



MARK
CORPORATE ADVISORS

April 05, 2022

MCAPL: MUM: 2022-2023: 0215

To,
The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001.

Dear Sir/Madam,

Sub : Submission of Draft Letter of Offer (“DLoF”)
Ref : Open Offer to the Public Shareholders of Mudunuru Limited (“Mudunuru”/“Target Company”)

With reference to the captioned Offer, please find enclosed the Draft Letter of Offer of Mudunuru Limited for your kind perusal.

Kindly take the above information on your records and disseminate the DLoF on the website of BSE Limited, Mumbai (“BSE”).

For Mark Corporate Advisors Private Limited



Manish Gaur
Asst. Vice President

Encl: As Above.

MARK CORPORATE ADVISORS PVT. LTD.

CIN No : U67190MH2008PTC181996

GSTIN/UIN : 27AAF5379J1ZY

404/1, The Summit Business Bay, Sant Janabai Road, (Service Lane), Off. W. E. Highway, Vile Parle (E), Mumbai - 400 057
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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer (“**DLoF**”) is sent to you as a shareholder of Mudunuru Limited (“**Mudunuru**”/“**Target Company**”). If you require any clarifications about the action to be taken, you may consult your stock broker or Investment Consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your shares in the Target Company, please hand over this Letter of Offer and the accompanying form of acceptance and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

OPEN OFFER BY

Mr. Madhusudan Raju Mudunuru (“Acquirer”)

Residing at: OR 09, Shriram Panorama Hills, Yendada, Visakhapatnam-530 045. Andhra Pradesh

Contact No.: +91 95333 22222, **E-Mail ID:** msrajums@gmail.com

to the existing shareholders of

MUDUNURU LIMITED

(CIN: L72900AP1994PLC039248)



having its registered office at: D. No. 9-29-19, Waltair Heights, Level 3, Balaji Nagar,

Visakapatnam-530 003. Andhra Pradesh.

Contact No.: +91 99072 47247; **Email ID:** info@mudunuru.com; **Website:** www.mudunuru.com

to acquire 82,02,000 Equity Shares of ₹2 each representing 26.00% of Emerging Voting Capital of the Target Company at a price of ₹2 (Rupees Two only) per Equity Share (“**Offer Price**”), payable in cash

- This Offer is being made by the Acquirer pursuant to Regulations 3(1) and 4 of SEBI (SAST) Regulations 2011.
- This Offer is not conditional upon any minimum level of acceptance by the Shareholder(s) of the Target Company.
- As on date of this Draft Letter of Offer, there are no Statutory Approvals required to acquire Equity Shares that are validly tendered pursuant to this Open Offer. However, the Open Offer would be subject to all Statutory Approvals that may become applicable at a later date but before completion of the Open Offer.
- If there is any upward revision in the Offer Price/Offer Size at any time prior to commencement of one (1) working day before the commencement of the Tendering Period i.e. May 13, 2022 (Friday) in terms of the SEBI (SAST) Regulations, 2011, the same would also be informed by way of an announcement in the same newspapers where the Detailed Public Statement (‘DPS’) was published. Such revised Offer Price would be payable to all the Shareholders, who have validly tendered their Equity Shares anytime during the Tendering Period to the extent their Equity Shares have been verified and accepted under the Offer, by the Acquirer. If the Offer is withdrawn pursuant to Regulation 23 of SEBI (SAST) Regulations, 2011, the same would be communicated within two (2) working days by an announcement in the same newspapers in which the DPS had been published.
- If there is a competing offer:
The Public Offers under all the subsisting bids shall open and close on the same date.
- A copy of the Public Announcement (‘PA’), Detailed Public Statement (‘DPS’), Draft Letter of Offer (‘DLoF’) and Letter of Offer (‘LoF’) is also available on the website of Securities and Exchange Board of India (‘SEBI’) at www.sebi.gov.in.

MANAGER TO THE OFFER		REGISTRAR TO THE OFFER	
	<p>Mark Corporate Advisors Private Limited CIN: U67190MH2008PTC181996 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off W. E. Highway, Vile Parle (East), Mumbai-400 057, Maharashtra, India. Tel. No.: +91 22 2612 3207/08 E-Mail ID: openoffer@markcorporateadvisors.com Contact Person: Mr. Manish Gaur SEBI Reg. No.: INM000012128</p>		<p>Aarthi Consultants Private Limited CIN: U74140TG1992PTC014044 Aarthi Building, Near Gaganmahal Nursing Home, Street No 7, Domalguda Hyderabad-500 029 Telangana, Tel. No.: +91 40 2763 8111/2763 4445/2764 E-Mail ID: info@arthiconsultants.com Contact Person: Mr. G. Bhaskara Murthy Website: www.aarthiconsultants.com SEBI Reg. No.: INR000000379</p>
Offer Opens on	: May 18, 2022 (Wednesday)	Offer Closes on	: May 31, 2022 (Tuesday)

TENTATIVE SCHEDULE OF MAJOR ACTIVITIES PERTAINING TO THE OFFER:

Nature of Activity	Date	Day
Date of the Public Announcement	March 22,2022	Tuesday
Date of publishing the Detailed Public Statement	March 29, 2022	Tuesday
Last date for filing of Draft Letter of Offer with SEBI	April 05, 2022	Tuesday
Last date of a competing offer	April 21, 2022	Thursday
Latest date by which SEBI's observations will be received	April 28, 2022	Thursday
Identified Date*	May 02, 2022	Monday
Last date by which the Letter of Offer will be dispatched to the Shareholders (<i>Except the Acquirer/Promoters/Promoter Group of the Target Company/Seller(s)</i>) as on the identified date	May 10, 2022	Tuesday
Last date by which the recommendation of the committee of Independent Directors of the Target Company will be given and published	May 12, 2022	Thursday
Last Date for revising the Offer Price/number of shares	May 13, 2022	Friday
Date of Public Announcement for Opening the Offer	May 17, 2022	Tuesday
Date of Commencement of the Tendering Period ("Offer Opening date")	May 18, 2022	Wednesday
Date of Closing of the Tendering Period ("Offer Closing date")	May 31, 2022	Tuesday
Last date for communicating rejection/acceptance and payment of consideration for accepted equity shares/credit of unaccepted shares to demat account	June 14, 2022	Tuesday

* Identified Date is only for the purpose of determining the names of the Eligible Shareholders as on such date to whom the Letter of Offer will be sent. It is clarified that all the holders (registered or unregistered) of Equity Shares of the Target Company except the Acquirer/Promoters/Promoter Group of the Target Company/Seller(s), are eligible to participate in this Offer any time during the tendering period of the Offer.

RISK FACTORS:

Given below are the risks related to the proposed Offer and those associated with the Acquirer:

Relating to the Proposed Offer:

- 1) This Offer is not subject to the receipt of any statutory approvals. If any Statutory Approval is required or become applicable at a later date, the Acquirer shall make the necessary applications for such Statutory Approvals and therefore, in the event that either the statutory approvals or regulatory approvals, if any, are not received in a timely manner or there is any litigation to stay the Offer, or SEBI instructs the Acquirer not to proceed with the Offer, the Offer process may be delayed beyond the schedule of activities indicated in this DLoF. Consequently, the payment of consideration to the Eligible Shareholders of Target Company, whose Equity Shares have been accepted in the Offer as well as the return of shares not accepted by the Acquirer, may be delayed. Where the statutory approvals extend to some but not all of the Eligible Shareholders, the Acquirer shall have the option to make payment to such Eligible Shareholders in respect of whom no statutory approvals are required in order to complete this Offer. In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the Eligible Shareholders of the Target Company who have accepted the Offer within such period, subject to the Acquirer agreeing to pay interest for the delayed period, if directed by SEBI, in terms of Regulation 18(11A) of the Regulations.
- 2) In case of over-subscription in the Offer, as per the Regulations, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the shareholders in the Offer will be accepted.
- 3) Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw their shares, even if the acceptance of equity shares under this Offer and dispatch of consideration are delayed.

Relating to the Acquirer:

- 1) The Acquirer cannot provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.
- 2) The Acquirer and the Manager to the Offer accepts no responsibility for the statements made otherwise than in the Public Announcement ('PA')/Detailed Public Statement ('DPS')/Draft Letter of Offer ('DLoF')/Letter of Offer ('LoF') and anyone placing reliance on any other sources of information, not released by the Acquirer, would be doing so at his / her / its own risk.

The Risk Factors set forth above pertain to the Offer and do not relate to the present or future business or operations of the Target Company or any other matters and are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by any Shareholder in the Offer. Each Shareholder of the Target Company is hereby advised to consult with legal, financial, tax, investment or other advisors and consultants of their choice, if any, for further risks with respect to each such Shareholder's participation in the Offer.

