



HKG LIMITED

Our Company was incorporated under the Companies Act, 1956 in New Delhi as “Yogya Enterprises Ltd” on 16 September, 2010 vide Certificate of Incorporation issued by the Registrar of Companies, Delhi & Haryana. Subsequently, name of our Company was changed to HKG Limited pursuant to fresh certificate of incorporation dated 16 October 2019 issued by Registrar of Companies, Delhi & Haryana. The Corporate Identity Number of our Company is L51909DL2010PLC208333.

Registered Office: C Wing, Madhuban Building, Opp. Dev Nagar, New Sai Baba Nagar, Kandivali (W), Mumbai City, Maharashtra – 400 067, India

Tel No.: +91 84520 09432; **E-mail:** info@hkglimited.com; **Website:** www.hkglimited.com

Contact Persons: Mr. Hardik Shah, Executive Director

PROMOTERS OF OUR COMPANY: MR. YATIN BHUPENDRA SHAH AND HKG MONEY TECH PRIVATE LIMITED (formerly known as IG FINANCIAL SERVICES INDIA PRIVATE LIMITED)
FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF OUR COMPANY

ISSUE OF UP TO [●] FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH OF OUR COMPANY (THE “EQUITY SHARES”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) NOT EXCEEDING ₹ [●] CRORES# ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS [●] (THE “ISSUE”). FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” BEGINNING ON PAGE 108.

***Assuming full subscription**

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of the investors is invited to “Risk Factors” beginning on page 20 before making an investment in this Issue.

ISSUER’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Letter of Offer is true and correct in all material aspects 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 Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on SME Platform of BSE Limited (“BSE”) (the “Stock Exchange”). Our Company has received “in-principle” approval from BSE for listing the Equity Shares to be allotted pursuant to the Issue vide letter dated [●]. Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE	
	KHAMBATTA SECURITIES LIMITED C-42, South Extension Part II, New Delhi-110049 Tel: 011-41645051 Email: vinay@khambattasecurities.com Investor Grievance Email: mbcomplaints@khambattasecurities.com Website: www.khambattasecurities.com Contact Person: Mr. Ronak Jhaveri Mr. Vinay Pareek SEBI Registration No.: INM000011914		BIGSHARE SERVICES PRIVATE LIMITED 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059. Tel: (022) 62638200 Email: rights.issue@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Ashish Bhope SEBI Registration No: INR000001385

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR MARKET RENUNCIATION	ISSUE CLOSING ON
[●]	[●]	[●]

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.

Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date

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CONTENTS

SECTION I – GENERAL	4
DEFINITIONS AND ABBREVIATIONS	4
NOTICE TO OVERSEAS INVESTORS	13
PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA	15
FORWARD - LOOKING STATEMENTS	16
SUMMARY OF THIS DRAFT LETTER OF OFFER	17
SECTION II - RISK FACTORS	20
SECTION III – INTRODUCTION	27
THE ISSUE	27
GENERAL INFORMATION	28
CAPITAL STRUCTURE	33
OBJECTS OF THE ISSUE	42
STATEMENT OF TAX BENEFITS	46
SECTION IV – ABOUT THE COMPANY	47
INDUSTRY OVERVIEW	47
OUR BUSINESS	55
OUR MANAGEMENT	58
OUR PROMOTERS	66
DIVIDEND POLICY	67
RELATED PARTY TRANSACTIONS	68
SECTION V – FINANCIAL INFORMATION	69
FINANCIAL STATEMENT, AS RESTATED	69
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	94
MARKET PRICE INFORMATION	98
SECTION VI – LEGAL AND OTHER INFORMATION	100
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS	100
GOVERNMENT AND OTHER STATUTORY APPROVALS	102
OTHER REGULATORY AND STATUTORY DISCLOSURES	103
SECTION VII – ISSUE INFORMATION	108
TERMS OF THE ISSUE	108
RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	135
SECTION VIII – STATUTORY AND OTHER INFORMATION	137
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	138
DECLARATION	139

SECTION – I GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in “Statement of Special Tax Benefits” and “Financial Statements” beginning on pages 46 and 69, respectively, shall have the meaning given to such terms in such sections.

Company & Industry Related Terms

Term	Description
Articles or Articles of Association or “AOA”	The articles of association of our Company, as amended from time to time.
Auditor or Statutory Auditor	The Auditor of the company being M/s H. M. Shah & Co., Chartered Accountants, having their office at 404, Sai Chambers, Opposite Railway Station, Santacruz East, Mumbai – 400 055, India
“Board” or “Board of Directors” or “our Board”	The Board of Directors of our Company, as duly constituted from time to time, or committee(s) thereof
Company Secretary and Compliance Officer	Ms. Rajlaxmi Saini
Director(s)	The Director(s) of our Company, unless otherwise specified
Equity Shares	Equity Shares of our Company of face value of Rs. 2/-each
Equity Shareholders	Persons holding equity shares of our Company
Key Management Personnel	Key management personnel of our Company in terms of regulation 2(1)(s) of the SEBI Regulations and section 2(51) of the Companies Act, 2013.
Memorandum of Association or Memorandum or MOA	The Memorandum of Association of our Company, as amended from time to time.
Peer Review Auditor	The Peer Review Auditor to this Issue is M/s Mittal Agarwal & Company having their office at 404, Madhu Industrial Park, Mogra Cross Road, Near Apollo Chambers, Andheri (E), Mumbai - 400 069.

“Promoters” or “our Promoters”	Promoters of our company being Mr. Yatin Bhupendra Shah and HKG Money Tech Private Limited (formerly known as IG Financial Services India Private Limited).
Promoter Group	Includes such persons and entities constituting our promoter group in terms of Regulation 2(zb) of the SEBI (ICDR) Regulations.
Registered Office	The Registered Office of our Company located at Gala No 1&2, Ground Floor, Neelam Industrial Estate, Shantilal Mody Cross Road No.2, Kandivali(w), Mumbai, Maharashtra – 400 067, India.
RoC	Registrar of Companies, Mumbai.
“HKG Limited”, or “HKG”, or “the Company”, or “our Company” or “we”, “us”, or “our” and the “Issuer Company”.	HKG Limited, a public limited company incorporated under the provisions of the Companies Act, 1956.

Issue Related Terms

Term	Description
Abridged Letter of Offer	The abridged letter of offer to be sent to the Equity Shareholders as on the Record Date with respect to this Issue in accordance with SEBI Regulations
Allotment	Unless the context requires, the allotment of Equity Shares pursuant to the Issue
Allottees	Persons to whom Equity Shares are issued pursuant to the Issue.
Applicant(s) or Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to this Issue in terms of the Letter of Offer
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable at the time of Application, i.e., ₹ [●] per Rights Equity Share in respect of the Rights Equity Shares applied for in this Issue.
Application Supported by Blocked Amount or ASBA	Application used by an investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB.
ASBA Account	Account maintained with a SCSB which will be blocked by such SCSB to the extent of the appropriate amount in relation to an application by an ASBA Investor.

