

MUDUNURU LIMITED

CIN: L72900AP1994PLC039248

Registered Office: D. No. 9-29-19, Waltair Heights, Level 3, Balaji Nagar, Visakhapatnam - 530 003. Andhra Pradesh.

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This advertisement is issued by Mark Corporate Advisors Private Limited ("Manager to the Offer") for and on behalf of Mr. Madhusudan Raju Mudunuru ("Acquirer") pursuant to Regulation 18(7) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("SEBI (SAST) Regulations, 2011"), in respect of the Open Offer to acquire up to 82,02,000 Equity Shares of ₹10 each of Mudunuru Limited ("Mudunuru"/"Target Company") representing 28.59% of the Expanded Voting Capital of the Target Company. The Detailed Public Statement ("DPS") with respect to the Offer was published on March 29, 2022 in the following newspapers:

Sr. No.	Newspapers	Language	Editions
1)	Business Standard	English	All Editions
2)	Business Standard	Hindi	All Editions
3)	Navshakti	Marathi	Mumbai Edition
4)	Prajasakti	Telugu	Visakhapatnam Edition

1) The Committee of Independent Directors ("IDC") of the Target Company has issued recommendation (relevant extract) on the Offer, which was published on June 02, 2022 in the above mentioned newspapers and the same are as under:

Recommendation on the Open Offer, as to whether the offer is fair and reasonable	IDC is of the view that the Open Offer is fair and reasonable.
Summary of reasons for recommendation	IDC has taken into consideration the following for making the recommendation: IDC has reviewed (a) The Public Announcement ("PA") dated March 22, 2022 in connection with the Offer issued on behalf of the Acquirer (b) The Detailed Public Statement ("DPS") which was published on March 29, 2022 and (c) The Letter of Offer ("LoF") dated May 27, 2022. Based on the review of PA, DPS and LoF, the IDC is of the opinion that the Offer Price of ₹2 per equity share for public shareholders offered by the Acquirer (more than the highest price amongst the selective criteria mentioned under Justification of Offer Price) is in line with the regulation prescribed by SEBI under the Regulations and prima facie appears to be justified. However, the Public Shareholders should independently evaluate the Offer and take informed decision in the matter.