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1. ABBREVIATIONS/DEFINITIONS

Acquirer	Mr. Madhusudan Raju Mudunuru
BSE	BSE Limited, Mumbai
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 1956 and Companies Act, 2013
CP	Conditions Precedent
CSE	The Calcutta Stock Exchange Limited, Kolkata
DP	Depository Participant
DPS/Detailed Public Statement	Detailed Public Statement relating to the Offer published on March 29, 2022 (Tuesday)
DLoF/Draft Letter of Offer	This Draft Letter of Offer dated April 05, 2022 (Tuesday)
Eligible Shareholders	It shall mean all the equity shareholders of the Target Company excluding: (a) the promoters and members of the promoter group of the Target Company; (b) the Acquirer, any persons deemed to be acting in concert with the Acquirer; (c) the parties to the Share Purchase Agreement (“SPA”), and; (d) the parties to the Share Sale/Purchase Confirmation (“SSPC”).
Emerging Voting Capital	3,15,42,500 Equity Shares of ₹2 (Rupees Two only) each of the Target Company being the paid-up equity share capital after the allotment of 76,15,000 Equity Shares on the Preferential Allotment basis.
Equity Shares	Fully paid-up Equity Shares of the Target Company of the face value of ₹2 each
Escrow Account	Shall have the meaning given to it in paragraph 6.2.2 of this Draft Letter of Offer
Escrow Amount	Shall have the meaning given to it in paragraph 6.2.2 of this Draft Letter of Offer
Escrow Bank	IndusInd Bank Limited
Face Value	₹2 per Equity Share
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FIIs/FPIs	Foreign Institutional Investors / Foreign Portfolio Investors registered with SEBI
Identified Date	May 02, 2022 (Monday) i.e. date falling on the tenth (10 th) Working Day prior to the commencement of Tendering Period, for the purposes of determining the Eligible Shareholders to whom this Letter of Offer shall be sent
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961, as amended from time to time
INR/Rs./₹	Indian Rupees, the legal currency of India
Manager/Manager to the Offer	Mark Corporate Advisors Private Limited
MICR	Magnetic Ink Character Recognition
Mudunuru/Target Company	Mudunuru Limited
NA/N.A.	Not Applicable
Non-Resident Shareholder(s)	Persons resident outside India as defined under FEMA, holding Equity Shares of the Target Company
NRI	Non-Resident Indian
NSDL	National Securities Depositories Limited
OCBs	Overseas Corporate Bodies
Offer period	Period from the date of entering into an agreement, to acquire Equity Shares, Voting Rights in, or control over a Target Company requiring a Public Announcement, or the date of Public Announcement, and the date on which the payment of consideration to Shareholders who have accepted the Open Offer is made, or the date on which the Open Offer is withdrawn
Offer/Open Offer	The Open Offer is made by the Acquirer to the Eligible Shareholders to acquire up to 82,02,000 Equity Shares representing 26.00% of Emerging Voting Capital of the Target Company
Offer Price	₹2(Rupees Two only) per Equity Share
Offer Size	Upto 82,02,000 Equity Shares representing 26.00% of Emerging Voting Capital of the Target Company at a price of ₹2 (Rupees Two only) per Equity Share, aggregating to ₹1,64,04,000 (Rupees One Crore Sixty Four Lakhs Four Thousand only)
PA/Public Announcement	Public Announcement of the Offer issued by the Manager to the Offer, on behalf of the Acquirer on March 22, 2022 (Tuesday)

Promoters	Promoters of Mudunuru Limited as per Regulation 31(1)(b) of SEBI (LODR) Regulations, 2015
Promoter Seller 1	Mr. B V S Krishna Raju
Promoter Seller 2	Mr. Uday Bhaskar Penumajji
Promoter Sellers	Promoter Seller 1 and Promoter Seller 2
Public Shareholders	The Equity Shareholders of the Target Company other than the Acquirer, Promoters/Promoter Group of the Target Company and Sellers
Registrar/Registrar to the Offer	Aarthi Consultants Private Limited
RTGS	Real Time Gross Settlement
Sale Shares	(i) 59,46,060 Equity Shares of face value of ₹2 each of Mudunuru Limited pursuant to SPA and; (ii) 21,19,110 Equity Shares of face value ₹2 each of Mudunuru Limited pursuant to SSPC.
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended or modified from time to time
SEBI (LODR) Regulations, 2015	Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, and subsequent amendments thereof
SEBI (SAST) Regulations, 2011/ SEBI Takeover Code/ Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereof
Seller 1	Mr. Sanyasi Raju Namburu
Seller 2	Ms. Satyavathi Namburu
Seller 3	Ms. Atchutamba Namburi
Sellers	Seller 1, Seller 2 and Seller 3
SPA/Agreement	Share Purchase Agreement dated March 22, 2022 (Tuesday)
SSPC	Share Sale/Purchase Confirmation dated March 22, 2022 (Tuesday)
Stock Exchanges	BSE Limited and The Calcutta Stock Exchange Limited
Tendering Period	Period within which Shareholders of the Target Company may tender their Equity Shares in acceptance to the Offer, i.e. the period between and including May 18, 2022 (Wednesday) and May 31, 2022 (Tuesday)

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF 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 REGULATIONS. THIS REQUIREMENT IS TO FACILITATE SHAREHOLDERS OF MUDUNURU 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 COMPANY WHOSE SHARES AND CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES HIS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, MARK CORPORATE ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED APRIL 05, 2022 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THIS 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.

3. DETAILS OF THE OFFER

3.1. BACKGROUND OF THE OFFER

3.1.1 This Open Offer is being made by Mr. Madhusudan Raju Mudunuru (“Acquirer”) to the Eligible Shareholders of Mudunuru Limited (“Mudunuru”/“Target Company”) pursuant to and in compliance with Regulations 3(1) and 4 of SEBI (SAST) Regulations, 2011 to acquire upto 82,02,000 Equity Shares of face value of ₹2 each representing 26.00% of the Emerging Voting Capital of the Target Company (“Offer Size”) at a price of ₹2 (Rupees Two only) per Equity Share (“Offer Price”), payable in cash, subject to the terms and conditions set out in the PA, DPS, DLoF and LoF that will be sent to the Eligible Shareholders of the Target Company.

3.1.2 The details of the transactions which has triggered the Open Offer are as under:

- (i) Pursuant to the Share Purchase Agreement (“SPA”) entered into between the Acquirer and the Promoters/members of the Promoter Group on March 22, 2022, the Acquirer has agreed to acquire 59,46,060 Equity Shares representing 18.85% of the Emerging Voting Capital of face value of ₹2 (Rupees Two only) each at a price of ₹1 (Rupee One only) per equity share from the following Shareholders of the Target Company (“Sellers”/“Promoter Sellers”):

Sr. No.	Name, PAN & Address	Part of Promoter Group (Yes/No)	Details of Shares/VRs held by the Promoter Sellers			
			Pre Transaction		Post Transaction	
			No of Shares	% vis a vis Emerging Voting Capital	No of Shares	% vis a vis Emerging Voting Capital
1)	Mr. B V S Krishna Raju (“Promoter Seller 1”) PAN: AGCPB 8355 K Address: Plot No. 924, Flat No. 101, Jashuva Apartment, Defence Colony,	Yes	26,32,560	8.35%	Nil	N.A.

Sr. No.	Name, PAN & Address	Part of Promoter Group (Yes/No)	Details of Shares/VRs held by the Promoter Sellers			
			Pre Transaction		Post Transaction	
			No of Shares	% vis a vis Emerging Voting Capital	No of Shares	% vis a vis Emerging Voting Capital
	Near 5 th Avenue Bakery, Sainikpuri, Malkajgiri, Hyderabad. Andhra Pradesh-500 094					
2)	Mr. Uday Bhaskar Penumajji (“Promoter Seller 2”) PAN: AKSPB 7865 N Address: Flat No. 501, 5 th Floor, Sri Prasahanti Apartment, Bhindra Nagar Road, P M Palem, Visakhapatnam (Rural). Andhra Pradesh-530 041.	Yes	33,13,500	10.50%	Nil	N.A.
	TOTAL		59,46,060	18.85%	Nil	N.A.

The Acquirer has paid entire amount of ₹59,46,060, being 100% of the Purchase Consideration to the Promoter Sellers on execution of the SPA. The Acquirer intend to nominate himself or appoint a representative on the Board of the Target Company and also takeover the management of the Target Company in compliance with SEBI (SAST) Regulations, 2011.

However, the above mentioned Equity Shares are lying in the demat account of the Promoter Sellers, which may be transferred to the demat account of the Acquirer on or after thirty days from the date of DPS as per Regulation 22(2) of SEBI (SAST) Regulations, 2011.

(ii) Pursuant to the Share Sale/Purchase Confirmation (“SSPC”) entered into between the Acquirer and the Public Shareholders on March 22, 2022, the Acquirer has agreed to acquire 21,19,110 Equity Shares representing 6.72% of the Emerging Voting Capital of the Target Company of face value of ₹2 (Rupees Two only) at a price of ₹1 (Rupee One only) per equity share from the following Shareholders of the Target Company (“Sellers”):

Sr. No.	Name, PAN & Address	Part of Promoter Group (Yes/No)	Details of Shares/VRs held by the Sellers			
			Pre Transaction		Post Transaction	
			No of Shares	% vis a vis Emerging Voting Capital	No of Shares	% vis a vis Emerging Voting Capital
1)	Mr. Sanyasi Raju Namburu (“Seller 1”) PAN: AEMPN 7980 A Address: 2-7/2, Plot No. 71, Ravi Enclave, Near Hanuman Temple, Kondapur, Serilingampally, Rangareddi, Andhra Pradesh-500 084.	No	3,69,110	1.17%	Nil	N.A.
2)	Ms. Satyavathi Namburu (“Seller 2”) PAN: AJIPN 2291 B	No	9,56,250	3.03%	Nil	N.A.

Sr. No.	Name, PAN & Address	Part of Promoter Group (Yes/No)	Details of Shares/VRs held by the Sellers			
			Pre Transaction		Post Transaction	
			No of Shares	% vis a vis Emerging Voting Capital	No of Shares	% vis a vis Emerging Voting Capital
	<i>Address:</i> 2-712, Puritipenta, Gajapathinagaram Mandalam, Vizianagaram, Andhra Pradesh-535 270.					
3)	Ms. Atchutamba Namburi (“Seller 3”) <i>PAN:</i> AUDPA 3864 D <i>Address:</i> 2-7/2, Plot No. 71, Ravi Enclave, Near Hanuman Temple, Kondapur, Serilingampally, Rangareddi, Andhra Pradesh-500 084.	No	7,93,750	2.52%	Nil	N.A.
	TOTAL		21,19,110	6.72%	Nil	N.A.