ASBA Investor	An investor (Equity Shareholder or Renouncee) who is intending to subscribe the Equity Shares of our Company under this Issue applying through blocking of funds in a bank account maintained with SCSBs.
Bankers to the Issue	[●]
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE Limited
Draft Letter of Offer/ DLOF	The Draft Letter of Offer dated 03 July 2021
Equity Share(s) or Share(s)	Equity shares of our Company having a face value of ₹ 2/- each unless otherwise specified in the context thereof.
Equity Shareholder / Shareholder	Means a holder of Equity Shares of our Company.
Financial Year/ Fiscal/ Fiscal Year/ FY	Any period of twelve months ended March 31 of that particular year, unless otherwise stated.
Issue/ Rights Issue	This issue of [●] Rights Equity Shares for cash at a price ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) aggregating to ₹ [●] Lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record date i.e. on [●].
Investor(s)	Equity Shareholders as on Record Date and/or Renouncees applying in the Issue.
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	₹ [●] per Equity Share. On Application, Investors will have to pay ₹ [●] per Rights Equity Share which constitutes [●]% of the Issue Price and the balance ₹ [●] per Rights Equity Share which constitutes [●]% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board at its sole discretion, from time to time.
Issue Proceeds	The proceeds of the Issue that are available to our Company.
Issue Size	The issue of [●] Equity Shares for an amount aggregating up to ₹ [●] Lakhs

Lead Manager or Lead Manager to the Issue	In this case being Khambatta Securities Limited
Letter of Offer	The final letter of offer to be filed with the Stock Exchange after incorporating the observations received from the Stock Exchange(s) on the Draft Letter of Offer.
Listing Agreement	The listing agreements entered between our Company and the Stock Exchange.
MICR	Magnetic Ink Character Recognition.
NECS	National Electronic Clearing Services.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circular and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●].
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circular and the circulars issued by the Depositories, from time to time, and other applicable laws.
Non-Institutional Investors	All Investors including sub-accounts of FIIs/ FPIs registered with SEBI, which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for a cumulative amount more than ₹ 2 Lakhs
	Rights Equity Shares Equity shares of our Company to be Allotted pursuant to this Issue, on partly paid-up basis on Allotment
Offer Document	Means Letter of Offer/ Abridged Letter of Offer.
QIBs	Qualified Institutional Buyers Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, 2018.
Record Date	[●]
Refund through electronic transfer of Funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable
Registrar to the Issue	Bigshare Services Private Limited having regd. Office at 1st Floor, Bharat Tin works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai, Maharashtra, 400059.
Renouncees	Any persons who have acquired Rights Entitlements from the Equity Shareholders through renunciation.
Retail Individual Investors	Individual Investors who have applied for Equity Shares for an amount not more than ₹ 2 lakhs (including HUFs applying through their Karta)

Rights Entitlement		The number of Equity Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date
Rights Shares	Equity	Equity shares of our Company to be Allotted pursuant to this Issue, on partly paid-up basis on Allotment.
SCSB(s)		A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Working Day(s)		Working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Conventional and General Terms/ Abbreviations

Term	Description
A/C	Account
Act	The Companies Act, 1956 as amended from time to time, including sections of Companies Act, 2013 wherever notified by the Central Government.
AGM	Annual General Meeting
Articles	Articles of Association of the Company as originally framed or as altered from time to time in pursuance of any previous companies law or of this Act
B.Com	Bachelors Degree in Commerce
BIFR	Board for Industrial and Financial Reconstruction
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Companies Act	Companies Act, 2013 as amended from time to time, including sections of Companies Act, 1956 wherever applicable.
Depositories	NSDL and CDSL; Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
DIN	Director Identification Number

DP	Depository Participant
DP ID	Depository Participant's Identity
EBIDTA	Earnings before Interest, Depreciation, Tax, Amortization and extraordinary items.
ECS	Electronic Clearing Services
EGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EPS	Earnings per Share
FDI	Foreign Direct Investment
FCNR Account	Foreign Currency Non-Resident Account
FEMA	Foreign Exchange Management Act, as amended from time to time and the regulations framed there under.
FII(s)	Foreign Institutional Investors
FIs	Financial Institutions
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India.
FV	Face Value
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000.
F.Y	Financial Year
GAAP	Generally Accepted Accounting Principles
GST	Goods & Service Tax
HNI	High Net worth Individual
HUF	Hindu Undivided Family
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International financial reporting standards.

Ind AS	Indian Accounting Standards
IPC	Indian Penal Code
IPR	Intellectual Property Right
IT	Information Technology
IT Act	The Income-tax Act, 1961 as amended from time to time except as stated otherwise.
IT Rules	The Income-tax Rules, 1962, as amended from time to time
INR	Indian National Rupee
KMP	The officers declared as a Key Managerial Personnel as per Companies Act.
Ltd.	Limited
MoU	Memorandum of Understanding
N/A or NA	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Services
Net Worth	The aggregate of the paid-up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
NOC	No Objection Certificate
NPV	Net Present Value
NR	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited.
PAT	Profit After Tax
Pvt.	Private

PBT	Profit Before Tax
P/E Ratio	Price Earnings Ratio
POA	Power of Attorney
PIO	Persons of Indian Origin
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
Ron	Return on Net Worth.
Rs. / INR	₹ / Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Rights Issue circular	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations / Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
Sec.	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time.
SSI Undertaking	Small Scale Industrial Undertaking

Stock Exchange (s)	NSE
STT	Securities Transaction Tax
Sq.	Square
Sq. mtr	Square Meter
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
TNW	Total Net Worth
u/s	Under Section
UIN	Unique Identification Number
US/ U.S. / USA	United States of America
USD or US\$	United States Dollar
U.S. GAAP	Generally accepted accounting principles in the United States of America
UOI	Union of India
Venture Capital Fund(s)/ VCF(s)	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time.
WDV	Written Down Value
w.e.f.	With effect from
YoY	Year over Year

NOTICE TO OVERSEAS INVESTORS

The distribution of the Letter of Offer, Abridged Letter of Offer and the Issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or CAFs may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue of the Rights Equity Shares on a rights basis to the Equity Shareholders as on Record Date and will dispatch the Letter of Offer/Abridged Letter of Offer and CAFs to such Eligible Equity Shareholders who have provided an Indian address to our Company. Those overseas shareholders, who have not updated our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Letter of Offer/Abridged Letter of Offer and CAFs, shall not be sent the Letter of Offer/Abridged Letter of Offer and CAFs.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer has been filed with BSE for observations. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer/Abridged Letter of Offer and CAFs or any offering materials or advertisements in connection with the Issue may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, Abridged Letter of Offer and CAFs will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under such circumstances, Letter of Offer, Abridged Letter of Offer and CAFs must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of Letter of Offer, Abridged Letter of Offer and CAFs should not, in connection with the issue of the Rights Equity Shares or Rights Entitlements, distribute or send the same in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If Letter of Offer, Abridged Letter of Offer and CAFs is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer, Abridged Letter of Offer and CAFs. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that she/he is authorised to acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar or any other person acting on behalf of us reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of Letter of Offer, Abridged Letter of Offer and CAFs nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer.

The contents of this Letter of Offer, Abridged Letter of Offer, CAFs should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Equity Shares. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares. In addition, our Company is not making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

The rights and the securities of our Company have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (the "United States" or "U.S."), except in a transaction

exempt from the registration requirements of the Securities Act. The rights referred to in this Draft Letter of Offer are being offered in India, but not in the United States. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Equity Shares or rights. Accordingly, this Letter of Offer or Abridged Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making the issue of Equity Shares on a rights basis to Eligible Equity Shareholders of our Company on the Record Date and the Letter of Offer and CAF will be dispatched only to Equity Shareholders who have an Indian address. Any person who acquires rights and the Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it does not have a registered address (and is not otherwise located) in the United States, and (iii) it is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any CAF which: (i) does not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such CAF.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Financial data

Unless stated otherwise, the financial data in this Draft Letter of Offer is derived from the audited Financial Statements of our Company for the period ended March 31, 2021 which have been prepared in accordance with Indian Accounting Standard (Ind AS) and are included in this Draft Letter of Offer. The financial year of our Company commences on April 1 and ends on March 31.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections titled “Risk Factors” have been calculated on the basis of the Financial Statements of our Company prepared in accordance with Ind AS and the Companies Act, 2013.

Certain Conventions

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to HKG Limited, “HKG”, “the/our “Company”, “we”, “our”, “us” or similar terms are to HKG Limited or, as the context requires, and references to “you” are to the equity shareholders and/ or prospective investors in the Equity Shares

Currency and Units of Presentation

All references to “Rupees” or “Re.” or “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. Except where specified in this Letter of Offer, all figures have been expressed in lakhs.