- 2) There was no Competitive Bid.
- 3) The dispatch of Letter of Offer to the Public Shareholders as on the Identified Date i.e. May 24, 2022 is in accordance with Regulation 18(2) of SEBI (SAST) Regulations, 2011 and has been completed (either through electronic mode or physical mode) on May 30, 2022. The Identified Date was relevant only for the purpose of determining the Public Shareholders to whom the LoF was to be sent. It is clarified that all the Public Shareholders (even if they acquire equity shares and become shareholders of the Target Company after the Identified Date) are eligible to participate in the Open Offer.
- 4) The Board of Directors of the Target Company approved a Preferential Allotment of 76,15,000 equity shares of face value of ₹2 each at a price of ₹2 per Equity Share representing 24.14% of the Expanded Voting Capital of the Target Company in their meeting held on March 22, 2022. Out of which, 5,00,000 equity shares representing 1.59% of the Expanded Voting Capital of the Target Company were proposed to be allotted to the Acquirer and 71,15,000 equity shares representing 22.56% of the Expanded Voting Capital of the Target Company were proposed to be allotted to non-promoter shareholders subject to the approval of the shareholders of the Target Company and other statutory/regulatory approvals. Subsequently, the shareholders had approved the said Preferential Issue on April 21, 2022, but only 47,63,000 equity shares representing 16.60% of the Expanded Voting Capital of the Target Company against proposed 76,15,000 equity shares were subscribed and accordingly on May 19, 2022, 47,63,000 equity shares were allotted including 5,00,000 equity shares to the Acquirer representing 1.74% of the Expanded Voting Capital of the Target Company. Hence, the percentages of shareholdings has been modified at all appropriate places in the LoF. However, the Open Offer size remained unchanged.
- 5) The word 'Emerging Voting Capital' has been replaced with 'Expanded Voting Capital' at all the appropriate places in the LoF, since, the equity shares under preferential allotment were already allotted on May 19, 2022 and accordingly, the paid-up capital of the Target Company is enhanced to ₹5,73,81,000.
- 6) The equity shares acquired pursuant to the Share Purchase Agreement ("SPA") entered on March 10, 2022 is being transferred to the demat account of the Acquirer in accordance with Regulation 22(2) of SEBI (SAST) Regulations, 2011.
- 7) The equity shares acquired pursuant to the Share Sale/Purchase Confirmation ("SSPC") entered on March 10, 2022 is being transferred to the demat account of the Acquirer in accordance with Regulation 22(2) of SEBI (SAST) Regulations, 2011.
- 8) As per the letter dated May 19, 2022 of the State Bank of India, the tentative date for release of equity shares was May 31, 2022.
- 9) There may be changes in the composition of Board of Directors of the Target Company in accordance with applicable laws (including without limitation, the Companies Act, 2013, the SEBI (LODR) Regulations, 2015 and Regulation 24 of the SEBI (SAST) Regulations, 2011. **Accordingly, Mr. Madhusudan Raju Mudunuru ("Acquirer") has been appointed on the Board of Directors of the Target Company as Additional Director and Managing Director in their meeting held on May 30, 2022, w.e.f May 31, 2022. He will recuse himself and not participate in any matter concerning or relating to the Offer including any preparatory steps leading to the Offer.**
- 10) 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. As the Acquirer holds a Masters Degree in Software Engineering from BITS, Pilani and has a strong experience for over two (2) decades in various domains in the field of IT and since the Target Company is also in the similar line of business, the Acquirer intended to expand his business subject to the approval of Board of Directors from time to time based on the market opportunities. The Acquirer may reorganize the present Capital structure of the Company and also further strengthen the Board.
- 11) The Acquirer does not have any relationship with the Target Company as well as with the Sellers.
- 12) The Acquirer is not registered with any other Regulatory/Government Authority in any capacity.
- 13) As on the date of the LoF, there is no directions subsisting or proceedings pending against the Acquirer under SEBI Act 1992 and Regulations made thereunder or before any other Regulator.
- 14) 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 ₹5,73,81,000 (Five Crores Seventy Three Lakhs Eighty One Thousand only) comprising of 2,86,90,500 (Two Crores Eighty Six Lakhs Ninety Thousand Five Hundred only) fully paid-up Equity Shares of face value of ₹2 each including 47,63,000 Equity Shares allotted on May 19, 2022 on Preferential basis to the Acquirer and the Non-Promoters.
- 15) 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"). Further, the necessary application is being filed with the Stock Exchanges for the listing of 47,63,000 equity shares which were allotted on May 19, 2022 on Preferential basis. 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.
- 16) As on the date of the LoF, there are no directions subsisting or proceedings pending against the Target Company under SEBI Act 1992 and Regulations made thereunder or before by any other Regulator. Further, there is no takeover/buyback of the Target Company.
- 17) The Promoters/Promoter Group, Directors and KMPs are 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 as per Regulation 6A of SEBI (SAST) Regulations.
- 18) The Promoters/Promoter Group, Directors and KMPs have not been declared as a fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018) as per Regulation 6B of SEBI (SAST) Regulations.
- 19) The Target Company do not require to obtain any NOC from any Regulatory/Government Authority for effecting change in control.
- 20) The Target Company is not registered with any other Regulatory/Government Authority in any capacity.
- 21) The Equity Share Capital Structure of the Target Company is as follows:

Paid-up Shares	No. of Equity Shares/Voting Rights	% of Expanded Voting Capital
Fully Paid-up Equity Shares	2,39,27,500	83.40%
Partly Paid-up Equity Shares	Nil	N.A.
Equity Shares to be allotted pursuant to Preferential Issue	47,63,000*	16.60%
Expanded Voting Share Capital	2,86,90,500	100.00%

* 76,15,000 equity shares were proposed to be allotted. However, 47,63,000 equity shares were only subscribed and allotted to the allottees.