The Acquirer has paid entire amount of ₹21,19,110, being 100% of the Purchase Consideration to the Sellers on execution of the SSPC.

However, the above mentioned Equity Shares are lying in the Demat Account of the Sellers, which may be transferred to the demat account of the Acquirer on or after thirty days from the date of DPS as per Regulation 22(2) of SEBI (SAST) Regulations, 2011.

3.1.3 The Promoter Sellers are members of the Promoters/Promoter Group of the Target Company. However, the Sellers are not the members of the Promoters/Promoter Group of the Target Company.

3.1.4 The above mentioned Promoter Sellers and Sellers have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended or under any other regulation made under the SEBI Act, 1992.

3.1.5 The salient features of the Share Purchase Agreement (“SPA”) are as under:

AGREEMENT TO SELL SHARES

- (i) The Sellers shall sell to the Acquirer and the Acquirer shall, subject to the fulfilment of the conditions specified in Clause 3, and relying on the several representations and undertakings of the Sellers hereinafter contained, purchase the Sale Shares (except 6,00,000 equity shares of Mr. Penumajji Uday Bhaskar which are under pledge with SBI), free from all encumbrances and defects for the Purchase Price and on the terms and conditions hereinafter contained.
- (ii) The Acquirer shall acquire 59,46,060 fully paid-up Equity Shares of face value of ₹2 each (includes 6,00,000 equity shares of ₹2 each Mr. Penumajji Uday Bhaskar which are under pledge with SBI) of the Company, representing 24.85% of the Voting Capital and 18.85% of the Emerging Voting Capital of the Company. Further, Mr. Penumajji Uday Bhaskar will take necessary steps to unpledge the said 6,00,000 equity shares and ensure to complete it on or before April 20,2022.
- (iii) The purchase consideration for Sale Shares shall be at the rate of ₹1 (Rupee One Only) per share. The Acquirer shall pay the entire Purchase Consideration for the Sale Shares acquired by him.
- (iv) The Total Purchase Consideration of ₹59,46,060 includes ₹6,00,000 pertaining to the pledged 6,00,000 equity shares.

CONDITIONS OF AGREEMENT

Conditions Precedent

The Purchase of the Shares by the Acquirer is subject to the fulfilment by the Sellers of the following conditions precedent “The approvals, if any, of the Authorities being obtained by the Sellers at their own cost and such approvals being unconditional or if subject to conditions, the conditions are not unusual or onerous and certified copies thereof being submitted to the Acquirer”.

Compliance with Takeover Regulations

- (i) The sale and purchase of the Sale Shares shall be subject to compliance with the provisions of the Takeover Regulations.
- (ii) The Sellers shall cause the Company to comply with the provisions of the Takeover Regulations.
- (iii) In case of non-compliance with any of the provisions of the Takeover Regulations by either of the parties, this agreement for sale of the Sale Shares shall not be acted upon by either Sellers or the Acquirer.

3.1.6 The Proposed change in control of the Target Company is not through any Scheme of Arrangement.

3.1.7 There may be changes in the composition of Board of Directors of the Target Company after the completion of Offer, in accordance with applicable laws (including without limitation, the Companies Act, 2013, the SEBI (LODR) Regulations and Regulation 24 of the SEBI (SAST) Regulations, 2011. No proposal in this regard has been finalized as on the date of this DLoF.

3.1.8 As per Regulation 26(6) of the SEBI (SAST) Regulations, 2011, the Board of Directors are required to constitute a committee of Independent Directors to provide reasoned recommendation on this Offer to the Eligible Shareholders. Such recommendation shall be published at least two (2) working days before the commencement of the Tendering Period in the same newspapers where the DPS was published in compliance with Regulation 26(7) of the SEBI (SAST) Regulations.

3.2. DETAILS OF THE PROPOSED OFFER

3.2.1 The Public Announcement announcing the Open Offer under Regulations 3(1) and 4 read with Regulation 13, 14 and 15 of the SEBI (SAST) Regulations, 2011 was made on March 22, 2022 and was filed with Securities and Exchange Board of India (“SEBI”), BSE Limited, Mumbai (“BSE”), The Calcutta Stock Exchange Limited, Kolkata (“CSE”) and the Target Company on the same day through e-mail and the hard copy was submitted to Securities and Exchange Board of India (“SEBI”) on March 23, 2022.

3.2.2 In accordance with Regulations 13(4) and 14(3) of the SEBI (SAST) Regulations, the DPS was published on March 29, 2022 (Tuesday) in the following newspapers:

Publication	Language	Edition(s)
Business Standard	English	All Editions
Business Standard	Hindi	All Editions
Navshakti	Marathi	Mumbai Edition
Prajasakti	Telugu	Visakhapatnam Edition

The Public Announcement and Detailed Public Statement are also available on the website of SEBI at www.sebi.gov.in.

A copy of the DPS was filed through the Manager to the Offer with SEBI, Stock Exchanges and the Target Company through e-mail on March 29, 2022. The hard copy of the same was submitted to Securities and Exchange Board of India (“SEBI”), on March 29, 2022.

3.2.3 This Offer is made by the Acquirer to all Eligible Shareholders, to acquire upto 82,02,000 Equity Shares representing 26.00% of the Emerging Voting Capital, at a price of ₹2 (Rupees Two only) per Equity Share, to be paid in cash, in accordance with Regulation 9(1)(a) of the Regulations and subject to the terms and conditions set out in the PA, the DPS and DLoF.

3.2.4 There is no differential pricing for the Offer.

- 3.2.5 This is not a Competing Offer in terms of Regulation 20 of the Regulations. There has been no competing offer as of the date of this Draft Letter of Offer.
- 3.2.6 The Offer is unconditional and not subject to any minimum level of acceptance from the shareholders. In terms of Regulation 19(1) of the Regulations, the Acquirer will accept those Equity Shares of the Target Company which are tendered in valid form in terms of this Offer upto a maximum of 82,02,000 Equity Shares representing 26.00% of the Emerging Voting Capital of the Target Company.
- 3.2.7 The Acquirer has not acquired any shares of the Target Company after the date of PA i.e. March 22, 2022 (Tuesday) and up to the date of this DLoF.
- 3.2.8 The Acquirer will have the right not to proceed with this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, 2011 in the event Statutory Approvals are refused. In the event of withdrawal of this Offer, a Public Announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which the DPS has been published and such Public Announcement will also be sent to SEBI, Stock Exchange and the Target Company.
- 3.2.9 As on date, the Manager to the Offer, Mark Corporate Advisors Private Limited does not hold any Equity Shares in the Target Company. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period as per Regulation 27(6) of the SEBI (SAST) Regulations, 2011.
- 3.2.10 The Equity Shares of the Target Company acquired by the Acquirer shall be free from all liens, charges and encumbrances together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.
- 3.2.11 As per Regulation 38 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI (LODR) Regulations, 2015**”) read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended (“**SCRR**”), the Target Company is required to maintain at least 25% Public Shareholding, on continuous basis for listing. If, as a result of the acquisition of Equity Share through Share Purchase Agreement (“**SPA**”), Share Sale/Purchase Confirmation (“**SSPC**”), Preferential Issue and after completion of this Offer, assuming full acceptance, the Public Shareholding in the Target Company will not fall below the minimum public shareholding requirement as per SCRR as amended and the SEBI (LODR) Regulations, 2015, as amended.

3.3. OBJECT OF THE OFFER

- 3.3.1 This Offer is being made to the public shareholders of Target Company pursuant to and in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011.
- 3.3.2 At present, the Acquirer does not have any plans to make major changes to the existing line of business of the Target Company except in the ordinary course of business. The main purpose of takeover is to expand the Company’s existing business activities in the same line through exercising the effective management and control over the Target Company. The Acquirer may reorganize the present Capital structure of the Company and also further strengthen the Board.
- 3.3.3 The Object of the acquisition is substantial acquisition of Shares/Voting Rights of the Target Company and to control over the management of the Target Company.
- 3.3.4 The Acquirer do not have any plans to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business of the Target Company. The Target Company’s future policy for disposal of its assets, if any, for two years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through Special Resolution passed by way of postal ballot in terms of regulation 25(2) of the Regulations.