FORWARD-LOOKING STATEMENTS

This Draft Letter of Offer contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “contemplate”, “expect”, “estimate”, “future”, “goal”, “intend”, “may”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue”, “will likely result”, “will seek to”, “seek” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant statement.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate or changes in price control regime in products that we manufacture for our clients;
- Increased competition in the sectors/areas in which we operate;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement the project and business plans for which funds are being raised through this Issue;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in technology;
- The performance of the financial markets in India and globally; and any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause the actual results to differ, see “Risk Factors” starting on page 20. By their nature, certain market risk disclosures are only estimates and could materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. Our Company or advisors does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and Stock Exchange’ requirements, our Company shall ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

SECTION II – LETTER OF OFFER SUMMARY

Summary of Industry

India's market cap-to-GDP ratio witnessed a rise from 54% in 2008 to 76% in 2019, compared to 93% for the overall global equity market (source: World Bank). This shows a scope for further expansion of the India's market cap, driven by both GDP growth as well as an increase in the market cap-to-GDP ratio. With GDP growth expected to gradually pick up, increasing formalisation of economy and more entities from newer segments getting listed (insurance companies, ecommerce service providers), India's market capitalisation to GDP ratio is likely to increase further in next few fiscals. As the covid vaccination drive picks up pace across the globe, the world economy is set to return to the growth path (+5.5% in CY21E) with India expected to lead the growth revival with a double-digit expansion of 11.5% in FY22. Improvement in global macroeconomic factors and monetary/fiscal stimulus by central banks/governments will continue to supply liquidity in global equity markets and support economic recovery over the next couple of years.

For further details, please refer to the chapter titled "Industry Overview" at page 47.

Summary of Business

Our company has been involved in the business of trading of shares and securities and the majority of our revenue has been from the trading in shares and securities. After the acquisition of our company in 2019, we also started taking keen interest in the business of creating and managing various web portals in order to foray in e commerce industry. We aspire to connect small businesses and empower them to grow through the use of our web interfaces and services. Our vision is to make web interface service accessible to every small business and enable them to grow manifold.

For further details, please refer to the chapter titled "Our Business" at page 55.

Objects of the Issue:

The issue proceeds are to be utilized for financing the following objects:

(₹ in Lakhs)

Particulars	Amount
To augment the existing and incremental Working Capital requirement of our Company	1,080.15
General Corporate Purposes	[•]
Net Proceeds	[•]
Issue Expenses	[•]
Gross Proceeds	[•]

Subscription to the Issue by our Promoter and Promoter Group

Promoter of our Company through their letter dated 30 June 2021 (the "Subscription Letter") have confirmed that it intends to subscribe to the full extent of its Rights Entitlement in the Issue and to the extent of unsubscribed portion (if any) of the Issue.

Further, the Promoter may also apply for additional shares along with its Rights Entitlement and/or renunciation.

Such subscriptions of Equity Shares over and above its Rights Entitlement, if allotted, may result in an increase in its percentage shareholding above their current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the Takeover Regulations and shall be exempt subject to fulfillment of the conditions of Regulation 10 of the

Takeover Regulations. The Promoter acknowledge and undertake that its investment would be restricted to ensure that the public shareholding in the Company after the Issue do not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI LODR Regulations.

In case the rights issue remains unsubscribed, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Financial Information

The following table sets forth summary financial information derived from the Audited Financial Statements, prepared in accordance with Ind AS and the Companies Act as of and for the Fiscal ended March 31, 2021; March 31, 2020 and March 31, 2019.

(Rs. In Lakhs)

Particulars	For the Fiscal		
	2021	2020	2019
Share Capital	350.00	350.00	350.00
Net Worth	277.12	206.29	395.14
Total Income	663.22	93.88	720.79
Profit / (Loss) after Tax	70.83	(188.85)	(90.40)
Basic EPS (in ₹)	2.02	(5.40)	(2.58)
Diluted EPS (in ₹)	2.02	(5.40)	(2.58)
Net Asset Value Per Share (in ₹)	7.92	5.89	11.29
Total Borrowings	-	-	-

Auditor Qualifications

No reservations, qualifications and adverse remarks have been made by our Auditors in their reports which have not been given effect to in the Financial Statements for Fiscals 2021, 2020 and 2019.

Outstanding Litigations

For details, please refer to chapter titled '*Outstanding Litigations and Material Developments*' starting on page 100.

Risk Factors

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company and other economic factors please see "*Risk Factors*" on page 20.

Contingent Liabilities:

As on March 31, 2021, we do not have any contingent liabilities against our company.

Related Party Transactions:

For details of the related party transactions, as reported in the Financial Statements, see "*Financial Statements*" on page 69.

Financing Arrangements:

There have been no financing arrangements whereby the Promoters, members of the Promoter Group, our directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of six (6) months immediately preceding the date of the Draft Letter of Offer.

Issue of Equity Shares for consideration other than cash in the last one year

Our Company has not issued Equity Shares for consideration other than cash during the last one (1) year immediately preceding the date of filing the Draft Letter of Offer.

SECTION III - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to the country, the industry in which our Company operates in India, our Company or our Equity Shares. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have a material adverse effect on our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of an investment in this Issue.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including merits and risks involved.

In this section, unless the context otherwise requires, a reference to “our Company” or to “we”, “us” and “our” refers to HKG Limited. This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including considerations described below and in “Forward Looking Statements” on page 16. To obtain a better understanding of our business, you should read this section in conjunction with the section titled “Financial Statements” beginning on page 69, together with all other financial information contained in this Draft Letter of Offer.

INTERNAL RISK FACTORS

BUSINESS RELATED RISKS

- 1. The continuing effect of the COVID-19 pandemic on our business and operations is highly uncertain and cannot be predicted.***

In the first half of 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts for 2021 downward in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession.

In the event a member or members of our senior management team contract COVID-19, it may potentially affect our operations. Further, in the event any of our employees’ contract COVID-19, we may be required to quarantine our employees and shut down our office. Risks arising on account of COVID-19 can also threaten the safe operation of our office, loss of life, injuries and impact the well-being of our employees. These risks could have an adverse effect on our business, results of operations, cash flows and financial condition. At this point of time, our Company cannot predict by when the economy will resume to normalcy, or at all.

- 2. There are outstanding litigations involving our Promoter which, if determined against the Promoter, may adversely affect our business, reputation and financial condition.***

SEBI vide order no. WTM/AB/IVD/ID2/7988/2020-21 dated 23 June 2020, in the matter of Pyramid Saimira Theater Limited, debarred Mr. Yatin B. Shah, Promoter of our Company, inter-alia, from dealing in securities and accessing the capital market for a period of 2 years. However, the Hon’ble Securities Appellate Tribunal has on appeal filed by Mr. Yatin Shah (Appeal No. 227 of 2020) stayed the order till the next date of hearing. The next date of hearing in the said matter is 14 July 2021 as mentioned in the SAT order dated 21 May 2021. Therefore, as on date of this Draft Letter of Offer the stay continues to be in force pending final disposition of the appeal by SAT.

In the same matter, SEBI also imposed a penalty of Rs. 2,00,000 vide Adjudication Order bearing reference no. Order/VV/AA/2021-22/12081 dated 31st May 2021 on our Promoter Mr. Yatin B. Shah. Our Promoter has paid the requisite penalty on 02nd June 2021 vide an Axis Bank cheque no. 208407.

We cannot assure you that this legal proceeding will be decided in favour of our Promoter, or that no further liability will arise out of this proceeding. We may incur reputational loss, business loss or our share price may get adversely affected if the results of this proceeding are adverse.

3. *Our primary revenue stream is from share trading activities. With the volatility of stock markets, we may face challenges in achieving a high growth rate for the business.*

Indian stock markets have been rallying from more than a year now and we cannot ascertain how long the rally is going to sustain or when the volatility will reduce to normalcy. The volatility in the stock markets can cause huge upside or downside in the revenue we earn from share trading activities. However, with the stimulus policies of the Indian government we feel that the volatility will reduce soon and the stock market will again be on a steady phase.

4. *The top-level management of the company is associated with the company from less than 2 years.*

In the year 2019, our company was acquired by its current promoters – Mr. Yatin Bhupendra Shah (“Acquirer”) along with HKG Money Tech Private Limited (formerly called IG Financial Services Pvt Ltd) (“Person Acting in Control”) from its former promoters – Mr. Rajeev Gupta and Yogya Infrastructure Ltd pursuant to a Share Purchase Agreement dated July 17, 2019 and an Open Offer from August 30, 2019 to September 16, 2019 (both dates inclusive). Consequently, the management of the company has been changed to its current form. Further, our Chief Financial Officer is associated with our company from less than a year. For more details on the top management, Key Management Personnel and their appointment, please refer to chapter “Our Management” beginning on page 58.

