed on BSE Limited (Scrip code: 521242 and Scrip id: KANDAGIRI).  The International Securities Identification Numbering (“ISIN”) of Equity Shares of the Target Company is <b>INE292D01019</b> .

**6. OTHER DETAILS:**

- 6.1 The Public Announcement is made in compliance with Regulation 13(1) of the SEBI (SAST) Regulations.
- 6.2 The DPS to be issued under the SEBI (SAST) Regulations shall be published in all editions of any one English national daily newspaper with wide circulation, any one Hindi national daily newspaper with wide circulation, any one regional language daily newspaper with wide circulation at the place where the registered office of the Target Company is situated, and any one regional language daily newspaper at the place of the stock exchange where the Equity Shares of the Target Company are listed, within five (5) Working Days from this Public Announcement, in accordance with Regulations 13(4) and 14(3) of the SEBI (SAST) Regulations, i.e., on or before February 10, 2025. The DPS, shall, inter alia, contain details of the Open Offer including detailed information on the Offer Price, the Acquirer, the Target Company, the Selling Shareholders, the background to the Open Offer and details of the Share Purchase Agreement, including the conditions precedent thereunder, and details of financial arrangements, and other terms of the Open Offer and the conditions thereto.
- 6.3 The Acquirer along with PACs intend to retain the listing status of the Target Company and this offer is not a delisting offer.
- 6.4 The Open Offer is not conditional upon any minimum level of acceptance pursuant to terms of Regulation 19(1) of the SEBI (SAST) Regulations.
- 6.5 The Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 6.6 This Open Offer and the Underlying Transactions are subject to the satisfaction of certain conditions precedent (including statutory and regulatory approvals) as specified under the Agreements.
- 6.7 This Open Offer is also subject to the other terms and conditions mentioned in this PA, and as will be set out in the DPS, the DLOF and the letter of offer, that are proposed to be issued in accordance with the SEBI (SAST) Regulations.
- 6.8 The Acquirer and PACs accept full responsibility for the information contained in this Public Announcement. The Acquirer undertakes that it is aware of and will comply with the obligations under the SEBI (SAST) Regulations and that it has adequate financial resources for meeting its obligations under the SEBI (SAST) Regulations.
- 6.9 This Public Announcement is expected to be available on the websites of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and BSE ([www.bseindia.com](http://www.bseindia.com)).

6.10 The information pertaining to Target Company contained in this Public Announcement has been compiled from the information published or publicly available sources or provided by the Target Company. All the information pertaining to the Selling Shareholders contained in this Public Announcement has been obtained from the Selling Shareholders. Accordingly, the accuracy of the information has not been independently verified by the Manager to the Open Offer.

6.11 In this Public Announcement, all references to “₹”, “Re.” and “Rs.” and “INR” are references to Indian Rupees and any discrepancy in any amounts as a result of multiplication or totalling is due to rounding off.

6.12 In this Public Announcement, any discrepancy in any amounts as a result of multiplication or totaling is due to rounding off.

**ISSUED BY THE MANAGER TO THE OPEN OFFER**



**Systematix Corporate Services Limited**  
The Capital, A-Wing, 6th Floor, No. 603-606,  
Plot No. C-70, G-Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai 400 051, Maharashtra, India.

**Tel. No.:** +91-22-6704 8000

**Fax No.:** +91-22-6704 8022

**Email:** [ecm@systematixgroup.in](mailto:ecm@systematixgroup.in)

**Contact Person:** Ms. Hanishi Shah

**SEBI Registration Number:** INM000004224

**For and on behalf of Acquirer and PACs**

<b>Sd/-</b> <b>Akshayam Creations LLP</b>	<b>Sd/-</b> <b>Sigamani Sivakumar</b>	<b>Sd/-</b> <b>Manoj Kumar Maurya</b>	<b>Sd/-</b> <b>Adinarayana Kumar</b>	<b>Sd/-</b> <b>Sripathy</b>	<b>Sd/-</b> <b>Balasubramanian Prabhakaran</b>
<b>Acquirer</b>	<b>PAC – 1</b>	<b>PAC – 2</b>	<b>PAC – 3</b>		<b>PAC – 4</b>

**Place:** Salem, Tamil Nadu

**Date:** February 03, 2025.