4. BACKGROUND OF THE ACQUIRER

4.1. Information about Madhusudan Raju Mudunuru (“Acquirer”)

- 4.1.1 Mr. Madhusudan Raju Mudunuru, s/o Shri Jaggaraju Mudunuru, aged about 47 years, is presently residing at OR 09, Shriram Panorama Hills, Yendada, Visakhapatnam-530 045, Andhra Pradesh having Contact No.: +91 95333 22222 and Email ID: msrajums@gmail.com. His Permanent Account Number under Indian Income Tax Act is AJSPM 4383 M. He holds a degree in Master of Science (M.S.) in Software Engineering from the Birla Institute of Technology & Science, Pilani. He has over two decades of experience in various software domains in the field of IT.
- 4.1.2 The Acquirer is not part of any group.
- 4.1.3 The Net worth of Acquirer is ₹1092.96 Lakhs as on March 22, 2022 as certified vide certificate dated March 22, 2022 issued by CA Pavan Kumar Kedariseti (Membership No. 258290), Proprietor, M/s K Pavan & Associates, Chartered Accountants (FRN: 023549S), having office at Flat No 502, Level-4, Surya Vilas, Balaji Nagar, VIP Road, Siripuram, Visakhapatnam-530 003, Contact No.: +91 90009 52010 and Email-ID: capavankumark@gmail.com.
- 4.1.4 As on date, the Acquirer is not having any relationship with/interest in the Target Company except holding of 3,54,685 Equity Share representing 1.12% of Emerging Voting Capital of the Target Company. Further, the Acquirer has entered into a Share Purchase Agreement (“SPA”) on March 22, 2022 to acquire 59,46,060 Equity Shares representing 18.85% of the Emerging Voting Capital of the Target Company from the Promoter/Promoter Group of the Target Company. Additionally, the Acquirer has also applied for 5,00,000 Equity Shares representing 1.59% of the Emerging Voting Capital of the Target Company in the Preferential Issue of the Target Company. Apart from these, he has also entered into Share Sale/Purchase confirmation (“SSPC”) on the same date from the non-promoter shareholders of the Target Company to acquire 21,19,110 Equity Shares representing 6.72% of Emerging Voting Capital of the Target Company. Thus, the Acquirer holds/entered into agreement for acquisition in aggregate 89,19,855 equity shares representing 28.28% of the Emerging Voting Capital of the Target Company. As on date, neither the Acquirer nor any of his representatives are on the Board of the Target Company.
- 4.1.5 Neither the Acquirer nor any of the entities with whom he is associated, are in Securities related business and registered with SEBI as a Market Intermediary.
- 4.1.6 The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992, as amended or any other Regulations made under the SEBI Act.
- 4.1.7 Based on the information available, the Acquirer is not in the list of ‘wilful defaulters’ issued by any bank, financial institution, or consortium thereof in accordance with guidelines on wilful defaulters issued by RBI and are in compliance with Regulation 6A of SEBI (SAST) Regulations, 2011.
- 4.1.8 Based on the information available, the Acquirer has not been declared as a fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018) and are in compliance with Regulation 6B of SEBI (SAST) Regulations, 2011.
- 4.1.9 There is no Persons Acting in Concert in relation to the Offer within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations, 2011.

5. BACKGROUND OF THE TARGET COMPANY-MUDUNURU LIMITED

- 5.1 The Target Company, bearing CIN L72900AP1994PLC039248 was incorporated on February 15, 1994 in the name of ‘Zen Yarns Limited’ in the State of Gujarat pursuant to the provisions of the Companies Act, 1956. The name of the Company was changed from time to time and lastly to ‘Mudunuru Limited’ and a Fresh Certificate of Incorporation consequent upon Change of Name was issued by the Registrar of Companies, Hyderabad, on October 09, 2015. There has been no change in the name of the Company during the last three years.
- 5.2 The Registered Office is currently situated at D. No. 9-29-19, Waltair Heights, Level 3, Balaji Nagar, Visakhapatnam-530 003. Andhra Pradesh.

5.3 The Target Company is a provider of e-commerce software development services.

5.4 The Authorized Share Capital of the Target Company is ₹9,00,00,000 (Rupees Nine Crores only) comprising of 4,50,00,000 (Four Crores Fifty Lakhs only) Equity Shares of face value of ₹2 each. The Paid-Up Equity Share Capital of the Target Company is ₹4,78,55,000 (Four Crores Seventy Eight Lakhs Fifty Five thousand only) comprising of 2,39,27,500 (Two Crores Thirty Nine Lakhs Twenty Seven Thousand and Five Hundred Only) Equity Shares of face value of ₹2 each fully paid up.

5.5 The Equity Shares of the Target Company are listed on BSE Limited, Mumbai (“**BSE**”) having a scrip code as 538743 and The Calcutta Stock Exchange Limited, Kolkata (“**CSE**”) having Scrip code as 036008 (hereinafter collectively referred to as “**Stock Exchanges**”). The Equity Shares of the Target Company are infrequently traded within the meaning of explanation provided in Regulation 2(j) of the Regulations. The ISIN of the Target Company is INE491C01027.

5.6 As on date, the Target Company is fully compliant with the listing requirements. Further, there has not been any penal/punitive action taken by the Stock Exchanges.

5.7 Share Capital Structure:

The Equity Share Capital Structure of the Target Company is as follows:

Paid-up Shares	No. of Equity Shares/Voting Rights	% of Emerging Voting Capital
Fully Paid-up Equity Shares	2,39,27,500	75.86%
Partly Paid-up Equity Shares	Nil	N.A.
Equity Shares to be allotted pursuant to Preferential Issue	76,15,000	24.14%
Emerging Voting Share Capital	3,15,42,500	100.00%

5.8 As of the date of this Draft Letter of Offer, there are no: (i) partly paid-up Equity Shares; and (ii) outstanding convertible instruments (warrants/fully convertible debentures/partially convertible debentures) issued by the Target Company. Further, there is no differential pricing for the Offer. There has been no merger/de-merger or spin off in the Target Company during the past three years.

5.9 Details of the Board of Directors of the Target Company:

As on the date, the Directors representing the Board of the Target Company are:

Sr. No.	Name of the Director, DIN, PAN & Designation	Address of the Director	Date of Appointment	Experience and Field		No of Shares held in the TC	
				Years	Field	No. of Shares	%^
1)	Mr. Uday Bhaskar Penumajji <i>Designation:</i> Whole Time Director <i>DIN:</i> 02773570 <i>PAN:</i> AKSPB 7865 N	Flat No-501, 5 th Floor, Sri Prashanti Apartment, Bhindra Nagar Road, P M Palem, Visakhapatnam (Rural), Pothinamallayapalem, Andhra Pradesh-530041	August 08, 2015	21	Banking and Operation	33,13,500	10.50
2)	Mr. T. Kiran <i>Designation:</i> Executive Director <i>DIN:</i> 00472025 <i>PAN:</i>	Sk 16-5, Paramount towers, Shriram Panorama Hills, NVP Law College Road, Yendada, Visakhapatnam (Rural), Gitam	February 14, 2020	25	Information Technology	2,43,225	0.77

Sr. No.	Name of the Director, DIN, PAN & Designation	Address of the Director	Date of Appointment	Experience and Field		No of Shares held in the TC	
				Years	Field	No. of Shares	%^
	ABZPT 6533 D	Engineering College, Andhra Pradesh-530045					
3)	Mr. Rahul Raghunandan Chowdarapu <i>Designation:</i> Independent Director <i>DIN:</i> 05170234 <i>PAN:</i> ARSPR 8636 C	8-3-988/10/E-8, 1 and 2 SBH Colony, 202 Eviron House, Sri Nagar Colony, Hyderabad, Andhra Pradesh-500073	September 12, 2015	5	Operations	13,575	0.04
4)	Mr. Raghu Ratul Chowdarapu <i>Designation:</i> Independent Director <i>DIN:</i> 05170211 <i>PAN:</i> AGQPR 7060 M	8-3-988/10/E-8, 1 and 2 SBH Colony, 202 Eviron House, Sri Nagar Colony, Hyderabad, Andhra Pradesh-500073	September 12, 2015	7	Operations	17,474	0.06

^ Calculated on the basis of Emerging Voting Capital.

5.10 The Un-Audited key Financial Information as at and for the nine months period ended December 31, 2021 and Audited key Financial Information as at financial year ended March 31, 2021, March 31, 2020 and March 31, 2019 of the Target Company are as under:

Profit and Loss Statement:

(Amount in Lakhs)

Particulars	As on	For the financial year ended		
	December 31, 2021	FY 2020-2021	FY 2019-2020	FY 2018-2019
	(Un-Audited)	(Audited)	(Audited)	(Audited)
Revenue from Operations	90.89	409.28	412.89	867.34
Other Income	-	-	-	0.58
Total Income	90.89	409.28	412.89	867.92
Expenses:				
Operating Expense	-	-	-	476.33
Purchase of Stock in Trade	52.62	-	-	-
Employee Benefit Expenses	68.74	125.95	146.15	184.92
Cost of Material Consumed	-	90.47	449.93	-
Capital Expenditure Written Off	-	-	264.09	-
Other Expenses	138.76	102.56	97.63	90.43
Sub-Total	260.12	318.98	957.81	751.69
Finance Cost	11.07	26.63	25.88	35.36
Depreciation and Amortization Expenses	10.94	14.58	57.40	79.10
Total Expenses	282.13	360.19	1,041.08	866.15
Profit / (Loss) before extraordinary, exceptional items and tax	(191.24)	49.09	(628.19)	1.77

Particulars	As on	For the financial year ended		
	December 31, 2021	FY 2020-2021	FY 2019-2020	FY 2018-2019
	(Un-Audited)	(Audited)	(Audited)	(Audited)
Share of net profit of associates and joint ventures accounted for using the equity method				
Profit / (Loss) before Tax	(191.24)	49.09	(628.19)	1.77
Tax Expenses:				
Current Tax	-	7.66	-	0.34
Previous year's Tax	-	-	-	-
Deferred Tax		33.95	(6.43)	(2.03)
Net Profit / (Loss) for the year	(191.24)	7.48	(621.76)	3.46
Other Comprehensive Income				
Items that will not be re-classified to Statement of Profit & Loss	-	-	-	-
Items that will be re-classified to Statement of Profit & Loss	-	-	-	-
Total Comprehensive Income	(191.24)	7.48	(621.76)	3.46

Statement of Assets and Liabilities:

(Amount in Lakhs)