5. *We have recently started foraying into the e-commerce market of India.*

We have recently received the marketing rights for 3 web portals and have been developing 2 more web portals to work in the e-commerce industry. Venturing into a new area could pose multiple risks such as operational risk, technology risk, financial risk, competitive risk and market risk. However, while decentralising and enabling competitive personnel in pure focus areas we have assigned different persons who would advice or handle the different areas in this business. Also refer to the section titled “Our Business” and “Our Management” beginning on page 55 and 58 respectively.

6. *Our business strategies and expansion plans may be subject to various unfamiliar risks and may not be successful.*

Our business strategies include widening our customer base by entering into new geographies and strengthening our relationships with our existing clients. These strategies may require us to expand our operations to other geographical areas and in new industry verticals. Risks that we may face in implementing our business strategy in these markets may substantially differ from those previously experienced, thereby exposing us to risks related to new markets, industry verticals and clients. The commencement of operations beyond our current markets and industry verticals is subject to various risks including unfamiliarity with pricing dynamics, competition, service and operational issues as well as our ability to retain key management and employees. There can also be no assurance that we will not experience issues such as capital constraints, difficulties in expanding our existing operations and challenges in training an increasing number of personnel to manage and operate our expanded business, or that we will be able to successfully manage the impact of our growth on our operational and managerial resources and control.

7. *Our Company has experienced negative cash flow in the past and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.*

Our Company has experienced negative net cash flow in operating, investing and financing activities in the past. Following are the details of our cash flow position during the last three financial years based on restated financial statements are;

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Net cash flow from / (used in) operating activities (A)	32.63	(80.38)	(251.50)
Net cash flow from / (used in) investing activities (B)	(20.32)	63.85	268.10

Net cash flow from / (used in) financing activities (C)	(0.01)	(0.12)	(0.87)
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We may incur negative cash flows in the future which may have a material adverse effect on our business, prospects, results of operations and financial condition. For further details please refer to “Restated Financial Information” beginning on page 69.

- 8. *Our success depends largely upon the services of our Promoters, Board, Management and other Key Managerial Personnel and our ability to retain them. Our inability to attract and retain key personnel may adversely affect the operations of our Company.***

Our Company, Promoters, Board of Directors and the Key Managerial Personnel have built relations with clients and other persons who are connected with our business. Further, our key personal also possesses the requisite domain knowledge to provide efficient services to our clients. Accordingly, our Company’s performance is dependent upon the services of these key personnel. Our future performance will, therefore, depend upon the continued services of these persons. Demand for key personnel in the industry is intense and our inability to attract and retain them may affect the operations of our Company.

- 9. *If we fail to innovate, adapt and respond effectively to rapidly changing technology, our solutions may become less competitive or obsolete.***

Our continued success will depend on our ability to continuously enhance and improve our solutions to meet customers’ needs. If we are unable to enhance our solutions to meet market demand in a timely manner, we may not be able to maintain our existing customers or attract new customers, which would have a material adverse effect on our business, results of operations, cash flows and financial condition. In addition, shifts in customer demand may render existing technologies obsolete, requiring additional capital expenditures and/or writedowns of assets.

- 10. *Ecommerce is highly fragmented and competitive industry and increased competition may lead to multiple challenges to our revenues, profit margins and market share.***

Ecommerce industry in which we are foraying is a highly competitive industry, dominated by a large number of organized and unorganized layers. Increased competition from other organized and unorganized third-party service providers may lead to multiple challenges to our revenues, profit margins and market share.

Our success depends on our ability to anticipate, understand and address the preferences of the prospective clients as well as to understand evolving industry trends and our failure to adequately do so could adversely affect our business.

In ecommerce we are a new entrant, we may or may not be able to compete effectively with our competitors, some of whom may have more experience. Other factors that could affect our ability to maintain our levels of revenues and profitability include the development of an operational model similar or superior to ours by a competitor. Our inability to compete effectively could affect our ability to retain our existing clients or attract new clients which may in turn materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

- 11. *We have not commissioned an industry report for the disclosures made in the chapter titled “Industry Overview” and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.***

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled “Industry Overview”. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

- 12. *Our Promoters or members of our Promoter Group may pledge or dispose of the Equity Shares held by them which may adversely impact the trading price of our Equity Shares.***

There is no restriction on our Promoters and members of the Promoter Group to dispose, transfer or pledge their Equity Shares, and our Promoters and / or members forming part of the Promoter Group may at any time pledge or dispose of the Equity Shares held by them including immediately after listing of Rights Equity Shares pursuant to this Rights Issue to the extent applicable. In the event of creation of such a pledge, the pledgee may exercise the right of acquiring, selling or otherwise disposing of such Equity Shares if the pledgor fails to abide by the terms and conditions of the pledge so created. Any transfer / sale of Equity Shares by our Promoter and / or members forming part of the Promoter Group will lead to a dilution of the Promoter holding in our Company which may adversely impact the trading price of our Equity Shares.

13. We have not paid dividends in the past and our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.

We have not paid dividends in the past. Our revenues are dependent on various factors such as future earnings, financial condition, cash flows, working capital requirements and capital expenditures. The combination of these factors may result in significant variations in our revenues and profits and thereby may impact our ability to pay dividends.

14. Our Company has not yet applied for the registration of any logo or any of the intellectual property, that it uses or may use, with the registrar of Trademarks.

Our Company has not yet applied for the registration of the logo i.e. or any of the intellectual property that it uses or may use in future. Any failure to get the same registered in our name may cause any third-party claim and may lead to litigation and our business operations could be affected. Even if our trademarks are registered, we may not be able to detect any unauthorized use or infringement or take appropriate and timely steps to enforce or protect our intellectual property, nor can we provide any assurance that any unauthorized use or infringement will not cause damage to our business prospects.

15. We have not taken any insurance. Therefore, it may not be adequate for us to protect us against all potential losses to which we may be subject to, and this may have a material adverse effect on our business and financial condition.

We do not maintain any kind of insurance in the company. Therefore, any liability that could have been covered by an insurance policy could result in additional costs, which would reduce our profits. Further, we may be subject to claims arising from alleged, suspected or actual defects in the services we render. In the event that any significant liability, performance improvement or claims are brought against us, which are not covered by an insurance, it may adversely affect our business, financial condition, results of operations and prospects.

RISKS RELATING TO RIGHTS ISSUE

16. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of Investor's shareholding

The Rights Entitlements that are not exercised prior to the end of the Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted pursuant to increase in paid up share capital. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Rights Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the Demat Account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Rights Issue with respect to such Rights Entitlements.

17. Our Company may not be able to raise the entire ₹ [●] lakhs as proposed through the present Rights Issue due to non-subscription by shareholders of their rights entitlement either in partial or full.

While the promoters of our company have conveyed their intention to subscribe to the present rights issue to the full extent of their entitlement, receipt of balance funds from the non-promoter shareholders would depend upon their interest in the issue and receipt of their subscription in the rights issue. In the event of non-participation of some or all of the non-promoter shareholders of our company, we may not be able to raise the targeted amount of ₹ [●] lakhs through the present rights issue and the objects of the Issue may have to be met from other financing arrangements and / or adjustment in schedule of implementation.

18. The B-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, a separate web based application platform, i.e., the B-WAP facility (accessible at www.bigshareonline.com), has been instituted for making an Application in this Issue by resident Investors. Further, B-WAP is only an additional option and not a replacement of the ASBA process. On B-WAP, the resident Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see para "Making of an Application through the Registrar's Web-based Application Platform ("B-WAP") process" in the Section titled Terms of the Issue beginning on page 108. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policy effectively to such payment mechanisms;
- keeping users' data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Further, B-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic.

We cannot assure you that B-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through B-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the BWAP facility.

19. There is no guarantee that the Rights Equity Shares issued pursuant to this Rights Issue will be listed on the Stock Exchange in a timely manner.