- 22) The Open Offer will be implemented by the Acquirer through Stock Exchange Mechanism made available by the Stock Exchanges in the form of separate window ("Acquisition Window") as provided under the SEBI (SAST) Regulations, 2011 and SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 issued by SEBI as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and SEBI circular SEBI/HO/CFD/DCR/III/CIR/P/2021/615 dated August 13, 2021, as amended, including any guidelines and circulars issued in relation to the same by the Stock Exchange, clearing corporations and SEBI ("Acquisition Window Circulars").
- In terms of SEBI circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, a lien shall be marked against the Equity Shares tendered in the Offer. Upon finalization of the entitlement, only accepted quantity of Equity Shares will be debited from the demat account of the concerned Public Shareholder.
- 23) All Documents/information referred under the "Documents for Inspection" will be made available electronically as well as physically for inspection by the Public Shareholder(s) of the Target Company..
- 24) A copy of the LoF is also available on the website of SEBI.
- 25) The Final Observation Letter no. SEBI/HO/CFD/DCR2/P/OW/21502/2022 was received from SEBI on May 20, 2022 and the comments received in terms of Regulation 16(4) of the SEBI (SAST) Regulations, 2011 have been duly incorporated in the Letter of Offer and also in this advertisement to the extent applicable.
- 26) **Procedure for Acceptance and Settlement of Offer:**
- a) **In the case of Equity Shares held in physical form:** Public Shareholders holding Equity Shares in physical form may participate in the Open Offer through the relevant Selling Broker by providing name, address, number of Equity Shares held, number of Equity Shares tendered and other relevant documents as mentioned in paragraph 8.12 of the LoF along with duly filled and signed Form SH-4.
- b) **In case of Equity Shares held in dematerialized form:** Public Shareholders who desire to tender their Equity Shares under the Open Offer would have to approach their respective stock brokers ("Selling Broker") registered with BSE within the normal trading hours of the secondary market, during the Tendering Period in accordance with the procedure as mentioned in point no. 8.11 of the LoF.
- 27) **Schedule of Activities:**
- The Schedule of Activities has been revised and the necessary changes have been incorporated in the LoF. The Revised Schedule of Activities is in compliance with the applicable provisions of SEBI (SAST) Regulations, 2011 and the same is as under:

Nature of Activity	Original Schedule		Revised Schedule	
	Date	Day	Date	Day
Date of the Public Announcement	March 22, 2022	Tuesday	March 22, 2022	Tuesday
Date of publishing the Detailed Public Statement	March 29, 2022	Tuesday	March 29, 2022	Tuesday
Last date for filing of Draft Letter of Offer with SEBI	April 05, 2022	Tuesday	April 05, 2022	Tuesday
Last date of a competing offer	April 21, 2022	Thursday	April 21, 2022	Thursday
Latest date by which SEBI's observations will be received	April 28, 2022	Thursday	May 20, 2022	Friday
Identified Date*	May 02, 2022	Monday	May 24, 2022	Tuesday
Last date by which the Letter of Offer will be dispatched to the Shareholders (Except the Acquirer/Promoters/Promoter Group of the Target Company/Seller(s)) as on the identified date	May 10, 2022	Tuesday	May 31, 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	June 02, 2022	Thursday
Last Date for revising the Offer Price/number of shares	May 13, 2022	Friday	June 03, 2022	Friday
Date of Public Announcement for Opening the Offer	May 17, 2022	Tuesday	June 06, 2022	Monday
Date of Commencement of the Tendering Period ("Offer Opening date")	May 18, 2022	Wednesday	June 07, 2022	Tuesday
Date of Closing of the Tendering Period ("Offer Closing date")	May 31, 2022	Tuesday	June 20, 2022	Monday
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	July 04, 2022	Monday

* Identified Date is only for the purpose of determining the names of the Eligible Shareholders (except the Acquirer/Promoter/Promoter Group of the Target Company/Seller(s)) 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 (except those who are excluded in the ambit of Eligible Shareholders) of the Target Company, are eligible to participate in this Offer any time during the tendering period of the Offer.

Capitalized terms used in this advertisement, but not defined herein, shall have the same meanings assigned to such terms in the PA, DPS and the Letter of Offer. This advertisement will be available on the website of SEBI i.e. www.sebi.gov.in.

Issued by the Manager to the Offer:

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
Tel. No.: +91 22 2612 3207/08 | **Contact Person:** Mr. Manish Gaur
E-Mail ID: openoffer@markcorporateadvisors.com | **SEBI Registration No.:** INM000012128

On behalf of the Acquirer:
Madhusudan Raju Mudunuru (Acquirer)

Place: Visakhapatnam

Date: June 06, 2022