Particulars	As at			
	December 31, 2021	2020-2021	2019-2020	2018-2019
	(Un-Audited)	(Audited)	(Audited)	(Audited)
ASSETS:				
Non-Current Assets:				
Property, Plant & Equipment	167.28	177.90	181.39	231.36
Capital Work-in-Progress	-	-	-	264.09
Financial Assets:				
Investment	-	-	-	-
Other Financial Assets	-	-	-	1.38
Deferred tax assets(net)	-	-	-	-
Other Non-Current Assets	2.14	0.88	1.38	-
Total Non-Current Assets	169.42	178.77	182.77	496.83
Current Assets				
Inventories	0.014	0.01	15.01	211.71
Financial Assets				
Trade Receivables	89.22	84.51	220.45	595.49
Cash & Cash Equivalents	0.30	8.91	1.28	5.23
Loans and Advances	-	-	-	69.08
Other Financial Assets	-	-	-	-
Other Current Assets	78.36	211.55	44.81	0.83
Total Current Assets	167.90	304.99	281.56	882.35
Total Assets	337.32	483.76	464.32	1,379.17
EQUITY AND LIABILITIES:				
Equity:				
Equity Share Capital	478.55	478.55	478.55	478.55
Other Equity	(484.44)	(293.20)	(300.68)	321.08
Equity attributable to Shareholders of the Company	(5.89)	185.35	177.87	799.63
Total Equity	(5.89)	185.35	177.87	799.63
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	42.33	28.16	-	-
Other Financial Liabilities	-	-	29.75	38.56
Provisions	-	-	-	-
Deferred Tax Liabilities	-	-	-	(10.25)
Other Non-Current Liabilities	-	-	-	-

Particulars	As at			
	December 31, 2021	2020-2021	2019-2020	2018-2019
	(Un-Audited)	(Audited)	(Audited)	(Audited)
Total Non-Current Liabilities	42.33	28.16	29.75	28.31
Current Liabilities:				
Financial Liabilities				
Borrowings	145.96	127.77	213.48	-
Trade Payables	119.68	102.40	0.88	280.89
Other Financial Liabilities	-	-	-	268.39
Short Term Provision	7.66	7.66	-	-
Provisions				
Other Current Liabilities	27.58	15.16	59.03	0.34
Current Tax Liability (Net)	-	17.27	(16.68)	1.62
Total Current Liabilities	300.88	270.25	256.70	551.24
Total Equity & Liabilities	337.32	483.76	464.32	1,379.17

Other Financial Data:

(Amount in Lakhs, Except EPS)

Particulars	As at			
	December 31, 2021	2020 - 2021	2019 - 2020	2018 - 2019
	(Un-Audited)	(Audited)	(Audited)	(Audited)
Dividend (%)	0.00%	0.00%	0.00%	0.00%
Earnings Per Share (₹)	(0.80)	0.03	(2.60)	0.01
Return on Networth (%)	Negative	4.04%	Negative	0.43%
Book Value (₹)	(0.02)	0.77	0.74	3.34

5.11 Pre and Post-Offer Shareholding Pattern of the Target Company as on date of DLoF are as follows:

Shareholders' Category	Shareholding & Voting Rights prior to SPA, SSPC, Preferential Issue and Offer		Shares/Voting Rights agreed to be acquired which triggered off the Regulations		Shares/Voting Rights to be acquired in the Open Offer (assuming full acceptance)		Shareholding/Voting Rights after SPA, SSPC, Preferential Issue and Offer	
	(A)		(B)		(C)		(D)	
	No.	% [^]	No.	% [^]	No.	% [^]	No.	% [^]
1) Promoter Group								
a) Parties to the Agreement								
(i) Mr. B V S Krishna Raju	26,32,560	8.35	(26,32,560) [@]	(8.35)	Nil	N.A.	Nil	N.A.
(ii) Mr. Uday Bhaskar Penumajji	33,13,500	10.50	(33,13,500) [@]	(10.50)	Nil	N.A.	Nil	N.A.
b) Promoters other than (a) above	Nil	N.A.	Nil	N.A.	Nil	N.A.	Nil	N.A.
Total 1 (a+b)	59,46,060	18.85	(59,46,060)	(18.85)	Nil	N.A.	Nil	N.A.
2) Acquirer								
Mr. Madhusudan Raju Mudunuru	3,54,685	1.12	85,65,170 [#]	27.16	82,02,000	26.00	1,71,21,855	54.28
Total 2	3,54,685	1.12	85,65,170	27.16	82,02,000	26.00	1,71,21,855	54.28
3) Parties to the Agreement other than 1 (a) & (2)					Nil	N.A.	Nil	N.A.
(i) Mr. Sanyasi Raju Namburu	3,69,110	1.17	(3,69,110) ^{\$}	(1.17)	Nil	N.A.	Nil	N.A.
(ii) Ms. Satyavathi Namburu	9,56,250	3.03	(9,56,250) ^{\$}	(3.03)	Nil	N.A.	Nil	N.A.
(iii) Ms. Atchutamba Namburi	7,93,750	2.52	(7,93,750) ^{\$}	(2.52)	Nil	N.A.	Nil	N.A.
Total 3	21,19,110	6.72	(21,19,110)	6.72	Nil	N.A.	Nil	N.A.
4) Public (other than parties to agreement, Acquirer & PACs a. FIs/MFs/FIIs/Banks, SFIs (Indicates name))			71,15,000 [*]	22.56				
b. Others	1,55,07,645	49.16	Nil	N.A.	(82,02,000)	(26.00)	1,44,20,645	45.72

Shareholders' Category	Shareholding & Voting Rights prior to SPA, SSPC, Preferential Issue and Offer		Shares/Voting Rights agreed to be acquired which triggered off the Regulations		Shares/Voting Rights to be acquired in the Open Offer (assuming full acceptance)		Shareholding/Voting Rights after SPA, SSPC, Preferential Issue and Offer	
	(A)		(B)		(C)		(D)	
	No.	% [^]	No.	% [^]	No.	% [^]	No.	% [^]
Total 4 (a+b)	1,55,07,645	49.16	71,15,000	22.56	(82,02,000)	(26.00)	1,44,20,645	45.72
GRAND TOTAL (1+2+3+4)	2,39,27,500	75.86	76,15,000	24.14	Nil	N.A.	3,15,42,500	100.00

[^] Calculated on the basis of Emerging Voting Capital.

[@] Shares to be sold under SPA.

[#] Includes 59,46,060 equity shares under SPA, 21,19,110 equity shares under SSPC and 5,00,000 equity shares under Preferential Allotment.

[§] Shares to be sold under SSPC.

^{*} Shares to be acquired under Preferential Allotment.

Note: Total Number of Public Shareholders as on December 31, 2021 are 612.

(Source: www.bseindia.com)

5.12 Details of the Compliance Officer:

Name : Mr. Pankaj Tulsyani
Registered Office : D. No. 9-29-19, Waltair Heights, Level 3, Balaji Nagar, Visakapatnam-530 003.
Address : Andhra Pradesh.
Contact No. : +91 99072 47247
Email ID : info@mudunuru.com

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 JUSTIFICATION OF OFFER PRICE

6.1.1 The Equity Shares of the Target Company are presently listed on BSE Limited, Mumbai ("BSE") having Scrip Code as 538743 and The Calcutta Stock Exchange of India Limited, Kolkata ("CSE") having Scrip code as 036008.

6.1.2 The Equity Shares of the Target Company is infrequently traded on BSE and Not Traded on CSE during the twelve (12) calendar months preceding the month in which PA was made as set out under Regulation 2(1) (j) of SEBI (SAST) Regulations, 2011.

6.1.3 The annualized trading turnover of the Equity Shares of the Target Company during Twelve (12) calendar months preceding the month of PA (March 2021 to February 2022) on the Stock Exchange on which the Equity Shares of the Target Company are traded is detailed below:

Name of the Stock Exchange	Total Number of shares traded during the preceding 12 calendar months prior to the month of PA	Total No. of Equity Shares listed	Annualized trading turnover (as % of total number of listed shares)
BSE Limited	44,571	2,39,27,500	0.19%
The Calcutta Stock Exchange of India Limited	Not Traded	2,39,27,500	Not Applicable

(Source: www.bseindia.com and www.cse-india.com)

6.1.4 The Offer Price of ₹2 (Rupees Two only) is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations on the basis of the following:

Sr. No.	Particulars	Amount in ₹
a)	Negotiated Price as per SPA	: ₹1.00
b)	Negotiated Price as per Share Sale/Purchase Confirmation	: ₹1.00
c)	Allotment in the Preferential Issue	: ₹2.00
d)	The volume-weighted average price paid or payable for acquisition by the Acquirer, during 52 weeks preceding the date of PA	: Not Applicable
e)	The highest price paid or payable for any acquisition, by the Acquirer, during 26 weeks preceding the date of the PA	: Not Applicable

Sr. No.	Particulars	Amount in ₹
f)	The volume-weighted average market price of Equity shares of the Target Company for a period of sixty (60) trading days immediately preceding the date of PA as traded on BSE, being the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period	: Not Applicable
g)	The price determined by the Valuer taking into account Valuation Parameters per Equity Share including Book Value, Comparable Trading Multiples and such other parameters as are customary for Valuation of Equity Shares, since the Equity Shares are infrequently traded	: ₹1.71
h)	Other Financial Parameters as at:	December 31, 2021 (Un-Audited)
	(i) Return on Net Worth (%)	: Negative
	(ii) Book Value Per Share (₹)	: (0.02)
	(iii) Earnings Per Share (₹)	: (0.80)