In accordance with Indian law and regulations and the requirements of the Stock Exchange, in principle and final approvals for listing and trading of the Rights Equity Shares issued pursuant to this Rights Issue will not be applied

for or granted until after the Rights Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Rights Equity Shares to be submitted. Accordingly, there could be a failure or delay in listing the Rights Equity Shares on the Stock Exchange. If there is a delay in obtaining such approvals, we may not be able to credit the Rights Equity Shares allotted to the Investors to their depository participant accounts or assure ownership of such Rights Equity Shares by the Investors in any manner promptly after the Closing Date. In any such event, the ownership of the Investors over Rights Equity Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted.

EXTERNAL RISK FACTORS

- 20. We may, at any time in the future, make further issuances or sales of our Equity Shares, and this may significantly dilute your future shareholding and affect the trading price of our Equity Shares.**

Any future equity issuances by us, may lead to the dilution of Investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences for us including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception that such issuance or sales of shares may occur, may lead to dilution of your shareholding, significantly affect the trading price of our Equity Shares and our ability to raise capital through an issue of our securities. There can be no assurance that such future issuance by us will be at a price equal to or more than the Issue Price. Further, there can be no assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares.

- 21. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations and prospects.**

The regulatory and policy environment in which we operate is evolving and subject to change. While some changes such as streamlining of regulatory mechanism and reduction in the rates of direct taxes has benefitted the Company, certain other changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

- 22. Regional and communal conflicts, terrorist attacks, civil disturbances, wars, natural disasters, fuel shortages, epidemics and labour strikes in India may have a material adverse effect on our Company's business and on the market for securities in India.**

Increased political instability, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several regions in which we operate, strained relations arising from these conflicts and the related decline in customer confidence may hinder our ability to do business. Further, our operations are dependent on our ability to protect our facilities and infrastructure from fire, explosions, floods, typhoons, earthquakes, power failures and other similar events. India has experienced natural disasters such as earthquakes, a tsunami, floods and droughts in the past few years.

SECTION III – INTRODUCTION

THE ISSUE

The Issue has been authorised by way of a resolution passed by our Board on February 27, 2020 pursuant to section 62 of the Companies Act, 2013. The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in “*Terms of the Issue*” on page 108.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Upto [●] Equity Shares
Rights Entitlement	Upto [●] Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Record Date	[●]
Face value per Equity Shares	₹ 2/-
Issue Price per Rights Equity Shares	₹ [●]/-
Issue Size	Upto ₹ [●] Equity Shares of face value of ₹ 2 each for cash at a price of ₹ [●] (Including a premium of ₹ [●]) per Rights Equity Share up to an amount of ₹ 4500.00 lakhs.
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank <i>pari passu</i> in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue	1,75,00,000 Equity Shares
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	Upto [●] Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●]
Money payable at the time of Application	₹ [●]
Scrip Details	ISIN: INE904R01027 Scrip Code on BSE: 539097
Use of Issue Proceeds	For details please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 42.
Terms of the Issue	For details please refer to the chapter titled “ <i>Terms of the Issue</i> ” on page 108.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights	[●]
Issue Closing Date	[●]

GENERAL INFORMATION

Our Company was incorporated as “Yogya Enterprises Limited” on 16th September 2010 under the Companies Act, 1956 and vide a certificate of incorporation dated 16th September 2010 and certificate of commencement of business dated 15th October 2010 issued by Assistant Registrar of Companies, National Capital Territory of Delhi & Haryana. Subsequently, the name of company was changed to “HKG Limited” vide fresh Certificate of Incorporation dated 16th October 2019 issues by Registrar of Companies, Delhi. The corporate identification number of our Company is L51909MH2010PLC340313.

Registered Office of our Company

HKG Limited

C Wing, Madhuban Building,
Opp. Dev Nagar, New Sai Baba Nagar,
Kandivali (W), Mumbai City,
Maharashtra – 400 067, India
Tel: +91 84520 09432
E-mail: info@hkglimited.com
Website: www.hkglimited.com
CIN: L51909MH2010PLC340313

The registered office of our company was originally situated at 203, Gupta Arcade, Shrestha Vihar Market, Delhi, India, 110092 which was later shifted to CTS No. 53, 1, Madhuban CHS Ltd, Opp. Dev Nagar, New Sai Baba Nagar, Kandivali West Mumbai, Maharashtra – 1100 067 vide Certificate of Registration for change of state dated 05th June 2020. The Registered Office was later shifted to the address Gala No.1 & Gala No. 2, Ground Floor, Neelam Industrial Estate, C.T.S. No.251, Shantilal Mody Cross Road No.2, Kandivali (West), Mumbai-400067 vide Board Resolution dated 29th August 2020. Further, the Registered office was shifted to its current address i.e. C Wing, Madhuban Building, Opp. Dev Nagar, New Sai Baba Nagar, Kandivali (W), Mumbai City, Maharashtra – 400 067, India vide Board Resolution dated 29 April 2021.

Address other than Registered Office where all or any books of account and papers are maintained

HKG Limited

Gala No 1&2, Ground Floor,
Neelam Industrial Estate,
Shantilal Mody Cross Road No.2,
Kandivali(w), Mumbai, Maharashtra – 400 067, India

Since as on the date of this Draft Letter of Offer company maintains its documents on its Registered Office only we have filed the necessary forms with MCA to replace the above address with the address of registered office.

Registrar of Companies

Our Company is registered with the Registrar of Companies, Mumbai situated at the following address:

Registrar of Companies, Mumbai

100, Everest, Marine Drive
Mumbai- 400002.
Phone: 022-22812627/22020295/22846954
E-mail: roc.mumbai@mca.gov.in

Board of Directors of our Company

Set forth below are the details of our Board of Directors as on the date of this Draft Letter of Offer:

Name	Age	Designation	Address	DIN
Meet Paresh Shah	31	Managing Director	Nagar Niwas Building, 5th Floor, Room No. 72, 6/8 Anantwadi, Near	08800947

				Adarsh Baug Hotel, Kalbadevi, Mumbai, Maharashtra – 400 002	
Hardik Manoj Shah	30	Executive Director		B-1003, Gokul Society, Opp. Dev Nagar, New Sai Baba Nagar, Kandiwali West, Mumbai, Maharashtra – 400 067, India	06843854
Deependra Vedprakash Shukla	33	Non-Executive Non-Independent Director		A/303, Om Sai Milan Apartment, Central Park, Oswal Nagari, Baba Sankul, Vasai, Palghar, Maharashtra – 401 209, India	09121916
Advait Koti	Ramesh 26	Non-Executive Non-Independent Director		Flat No. 1701, Tower B Aquaria Grande, Devidas Road, Near Shanti Ashram, Borivali West, Mumbai Suburban, Maharashtra – 400 103, India	09181915
Shikha Shah	Mukesh 27	Non-Executive Independent Director		D-6, Room No. 17, Bhadran Nagar, SV Road, Behind NL High School, Malad (West), Mumbai, Maharashtra – 400 064, India	08940235
Hemang Hasmukhrai Shah	28	Non-Executive Independent Director		A-102, Jay Ganesh Krupa Co. Op. Housing Society, Anand Nagar, Near K.T. Vision, Vasai West, Thane – 401 202, Maharashtra, India	07953299

Chief Financial Officer

Mr. Anmol Nimesh Sheth

C Wing, Madhuban Building,
Opp. Dev Nagar, New Sai Baba Nagar,
Kandivali (W), Mumbai City,
Maharashtra – 400 067, India

Tel: +91 84520 09432

E-mail: info@hkglimited.com

Company Secretary and Compliance Officer

Ms. Rajlaxmi Saini

C Wing, Madhuban Building,
Opp. Dev Nagar, New Sai Baba Nagar,
Kandivali (W), Mumbai City,
Maharashtra – 400 067, India

Tel: +91 84520 09432

E-mail: info@hkglimited.com

Statutory Auditor of our Company

H.M. Shah and Co

404, Sai Chambers, Opp. Railway Station,
Santacruz (E), Mumbai – 400 055
Tel: +91 9004625550 / 9769271128
Email: hmshah07@yahoo.com
Firm Registration no.: 109585W
Contact Person: Mr. Nikunj Kikani
Membership Number: 148640

Peer Review Auditor to the Issue

Mittal Agarwal & Company

404, Madhu Industrial Park, Mogra Cross Road,
Near Apollo Chambers, Andheri (E), Mumbai - 400 069
Tel: 022 2832 4532/34
Email: partner.mac@gmail.com
Firm Registration no.: 131025W
Peer Review Certificate Number: 010901
Validity of Peer Review Certificate: 19 April 2022
Contact Person: Mr. Piyush Agarwal
ICAI Membership Number: 135505

Registrar and Share Transfer Agent

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East, Mumbai – 400 059, India
Email: rightsissue@bigshareonline.com
Tel: +91 22 6263 8200
Contact Person: Mr. Ashish Bhope
Website: www.bigshareonline.com
SEBI Reg. No.: INR000001385

Banker(s) to the Issue

The Banker to the Issue/ the Refund Bank shall be appointed prior to filing of the Letter of Offer.