- 6.1.5 The fair value of per Equity Share of the Target Company is ₹1.71 (Rupees One and Paise Seventy One only) as certified by the Valuer vide Valuation Report dated March 22, 2022 issued by CA Nikunj Kanodia (Membership No. 069995) (Registration Number: IBBI/RV/01/2020/13470) having office at 510, Dilkap Chambers, Plot-A/7, Veera Desai Road, Andheri (West). Mumbai-400 053. Tel. No.: +91 22 4972 9990/1/2, Email ID: advisors@corpwis.com. Further, the Valuer has given guidance on control premium ranging from 15% to 20% over and above the fair value determined by him and accordingly the committee of Independent Directors has recommended the Preferential Issue price of ₹2 per equity share as fair and reasonable.
- 6.1.6 In view of the parameters considered and presented above and in the opinion of the Acquirer and Manager to the Offer, the Offer Price of ₹2 (Rupees Two only) per Equity Share is justified in terms of Regulation 8 (2) of the SEBI (SAST) Regulations, 2011.
- 6.1.7 There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.
- 6.1.8 In the event of further acquisition of Equity Shares of the Target Company by the Acquirer during the Offer Period, at a price higher than the Offer Price, the Offer Price will stand revised equal to or more than the highest price paid for such acquisition in terms of regulation 8(8) of the Regulations. However, the Acquirer will not be acquiring any Equity Shares of the Target Company after the third working day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.
- 6.1.9 If the Acquirer acquire Equity Shares of the Target Company during the period of twenty-six (26) weeks after the Tendering Period at a price higher than the Offer Price, they will pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in Offer within sixty (60) 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 Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2021, or open market purchases made in the ordinary course on the Stock Exchange, not being negotiated acquisition of Equity Shares whether by way of bulk deals, block deals or in any other form.
- 6.1.10 As on date, there is no revision in Open Offer Price or Open Offer Size. In case of any revision in the Open Offer Price or Open Offer Size, the Acquirer is permitted to revise the Offer Price upward at any time prior to commencement of the last one (1) working day before the commencement of the Tendering Period i.e. May 18, 2022 in accordance with Regulation 18(4) of the Regulations. If there is any such upward revision in the Offer Price by the Acquirer or in the case of withdrawal of Offer, the same would be informed by way of the Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Such revision in the Offer Price would be payable by the Acquirer for all the shares validly tendered in the Offer.
- 6.1.11 In the event that the number of Equity Shares validly tendered by the Eligible Shareholders of the Target Company under the Offer is higher than the Offer Size, the Equity Shares received from the Eligible shareholders shall be accepted on a proportionate basis, in consultation with the Manager to the Offer.

6.2 DETAILS OF FIRM FINANCIAL ARRANGEMENTS

- 6.2.1 The total funds required for the implementation of the Offer (assuming full acceptance), i.e., for the acquisition of 82,02,000 fully paid up Equity Shares of Face Value ₹2 each at a price of ₹2 (Rupees Two only) per Equity Share is ₹1,64,04,000 (Rupees One Crore Sixty Four Lakhs and Four Thousand only) (“**Maximum Consideration**”).
- 6.2.2 In accordance with Regulation 17 of SEBI (SAST) Regulations, 2011, the Acquirer has opened a Cash Escrow Account under the name and style of “**MUDUNURU LIMITED-OPEN OFFER-ESCROW ACCOUNT**” (“**Escrow Account**”) with IndusInd Bank Limited (“**Escrow Banker**”) bearing account number 201016885926 and deposited an amount of ₹1,64,04,000 (Rupees One Crore Sixty Four Lakhs and Four Thousand only), in cash, being 100.00% of the Maximum Consideration. The Acquirer has authorized the Manager to the Offer to operate and realize the value of the Escrow Account in terms of the Regulations. The cash deposit in the Escrow Account has been confirmed by the Escrow Banker vide Certificate dated March 25, 2022.
- 6.2.3 The Acquirer has adequate financial resources and has made firm financial arrangements for implementation of the Open Offer, in terms of Regulation 25(1) of the Regulations. The Open Offer obligation shall be met by the Acquirer through his own resources and no borrowings from any bank and/or financial institution are envisaged. CA Pavan Kumar Kedariseti (Membership No. 258290), Proprietor, M/s. K Pavan & Associates, Chartered Accountants (FRN: 023549S), having office at Flat No 502, Level-4, Surya Vilas, Balaji Nagar, VIP Road, Siripuram, Visakhapatnam-530 003, Contact No.: +91 90009 52010, Email: capavankumark@gmail.com has certified vide certificate dated March 22, 2022 that sufficient resources are available with the Acquirer for fulfilling the obligations under this ‘Offer’ in full.
- 6.2.4 Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer and to implement the offer in accordance with the Regulations. Further, the Manager to the Offer confirms that the funds/money are in place to fulfil the Open Offer obligations.
- 6.2.5 In case of any upward revision in the Offer Price or the Offer Size, the value of the Escrow Amount shall be computed on the revised consideration calculated at such revised Offer Price or Offer Size and any additional amounts required will be funded via cash in the Escrow Account by the Acquirer prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations, 2011.

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 (i) all the Eligible Shareholders, whose names appear in the register of members of the Target Company as on the Identified Date i.e. May 02, 2022; (ii) the Beneficial Owners of the Equity Shares whose names appear as beneficiaries on the records of the respective depositories, as of the close of business on the Identified Date i.e. May 02, 2022; and (iii) those persons who acquire the Equity Shares any time prior to the date of the closure of the Tendering Period for this Offer, i.e. May 31, 2022, but who are not the registered Equity Shareholders.
- 7.1.2 This Offer is not conditional upon any minimum level of acceptance by the Shareholder(s) of the Target Company.
- 7.1.3 The Equity Shares tendered under this Offer shall be fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter, and the tendering Eligible Shareholders shall have obtained any necessary consents for it to sell the Equity Shares on the foregoing basis.
- 7.1.4 The Letter of Offer along with Transfer Deed is being dispatched/ sent through electronic mail to all the Eligible Shareholders as on the Identified Date, who have registered their email ids with the Depositories and/or the RTA. In case of non-receipt of the LOF, such shareholders may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Offer Shares.

- 7.1.5 Neither the Acquirer, nor the Manager to the Offer or the Registrar to the Offer accepts any responsibilities in any manner for any loss of Equity Share Certificate(s), Share transfer forms and any other Offer acceptance documents, etc. during transit and Eligible Shareholders are advised to adequately safeguard their interest in this regard.
- 7.1.6 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 shareholder may be precluded from bidding of such Equity Shares during pendency of the said litigation and are liable to be rejected if directions/orders regarding the free transferability of such equity shares tendered under the Offer are not received prior to the date of Closing of the Offer.
- 7.1.7 Incomplete acceptances, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
- 7.1.8 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Eligible Shareholders who tendered their Equity Shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptance.

7.2 LOCKED-IN SHARES

As on date, the Target Company does not have any Equity Shares under lock-in. However, the shares to be allotted on preferential allotment basis will attract lock-in as per SEBI (ICDR) Regulations, 2018.

Further, the locked in Equity Shares, if any, may be tendered in the Open Offer and transferred to the Acquirer subject to 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 This Offer is being made by the Acquirer to (i) all the Eligible Shareholders, whose names appear in the register of members of the Target Company as on the Identified Date i.e. May 02, 2022 (Monday); (ii) the Beneficial Owners of the Equity Shares whose names appear as beneficiaries on the records of the respective depositories, as of the close of business on the Identified Date i.e. May 02, 2022 (Monday); and (iii) those persons who acquire the Equity Shares any time prior to the date of the closure of the Tendering Period for this Offer, i.e. May 31, 2022 (Tuesday), but who are not the registered Equity Shareholders.
- 7.3.2 Accidental omission to dispatch this Letter of Offer to any member entitled to this Open Offer or non-receipt of this Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 7.3.3 The Public Announcement ('PA'), the Detailed Public Statement ('DPS') and the Letter of Offer ('LoF') shall also be available on the website of SEBI i.e. www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all Equity Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date, if they so desire, may download the Letter of Offer from the website of SEBI for applying in the Offer.
- 7.3.4 By accepting this offer, the Eligible Shareholders confirm that they are not Persons Acting in Concert with the Acquirer for the purpose of this Offer.
- 7.3.5 The acceptance of this Offer by the Equity Shareholders of the Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever and should be received by the Registrar to the Offer at the address mentioned in this DLoF on or before the closure of the Tendering Period i.e. May 31, 2022 (Tuesday).
- 7.3.6 The Acquirer reserve the right to revise the Offer Price and/or the Offer Size upwards at any time prior to commencement of one (1) working day before the commencement of the Tendering Period i.e. May 18, 2022, in accordance with the Regulations and the revision, if any, in the Offer Price would be announced in the Newspapers. The Acquirer would pay such revised price for all the shares validly tendered during the Tendering Period and accepted under the Offer in accordance with the terms of the Draft Letter of Offer.

7.3.7 The acceptance of Equity Shares tendered in this Offer will be made by the Acquirer in consultation with the Manager to the Offer.

7.3.8 SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020 has clarified that shareholders holding securities in physical form are also allowed to tender shares in the Open Offers. However, such tendering shall be as per the provisions of the Regulations.

7.4 STATUTORY APPROVALS

7.4.1 As on date, to the best of the knowledge of the Acquirer, there are no Statutory Approvals required by the Acquirer to complete this Offer. In case, if any Statutory Approval(s) are required or become applicable at a later date before the closure of the Tendering Period, the Offer shall be subject to the receipt of such Statutory Approval(s). The Acquirer shall make the necessary applications for such Statutory Approvals. In the event of non-receipt of any of such Statutory Approvals which may become applicable for the purchase of the Equity Shares under this Offer, the Acquirer shall have the right to withdraw the Offer in accordance with the provisions of Regulation 23(1) of the SEBI (SAST) Regulations, 2011.

In the event of withdrawal of this Offer, for reasons outside the reasonable control of the Acquirer, a Public Announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which this DPS has been published and copy of such Public Announcement will also be sent to SEBI, Stock Exchange(s) and to the Target Company at its Registered Office.

7.4.2 In case of delay in receipt of any Statutory Approval(s), pursuant to Regulations 18(11) of the Regulations, SEBI may, if satisfied, that delay in receipt of requisite Statutory Approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, may grant an extension of time for the purpose of the completion of this Offer, subject to Acquirer agreeing to pay interest for the delayed period, provided where the Statutory Approval(s) extend to some but not all Equity Shareholders, the Acquirer have the option to make payment to such Shareholders in respect of whom no Statutory Approval(s) are required in order to complete this Open Offer. Further, in case the delay occurs on account of wilful default by the Acquirer in obtaining any Statutory Approval(s) in time, the amount lying in the Escrow Account will be liable to be forfeited and dealt with pursuant to Regulation 17(10)(e) of the Regulations.

7.4.3 NRI and OCB holders of the Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them in this Offer (including, without limitation, an approval from the RBI, since the Equity Shares validly tendered in this Offer will be acquired by a non-resident entity), and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, FIIs, FPIs) had required any approvals (including from the RBI or the FIPB 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, along with the other documents required to be tendered to accept this Offer. If such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered pursuant to this Offer.

7.4.4 No approval is required from any bank or financial institutions for this Offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

8.1 The Acquirer has appointed Aarthi Consultants Private Limited as the Registrar to the Offer.

8.2 The Registrar would be accepting the documents by Hand Delivery/Regd. Post/Speed Post/Courier at the following specified centre:

Name & Address	Contact Person	Mode of Delivery
Aarthi Consultants Private Limited CIN: U74140TG1992PTC014044 1-2-285, Aarthi Building, Near Gaganmahal Nursing Home, Street No 7, Domalguda, Hyderabad-500029, Telangana Tel No.: +91 40 2763 8111/2763 4445/2764 2217 Fax No.: +91 402763 2184	G. Bhaskara Murthy	Hand Delivery / Registered Post / Speed Post / Courier

Name & Address	Contact Person	Mode of Delivery
E-Mail ID: info@aarthiconsultants.com		

- 8.3 The Target Company is having connectivity with Central Depository Services (India) Limited (“**CDSL**”) and National Securities Depositories Limited (“**NSDL**”).
- 8.4 This Open Offer will be implemented by the Acquirer through Stock Exchange Mechanism made available by BSE Limited, Mumbai (“**BSE**”) in the form of a separate window (“**Acquisition Window**”) as provided under the SEBI (SAST) Regulations, 2011 and SEBI Circular No. CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 .as amended via Circular No. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and notices/guidelines issued by BSE and the Clearing Corporation in relation to the mechanism/process for acquisition of shares through stock exchange pursuant to the tender offers under takeovers, buy back and delisting, as amended and updated from time to time.
- 8.5 BSE Limited, Mumbai (“**BSE**”) shall be the Stock Exchange for the purpose of tendering the Equity shares in the Open Offer.
- 8.6 The Acquirer has appointed S W Capital Private Limited (“**Buying Broker**”) for the Open Offer through whom the purchases and settlement of the Offer Shares tendered in the Open Offer shall be made.

The Contact Details of the Buying Broker are mentioned below:

S W Capital Private Limited

4th Floor, Sunteck Centre, 37/40,
Subhash Road, Near Garware House,
Vile Parle (E), Mumbai-400 057
Maharashtra, India

Contact Person: Mr. Hemant Shah

Email ID: hemant.shah@swcapital.in

SEBI Registration: INZ 230013039 (NSE) / INZ 010013035 (BSE)

Tel. No.: +91 22 4268 7474

Fax No.: + 91 22 4268 7436

- 8.7 All the Shareholders who desire to tender their Equity Shares under the Open Offer should consult with their respective depository participants and their respective Stock Brokers (‘Selling Broker’) well in advance to understand the process and methodology in relation to tendering of Equity Shares through the Designated Stock Exchange.
- 8.8 During the Tendering Period, the tender of the Equity Shares by the Equity Shareholders in this Offer will be placed through their respective Selling Brokers during normal trading hours of the secondary market.
- 8.9 Separate Acquisition window will be provided by the Stock Exchange to facilitate placing of Sell Orders. The Selling Members can enter Orders for Demat Shares as well as Physical Shares.
- 8.10 The cumulative quantity tendered shall be updated on the website of the Designated Stock Exchange throughout the trading session at specific intervals by the Stock Exchange during tendering period.
- 8.11 **Procedure for tendering Equity Shares in Demat Form:**
- 8.11.1 The Equity Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their Stock Broker/Selling Member indicating details of Shares they wish to tender in the Open Offer.
- 8.11.2 The Equity Shareholders are required to transfer, through their respective depository participants, the Equity Shares intended to be tendered to the early pay-in account of the Indian Clearing Corporation Limited (hereinafter referred to as ‘Clearing Corporation’). Such Equity Shareholders shall provide early pay-in of demat Equity Shares (except for custodian participant orders) to the Clearing Corporation using the settlement number provided in the Offer opening circular before their respective Selling Broker places the bids / orders on their behalf and the same shall be validated at the time of order entry.

- 8.11.3 Shareholders will have to submit Delivery Instruction Slips ('DIS') duly filled in specifying market type as "Open Offer" and execution date along with other details to their respective broker so that Equity Shares can be tendered in Open Offer.
- 8.11.4 For Custodian participant order 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 close of trading hours on the last day of the offer 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 the custodian again for confirmation.
- 8.11.5 Upon placing the bid, the Seller Member(s) shall provide Transaction Registration Slip ("TRS") generated by the Exchange Bidding System to the Shareholders. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No of Shares tendered, etc.
- 8.11.6 In case of receipt of Equity Shares in the Special Account of the Clearing Corporation and a valid bid in the exchange bidding system, the Open Offer shall be deemed to have been accepted.
- 8.11.7 The Eligible Persons will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to pro-rata acceptance in the Open Offer.

8.12 Procedure for tendering Equity Shares held in Physical Form:

- 8.12.1 The Equity Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach Selling Member and submit complete set of documents for verification procedure as mentioned below:
- (a) Original share certificate(s)
 - (b) Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the RTA and duly witnessed at the appropriate place.
 - (c) Self-attested PAN Card copy (in case of Joint holders, PAN card copy of all Transferors)
 - (d) Any other relevant document such as Power of Attorney, corporate authorization (including Board Resolution/Specimen Signature)
 - (e) Self-attested copy of address proof such as valid Aadhar Card, Voter ID, Passport, etc.
- 8.12.2 The Seller Member should place bids on the Exchange Platform with relevant details as mentioned on Physical Share Certificate(s). The Seller Member(s) shall print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No., Dist. Nos., No. of shares, etc.
- 8.12.3 The Seller Member/Eligible Shareholder must deliver the Share Certificates & other requisite documents along with TRS to the RTA. Physical Share Certificates to reach RTA within two (2) days of bidding by Seller Member.
- 8.12.4 Shareholders holding Physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Physical Shares in Open Offer shall be subject to verification by RTA. On receipt of the confirmation from RTA, the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform.
- 8.12.5 In case, any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before Closing Date.

8.12.6 Acceptance of Equity Shares

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

In the event that the number of Equity Shares (including demat shares, physical) validly tendered by the Public Shareholders under this Offer is more than the number of Equity Shares offered, the Acquirer shall accept those Equity Shares validly tendered by the Eligible Shareholders on a proportionate basis in

consultation with the Manager to the Offer, 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 Eligible Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.

8.13 Procedure for tendering the shares in case of non-receipt of Letter of Offer:

Persons who have acquired 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.

In case the Equity Shares are in dematerialised form:

An Eligible Person may participate in the Offer by approaching Stock Broker/Selling Member and tender Equity Shares in the Open Offer as per the procedure mentioned in this Letter of Offer.

In case the Equity Shares are in Physical form:

An Eligible Persons may participate in the Offer by confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in the PA, DPS and the Letter of Offer. Equity Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in this Letter of Offer) should reach the Registrar of the Company before 5:00 PM on the Closing Date. If the signature(s) of the Equity Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Open Offer.

In case of non-receipt of the Letter of Offer, such Equity Shareholders of the Target Company may download the same from the website of SEBI i.e. www.sebi.gov.in or obtain a 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.

8.14 Settlement Process

- 8.14.1 On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Stock Exchange to facilitate settlement on the basis of Shares transferred to the account of Clearing Corporation.
- 8.14.2 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- 8.14.3 The Buying Broker will make the funds pay-in in the settlement account of the Clearing Corporation. For Equity Shares accepted under the Offer, the Equity Shareholders will receive funds pay-out directly in their respective bank accounts (in case of demat Equity Shares, in the bank accounts which are linked to the respective demat accounts) / as per secondary market pay-out mechanism (in case of physical Equity Shares). However, in the event that the pay-outs are rejected by the Equity Shareholder's bank accounts due to any reason, the pay-out will be transferred to their respective Selling Brokers' settlement accounts and their respective Selling Brokers will thereafter transfer the consideration to their respective Equity Shareholders. The Equity Shareholders will be required to independently settle fees, dues, statutory levies or other charges (if any) with their Selling Brokers.
- 8.14.4 In case of certain client types viz. NRI, Foreign 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 releasing the same to their respective Shareholder's account onwards. For this purpose, the client type details would be collected from the Registrar to the Offer.
- 8.14.5 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Equity Shareholders would be returned to them by the Clearing Corporation. Any excess physical Equity Shares pursuant to proportionate acceptance/ rejection will be returned back to the Equity Shareholders directly by the Registrar to the Offer. The Target Company is authorized to split the share certificate and issue new consolidated Share

Certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Target Company are less than the Equity Shares tendered in the Open Offer by the Equity Shareholders holding Equity Shares in the physical form.