Self-Certified Syndicate Banks

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Inter-se Allocation of Responsibilities

We have appointed only one merchant banker. Hence, there is no inter-se allocation of responsibilities.

Investor grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process or B-WAP.

Credit Rating

As this is an Issue of Equity Shares, credit rating is not required.

Debenture Trustees

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency

As the net proceeds of the Issue will be less than ₹10,000 lakhs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

Appraising Agency

The objects of this Issue have not been appraised by any bank or any other independent financial institution.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer will be filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Underwriting Arrangement

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Changes in Auditors during the last three years

There has been no change in the statutory auditors of our Company during the three years immediately preceding the date of this Draft Letter of Offer except as follows:

Sr. No.	Particulars	Date	Reason
1.	Appointment of M/s H.M. Shah & Co. as Statutory Auditor	20 March 2021	To fill the casual vacancy
2.	Resignation by M/s Aniket Kulkarni & Associates as Statutory Auditor	20 March 2021	Voluntary Resignation
3.	Appointment of M/s Aniket Kulkarni & Associates as Statutory Auditor	11 December 2020	To fill the casual vacancy
4.	Resignation by M/s Ashar and Pathak as Statutory Auditor	11 December 2020	Due to COVID related circumstances.
5.	Appointment of M/s Ashar and Pathak as Statutory Auditor for 5 FYs starting 2019-20	30 September 2019	Since the Registered Office was shifted from Delhi to Mumbai, a Mumbai based Auditor was appointed.

Before the appointment of M/s Ashar and Pathak on 30 September 2019, STRG & Associates having address 348, 1st Floor, Tarun Enclave, Pitampura, Delhi-110088, were the Statutory Auditors of our company from FY 2014-15 to FY 2018-19.

There has been no change in the secretarial auditors of our Company during the three years immediately preceding the date of this Draft Letter of Offer except as follows:

Sr. No.	Particulars	Date	Reason
1.	Appointment of M/s Brijesh Shah & Co. as Secretarial Auditor for FY 2021-22	03 June 2021	Completion of tenure of previous Secretarial Auditor
2.	Appointment of M/s Brijesh Shah & Co. as Secretarial Auditor for FY 2020-21	31 July 2020	Completion of tenure of previous Secretarial Auditor
3.	Appointment of M/s Jaymin Modi & Co. as Secretarial Auditor for FY 2019-20	29 January 2020	Completion of tenure of previous Secretarial Auditor
4.	Appointment of M/s Gagan Goel & Co. as Secretarial Auditor for FY 2018-19	29 May 2019	Completion of tenure of previous Secretarial Auditor

Minimum Subscription

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

- Objects of the issue being other than capital expenditure for a project; and
- Our Promoter and Promoter Group have confirmed that they will, subscribe to their right entitlement and will not renounce rights except to the extent of renunciation within the promoter group.

Issue Schedule:

Issue Opening Date	[●]
Last date for On Market Renunciation of Rights*	[●]
Issue Closing Date	[●]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided the Issue will not be kept open in excess of 30 days from the Issue Opening Date.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Letter of Offer and after giving effect to the Issue is set forth below:

(Rs. In lakhs except share data)

Sr. No	Particulars	Aggregate Value	
		Face Value	Issue Price
A	AUTHORISED SHARE CAPITAL		
	7,00,00,000 Equity Shares of face value of Rs. 2/- each	1,400.00*	
B	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE		
	1,75,00,000 fully paid up Equity Shares of face value of Rs. 2/- each	350.00*	
C	PRESENT ISSUE IN TERMS OF DRAFT THIS DRAFT LETTER OF OFFER^s		
	Up to [●] Equity Shares of ₹ 2/- each	[●]	[●]
D	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE		
	[●] Equity Shares of face value of Rs. 2/- each	[●]	
E	SECURITIES PREMIUM ACCOUNT		
	Before the Issue		Nil
	After the Issue		[●]

*Our company passed Shareholders' Resolution on 07 April 2021 for increasing authorized capital.

^sThis Rights Issue has been authorized pursuant to a resolution of our Board dated 27 February 2021.

The Company has only one class of share capital i.e. Equity Shares of face value of Rs.2/- each only. All Equity Shares issued are fully paid-up.

Our Company has no outstanding convertible instruments as on the date of this Draft letter of offer.

NOTES TO CAPITAL STRUCTURE

1. Intention and extent of participation by our Promoter and Promoter Group in the Issue:

Our Promoter and Promoter Group have undertaken to subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations.

The additional subscription by the promoters shall be made subject to such additional subscription not resulting in the minimum public shareholding of the issuer falling below the level prescribed in Regulation 38 of the LODR/ SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

2. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is Rs. [●]/- per equity share.

3. Shareholding Pattern of our Company as per the last filing with the Stock Exchange i.e. BSE Limited.

(i) The summary statement of the shareholding pattern of our Company as on March 31, 2021 is as follows:

The table below represents the current shareholding pattern of our Company as per Regulation 31 of the SEBI (LODR) Regulations, 2015:

Category Code	Category of shareholder	No. Of shareholders	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C2)	Number of locked in Shares**		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
								No. of Voting Rights		Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)	
								Class X	Total								
I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX			X	XI=VII+X	XII		XIII		XIV

(A)	Promoters and Promoter Group	2	51,90,000	-	-	51,90,000	29.66	51,90,000	51,90,000	29.66	-	29.66	-	-	-	-	51,90,000
(B)	Public	292	1,23,10,000	-	-	1,23,10,000	70.34	1,23,10,000	1,23,10,000	70.34	-	70.34	-	-	-	-	1,23,10,000
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	294	1,75,00,000	-	-	1,75,00,000	100.00	1,75,00,000	1,75,00,000	100.00	-	100.00	-	-	-	-	1,75,00,000

(ii) The statement of the shareholding pattern of our Company as on March 31, 2021 is as follows:

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
(A) Promoter & Promoter Group	2	51,90,000	51,90,000	29.66	51,90,000	29.66	51,90,000
(B) Public	292	1,23,10,000	1,23,10,000	70.34	1,23,10,000	70.34	1,23,10,000
(C1) Shares underlying DRs	-	-	-	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-
(C) Non Promoter-Non Public	-	-	-	-	-	-	-
Grand Total	294	1,75,00,000	1,75,00,000	100.00	1,75,00,000	100.00	1,75,00,000

(iii) Statement showing holding securities of persons belonging to the category “Promoter and Promoter Group” as at March 31, 2021:

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
A1) Indian				0.00			
Individuals/Hindu undivided Family	1	44,30,000	44,30,000	25.31	44,30,000	25.31	44,30,000
Yatin Bhupendra Shah	1	44,30,000	44,30,000	25.31	44,30,000	25.31	44,30,000
Any Other (specify)	1	7,60,000	7,60,000	4.34	7,60,000	4.34	7,60,000
HKG Money Tech Pvt Ltd (formerly IG Financial Services India Pvt Ltd)	1	7,60,000	7,60,000	4.34	7,60,000	4.34	7,60,000
Sub Total A1	2	51,90,000	51,90,000	29.66	51,90,000	29.66	51,90,000
A2) Foreign							
A=A1+A2	2	51,90,000	51,90,000	29.66	51,90,000	29.66	51,90,000

(iv) Statement showing holding securities of persons belonging to the category “Public” as at March 31, 2021:

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
B1) Institutions	0	0		0.00		0.00	
B2) Central Government/ State Government(s)/ President of India	0	0		0.00		0.00	
B3) Non-Institutions	0	0		0.00		0.00	
Individual share capital upto Rs. 2 Laacs	224	42,05,000	42,05,000	24.03	42,05,000	24.03	42,05,000
Individual share capital in excess of Rs. 2 Laacs	25	68,00,000	68,00,000	38.86	68,00,000	38.86	68,00,000
Atul Kantilal Shah	1	2,30,000	2,30,000	1.31	2,30,000	1.31	2,30,000
Bhavesb Rameshchandra Bhagdev	1	3,10,000	3,10,000	1.77	3,10,000	1.77	3,10,000
Bhavik Prafulchandra Vora	1	2,60,000	2,60,000	1.49	2,60,000	1.49	2,60,000
Harshad Jitendra Chande	1	3,20,000	3,20,000	1.83	3,20,000	1.83	3,20,000
Madhukar Sheth	1	7,20,000	7,20,000	4.11	7,20,000	4.11	7,20,000
Pooja Bhavesb Bhagdev	1	2,50,000	2,50,000	1.43	2,50,000	1.43	2,50,000
Rajesh Mangalchand Jhaveri	1	4,00,000	4,00,000	2.29	4,00,000	2.29	4,00,000

Ramesh Chandu Koti	1	6,00,000	6,00,000	3.43	6,00,000	3.43	6,00,000
Sujata Ajay Pandey	1	5,60,000	5,60,000	3.20	5,60,000	3.20	5,60,000
Sujata Mahesh Sanzgiri	1	6,00,000	6,00,000	3.43	6,00,000	3.43	6,00,000
Usha Arun Mane	1	3,60,000	3,60,000	2.06	3,60,000	2.06	3,60,000
Vora Pranav Prafulchandra	1	3,85,000	3,85,000	2.20	3,85,000	2.20	3,85,000
Any Other (specify)	43	13,05,000	13,05,000	7.46	13,05,000	7.46	13,05,000
Bodies Corporate	8	5,15,000	5,15,000	2.94	5,15,000	2.94	5,15,000
Ajinkya Mercantile Private Ltd	1	4,05,000	4,05,000	2.31	4,05,000	2.31	4,05,000
Clearing Members	4	1,80,000	1,80,000	1.03	1,80,000	1.03	1,80,000
HUF	29	6,00,000	6,00,000	3.43	6,00,000	3.43	6,00,000
Non-Resident Indian (NRI)	2	10,000	10,000	0.06	10,000	0.06	10,000
Sub Total B3	292	1,23,10,000	1,23,10,000	70.34	1,23,10,000	70.34	1,23,10,000
B=B1+B2+B3	292	1,23,10,000	1,23,10,000	70.34	1,23,10,000	70.34	1,23,10,000

- (v) Details of shareholders of our Company holding 1% or more of the paid-up capital of the issuer as last disclosed to the stock exchanges:

Sr. No.	Name of the Shareholders	No. of Equity Shares	% of Pre-issue Equity Share Capital
1	Yatin Bhupendra Shah	44,30,000	25.31 %
2	HKG Money Tech Pvt Ltd (formerly known as IG Financial Services India Private Limited)	7,60,000	4.34 %
3	Madhukar Sheth	7,20,000	4.11 %
4	Ramesh Chandu Koti	6,00,000	3.43 %
5	Sujata Mahesh Sanzgiri	6,00,000	3.43 %
6	Sujata Ajay Pandey	5,60,000	3.20 %
7	Ajinkya Mercantile Private Ltd	4,05,000	2.31 %
8	Rajesh Mangalchand Jhaveri	4,00,000	2.29 %
9	Vora Pranav Prafulchandra	3,85,000	2.20 %
10	Usha Arun Mane	3,60,000	2.06 %
11	Harshad Jitendra Chande	3,20,000	1.83 %
12	Bhavesh Rameshchandra Bhagdev	3,10,000	1.77 %
13	Bhavik Prafulchandra Vora	2,60,000	1.49 %
14	Pooja Bhavesh Bhagdev	2,50,000	1.43 %
15	Atul Kantilal Shah	2,30,000	1.31 %
	Total	1,05,90,000	60.51 %

- (vi) Details of shares locked-in, pledged, encumbrance by promoters and promoter group

As on date of this Draft Letter of Offer, none of the Equity Shares held by our Promoter or the members of our Promoter Group are locked-in, pledged or otherwise encumbered.

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from the Issue towards the following objects:

1. Meeting Working Capital Requirements and
2. General Corporate Purposes.

The main object clause of MOA of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our MOA.

Issue Proceeds

The details of Issue Proceeds are set forth in the following table:

Particulars	Amount (in lakhs)
Gross Proceeds from the Issue [#]	[●]
Less: Estimated Issue related Expenses	[●]
Net Proceeds from the Issue	[●]

[#]Assuming full subscription and allotment.

*to be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the Stock Exchanges.

Requirement of Funds and utilization of Net Proceeds

The proposed utilization of the Net Proceeds by our Company is set forth in the following table:

(₹ in lakhs)

Sr. No.	Particulars	Amount (in lakhs)
1.	Meeting Working Capital Requirements	1080.15
2.	General Corporate Purposes	[●]
	Total	[●]

The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds. However, if our Company receives subscription between 75% to 90% of the Issue Proceeds, at least 75% of the Issue Proceeds shall be utilized for repayment and/or prepayment of a portion of the principal and / or interest of certain borrowings availed by our Company.

There are no existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoter, Directors, key managerial personnel or associate companies (as defined under Companies Act, 2013).

Means of Finance

The funding requirements mentioned above are based on our Company's internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest rate fluctuations. Consequently, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management.

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Details of the Objects of this Issue

1. Meeting Working Capital Requirements

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and borrowings. We operate in a highly competitive and dynamic market conditions and may have to

revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

The details of Working Capital Requirement is as under:

(Amounts in lakhs)

Sr. No.	Particulars	As at 31.03.2020 (Restated)	As at 31.03.2021 (Restated)	As at 31.03.2022 (Projected)
A	Current Assets			
	Inventories	120.53	189.14	775.48
	Trade receivables	0.30	0.18	24.21
	Cash and cash equivalents	9.48	21.78	102.36
	Loans	60.01	50.19	346.28
	Other current assets	15.59	16.64	126.44
	Total current assets	205.91	277.92	1,374.77
B	Current Liabilities			
	Trade payables	0.70	3.48	14.25
	Other financial liabilities	-	-	-
	Other current liabilities	0.52	3.43	13.36
	Current tax liabilities (net)	-	14.90	-
	Total current liabilities	1.21	21.80	27.61
C	Net working capital (A-B)	204.69	256.13	1,347.16
	Change in net working capital (funding gap)	(185.36)	51.44	1,091.04
Funding Pattern				
	Funding through internal accruals/ borrowings	-	51.44	10.89
	Working Capital funding through Rights Issue proceeds to be utilized	-	-	1,080.15

2. General Corporate Purpose

In terms of Regulation 62 (2) of the SEBI ICDR Regulations, the extent of the Issue Proceeds proposed to be used for general corporate purposes shall not exceeding 25% of the Gross proceeds of the Issue. Our Board will have flexibility in applying the balance amount towards general corporate purposes, including repayment of outstanding loans, meeting our working capital requirements, capital expenditure, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries, administration expenses, meeting of exigencies which our Company may face in course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act.

Our management will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

3. Expenses for the issue

The total expenses of this Issue are estimated to be ₹ [●] lacs. The break-up of the Issue expenses is as follows:

Particulars	Amount* (₹ lacs)	As a percentage of total expenses*	As a percentage of Issue size*
Fees payable to the intermediaries (including Lead Manager fees, registrar fees & expenses, etc)	[●]	[●]	[●]
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	[●]	[●]	[●]
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**Subject to finalization of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. Amount will be finalized at the time of filing of the Letter of Offer and determination of Issue Price and other details.*

Deployment of Funds towards the Objects of the Issue

Particulars	Amount proposed to be funded from Net Proceeds	Proposed schedule for deployment of the Net Proceeds in Fiscal 2022
Meeting Working Capital Requirements	1080.15	1080.15
General Corporate Purposes	[●]	[●]
Total	[●]	[●]

Appraisal

None of the Objects of the Issue have been appraised by any bank or financial institution.