- 8.14.6 Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the escrow account which is opened by the Acquirer.
- 8.14.7 Physical Shares, to the extent tendered but not accepted, will be returned back to the Shareholders directly by Registrar to the Offer.
- 8.15 Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected except where 'No Objection Certificate' from lenders is attached.
- 8.16 The Draft Letter of Offer would also be available on the website of SEBI i.e. www.sebi.gov.in.
- 8.17 The Letter of Offer along with Transfer Deed is being dispatched/ sent through electronic mail to all the Public Shareholders as on the Identified Date, who have registered their email ids with the Depositories and/or the RTA In case of non-receipt of the LOF, such shareholders may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Offer Shares.

8.18 Settlement of Funds/Payment Consideration

- 8.18.1 The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- 8.18.2 For Equity Shares accepted under the Open Offer, Clearing Corporation will make direct funds pay-out to respective Equity Shareholders. If shareholders' bank account details are not available or if the funds transfer instruction are rejected by RBI/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.
- 8.18.3 The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Equity Shareholder/Selling Broker/Custodian participant will receive funds pay-out in their settlement bank account.
- 8.18.4 The funds received from the Buyer Broker by the Clearing Corporation will be released to the Equity Shareholder/Selling Broker(s)/Custodians as per secondary market pay out mechanism.
- 8.18.5 Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, 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 consideration received by the selling shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholder.
- 8.18.6 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the Regulations.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Eligible Shareholders of the Target Company at the office of the Manager to the Offer, Mark Corporate Advisors Private Limited at 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off Western Express Highway, Vile Parle (East), Mumbai-400 057, on any day (except Saturdays, Sundays and Public Holidays) between 10.30 AM to 2.00 PM from the Date of Opening of the Offer till the Date of Closure of the Offer:

- 1) Certificate of Incorporation, Memorandum and Articles of Association of the Target Company.
- 2) Audited Financials for the Financial Years ended March 31, 2021, March 31, 2020 and March 31, 2019 and Un-Audited Financials for the period ended December 31, 2021 of the Target Company.
- 3) Certificate dated March 22, 2022 issued by CA Pavan Kumar Kedariseti (Membership No. 258290), Proprietor, M/s K Pavan & Associates, Chartered Accountants (FRN: 023549S), certifying that the Acquirer has firm and adequate financial resources to meet the financial obligations under the Open Offer.
- 4) Memorandum of Understanding between Lead Manager i.e. Mark Corporate Advisors Private Limited and the Acquirer.
- 5) Share Purchase Agreement (“SPA”) entered between the Acquirer and the Promoter Sellers on March 22, 2022.
- 6) Share Sale/Purchase Confirmation (“SSPC”) entered between the Acquirer and the Sellers on March 22, 2022.
- 7) Acknowledgement from IndusInd Bank Limited dated March 25, 2022 confirming the balance of ₹1,64,04,000 in the Cash Escrow Account.
- 8) Due Diligence Certificate dated April 05, 2022 submitted to SEBI by Mark Corporate Advisors Private Limited, Manager to the Offer.
- 9) Undertaking from the Acquirer for unconditional payment of the consideration within 10 working days from the last date of the tendering period to all the Shareholders of the Target Company whose applications are accepted in the Open Offer.
- 10) Undertaking from the Acquirer with regard to Responsibility under Regulation 2(o) and Regulation 7(4) of the Regulations.
- 11) Copies of the Public Announcement (‘PA’) dated March 22, 2022 (Tuesday) and a published copy of Detailed Public Statement (‘DPS’) which appeared in the newspapers on March 29, 2022 (Tuesday).
- 12) A copy of the Recommendations to be published on or before [•] made by the Board of Independent Directors of the Target Company as required in terms of Regulation 26(7) of the Regulations.
- 13) Copy of the Observation Letter no [•] dated [•] issued by SEBI.

10. DECLARATION BY THE ACQUIRER

The Acquirer, accepts full responsibility, for the information contained in this DLoF and also for ensuring the compliance with the obligations of the Acquirer as laid down in the Regulations.

I, the Acquirer, has made all reasonable inquiries, accept responsibility and confirm that this DLoF is in compliance with the Regulations, and that it contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this DLoF are true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Manager to the Offer hereby states that the persons signing this DLoF is the Acquirer:

For and on behalf of the Acquirer:

Sd/-

Madhusudan Raju Mudunuru
("Acquirer")

Place : Vishakhapatnam

Date : April 05, 2022

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

(Please send this Form with enclosures to Registrar to the Offer, Aarathi Consultants Private Limited, at their address given in the Draft Letter of Offer as per the mode of delivery mentioned in the Draft Letter of Offer)

OFFER OPENS ON	:	May 18, 2022 (Wednesday)
OFFER CLOSES ON	:	May 31, 2022 (Tuesday)

Name:

Address:

Folio No.:

Tel No:

Sr. No.:

Fax No

No. of Shares Held:

E-Mail ID:

To,**Aarathi Consultants Private Limited**

1-2-285, Aarathi Building, Near Gaganmahal Nursing Home, Street No 7, Domalguda ,Hyderabad, Telangana-500029

Tel No.: +91 40 2763 8111/2763 4445/2764 2217

Fax No.: +91 402763 2184

Mobile No.: +91 9848819082

Mail ID: info@aarthicconsultants.com

Sub: Open Offer (“Offer/Open Offer”) for acquisition of upto 82,02,000 Equity Shares of ₹2 each, representing 26.00% of the Emerging Voting Capital of Target Company, as of the 10th workings days from the date of Closure of the Tendering period, of Mudunuru (hereinafter referred to as (“Mudunuru”/“Target Company”), from all the Eligible shareholders of Target Company, by Mr. Madhusudan Raju Mudunuru at a price of ₹2.00 (Rupees Two only) per Equity share, payable in cash, pursuant to and in compliance with regulations 3(1) and 4 read with regulation 15(1) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (hereinafter referred to as “SEBI (SAST) Regulations, 2011” or the Regulations”).

Dear Sir,

I/We refer to the Letter of Offer dated [•] for acquiring the Equity Shares held by me/us in **Mudunuru Limited (“Mudunuru”)**.

I/We, the undersigned have read the Draft Letter of Offer and understood its contents including the terms and conditions as mentioned therein. I/We, hold shares, accept the offer and enclose the original Share certificate (s) and duly signed transfer deed (s) in respect of my/our Shares as detailed below:

DETAILS OF SHARES CERTIFICATE

Sr. No.	Certificate No.	Distinctive No(s)		Number of Shares
		From	To	
1)				
2)				
3)				
Total Number of Equity Shares				

(In case of insufficient space, please use additional sheet and authenticate the same)

SHARES HELD IN DEMATERIALISED FORM

Sr. No.	DP Name	DP ID	Client ID	No. of Shares

----- TEAR ALONG THIS LINE -----

Acknowledgement Slip Sr. No. _____

Received from Mr./Ms./M/s. _____

Address _____

Physical Shares: Folio No. _____ / Demat Shares: DP ID: _____ Client ID: _____
Form of Acceptance along with (Tick whichever is applicable):

Physical Shares: No. of Shares _____; No. of certificate enclosed _____

Demat Shares: Copy of delivery instruction for _____ No. of Shares

Signature of Official: _____ Date of Receipt _____ Stamp of collections Centre _____

I / We confirm that the equity shares which are being tendered herewith by me / us under this Offer, are free from liens, charges, equitable interests and encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter and that I / We have obtained any necessary consents to sell the equity shares on the foregoing basis.

I / We also note and understand that the obligation on the Acquirer to pay the purchase consideration arises only after verification of the certification, documents and signatures submitted along with this Form of Acceptance-cum-Acknowledgment.

I / We confirm that there are no taxes or other claims pending against us which may affect the legality of the transfer of equity shares under Income Tax Act, 1961. I/We are not debarred from dealing in equity shares.

I / We authorize the Acquirer to accept the Shares so offered which they may decide in terms of the Offer Letter and I / We further authorize the Acquirer to return to me/us, Equity Share certificate(s) in respect of which the Offer is not found valid / not accepted, specifying the reasons thereof.

I / We authorize the Acquirer or the Registrars to the Offer to send by registered post/under certificate of posting, the Cheque, in settlement of the amount to the sole/first holder at the address mentioned below:

Yours faithfully,
Signed and Delivered:

	Full Name(s)	PAN NO.	Signature(s)
First / Sole Holder			
Second Shareholder			
Third Shareholder			

Note: In case of joint holdings, all holders must sign. A corporation / Company must affix its common seal.
Address of First/Sole Shareholder: _____

Place: _____ Date: _____

So as to avoid fraudulent encashment in transit, Shareholders(s) may provide details of bank account of the first / sole Shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank _____ Branch _____
Account Number _____
Savings / Current / Other (Please Specify) _____
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
In case of NECS, 9-digit code number of the Bank & Branch (Appearing on the MICR Cheque issued by the Bank) <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
In the case of RTGS/NEFT, 11 digit IFSC code <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

Please enclose cancelled cheque and copy of PAN card

-----TEAR ALONG THIS LINE-----

All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address quoting your reference Folio No.:

Aarathi Consultants Private Limited

1-2-285, Aarathi Building, Near Gaganmahal Nursing Home, Street No 7, Domalguda, Hyderabad-500029, Telangana

Tel No.: +91 40 2763 8111/2763 4445/2764 2217

Fax No.: +91 402763 2184

E-Mail ID: info@aarthiconsultants.com

Contact Person: G. Bhaskara Murthy

SEBI Reg. No.: INR000000379