Schedule of Implementation and Deployment of Funds

As estimated by our management, the entire proceeds received from the issue would be utilized during FY 2021-22.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Letter of Offer, which are proposed to be repaid from the Issue Proceeds.

Monitoring of Utilization of Funds

Since the proceeds from the Issue are less than ₹10,000 lakhs, in terms of Regulation 41(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI the Board would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Balance Sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Clause 32 of the SEBI Listing Regulation, the Company shall, on a half-yearly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Clause 32 of the SEBI Listing Regulation, the Company shall furnish to the Stock Exchanges, on a half-yearly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above.

Interim Use of Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

Strategic or financial partners

There are no strategic or financial partners to the Objects of the Issue.

Interest of Promoter, Promoter Group and Directors, in the objects of the Issue.

Our Promoter, Promoter Group and Directors do not have any interest in the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, Directors and Key Managerial Personnel of our Company.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors

HKG Limited

Gala No 1&2, Ground Floor,
Neelam Industrial Estate,
Shantilal Mody Cross Road No.2,
Kandivali(w), Mumbai, Maharashtra – 400 067, India

Dear Sirs,

Sub: Proposed Right Issue of Equity Shares (the “Issue”) by HKG Limited (the “Company”)

We report that there are no possible special direct tax benefits available to the Company and its shareholders under the Income-tax Act, 1961, presently in force in India.

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither we are suggesting nor advising the investor to invest money based on this statement.

The contents of this statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We hereby give consent to include this statement of tax benefits in the Draft Letter of Offer, the Letter of Offer and in any other material used in connection with the Issue.

Yours faithfully,

For **H M Shah & Co**
Chartered Accountants
Reg. No. 109585W

Sd/-
Mrugen Shah
Partner
Membership No. 114770

Place: Mumbai
Date : 02 July 2021

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Overview of the Global Economy

After a 3.3% estimated contraction in 2020, the global economy is projected to grow 6% in 2021, softening to 4.4% in 2022. The 2020 contraction is 1.1% points less than projected at the October 2020 World Economic Outlook (WEO), reflecting the more-than-expected growth in the second half of the year for most regions after lockdowns were eased and as economies adapted to new ways of working. The 2021 and 2022 projections are respectively 0.8 and 0.2 of a percentage point stronger than at the October 2020 WEO, reflecting additional fiscal support in a few large economies and the anticipated vaccine-powered recovery in the second half of the year. Global growth is expected to ease in the medium term—reflecting projected damage to supply potential and forces that predate the pandemic, including aging-related slower labour-force growth in advanced economies and some emerging-market economies. Thanks to an unprecedented policy response, the COVID-19 recession is likely to leave smaller scars than the 2008 global financial crisis. However, emerging-market economies and low-income developing countries have been hit harder and are expected to suffer more significant medium-term losses. (Source: World Economic Outlook, April 2021, IMF)

A year and a half since the onset of the COVID-19 pandemic, the global economy is poised to stage its most robust post-recession recovery in 80 years in 2021. But the rebound is expected to be uneven across countries, as major economies appear set to register strong growth even as many developing economies lag. Global growth is expected to accelerate to 5.6% this year, largely on the strength in major economies such as the United States and China. And while growth in 2021 for almost every region of the world has been raised, many continue to grapple with COVID-19 and what is likely to be its long shadow. Despite this year's pickup, the level of global GDP in 2021 is expected to be 3.2% below pre-pandemic projections, and per-capita GDP among many emerging market and developing economies is anticipated to remain below pre-COVID-19 peaks for a prolonged period. As the pandemic continues to flare, it will shape the path of global economic activity.

The United States and China are each expected to contribute about one quarter of global growth in 2021. The U.S. economy has been bolstered by massive fiscal support, vaccination is expected to become widespread by mid-2021, and growth is expected to hit 6.8% this year, the fastest since 1984. China's economy – which did not contract last year – is expected to grow a solid 8.5% and moderate as the country's focus shifts to reducing financial stability risks.

Growth among emerging-market and developing economies is expected to accelerate to 6% this year, helped by increased external demand and higher commodity prices. However, the recovery of many countries has been constrained by resurgences of COVID-19, uneven vaccination and a partial withdrawal of government economic-support measures. Excluding China, growth is anticipated to unfold at a more modest 4.4%. In the longer term, the outlook for emerging-market and developing economies will likely be dampened by the lasting legacies of the pandemic – erosion of skills from lost work and schooling, a sharp drop in investment, higher debt burdens and greater financial vulnerabilities. Growth among this group of economies is forecast to soften to 4.7% in 2022 as governments gradually withdraw policy support.

Among low-income economies, where vaccination has lagged, growth has been lowered to 2.9%. Setting aside the contraction last year, this would be the slowest expansion in two decades. The group's output level in 2022 is projected to be 4.9% lower than pre-pandemic projections. Fragile and conflict-affected low-income economies have been hardest hit by the pandemic, and per-capita income gains have been set back by at least a decade.

Regionally, recovery is expected to be strongest in East Asia and the Pacific, largely due to the strength of China's recovery. In South Asia, recovery has been hampered by serious renewed outbreaks of the virus in India and Nepal. The Mid East and North Africa and Latin America and the Caribbean are expected to post growth too shallow to offset the 2020 contraction. Sub-Saharan Africa's recovery, while helped by spillovers from the global recovery, is expected to be fragile given the slow pace of vaccination and delays to major investments in infrastructure and the extractives sectors.

The June forecast assumes that advanced economies will achieve widespread vaccination of their populations and effectively contain the pandemic by the year's end. Major emerging-market and developing economies are anticipated to substantially reduce new cases. However, the outlook is subject to considerable uncertainty. A more

persistent pandemic, a wave of corporate bankruptcies, financial stress or even social unrest could derail the recovery. At the same time, more rapid success in stamping out COVID-19 and greater spillovers from advanced-economy growth could generate more vigorous global growth.

Even so, the pandemic is expected to have caused serious setbacks to development gains. Although per-capita-income growth is projected at 4.9% among emerging-market and developing economies this year, it is forecast to be essentially flat in low-income countries. Per-capita income lost in 2020 will not be fully recouped by 2022 in about two-thirds of emerging-market and developing economies, including three-quarters of fragile and conflict-affected low-income countries. By this year end, about 100 million people are expected to have fallen back into extreme poverty. These impacts have been felt the most by the most vulnerable groups – women, children and unskilled & informal workers.

Global inflation, which increased along with the economic recovery, is anticipated to continue to rise over the rest of the year. However, it is expected to hold within the target range for most countries. The World Bank believes that the trend of rising inflation in emerging-market and developing economies may not warrant a monetary-policy response provided it is temporary and inflation expectations stay well-anchored.

A recovery in global trade after the recession last year offers an opportunity for emerging-market and developing economies to bolster economic growth. Trade costs are on average half as much higher in emerging-market and developing economies than in advanced economies, and lowering them could boost trade and stimulate investment and growth. (Source: The World Bank)

Global economic growth is now expected at 5.8% this year, a sharp upward revision from the 4.2% December 2020 Economic Outlook projection for 2021. The vaccine rollout in many advanced economies has been driving the improvement, as has the massive fiscal stimulus by the United States. World GDP growth is expected at 4.4% next year, but global income will still be some \$3 trillion less by end-2022 than was expected before the crisis hit. \$3 trillion is about the size of the entire French economy. (Source: OECD Economic Outlook, May 2021)

Overview of the Indian Economy

After the 2020 huge GDP contraction, economic growth is projected to bounce back in 2021, driven by pent-up demand for consumer and investment goods, before declining in 2022. The dramatic infection upsurge since February has weakened the nascent recovery and may compound financial woes of corporates and banks. As public anxiety over the virus spreads and lockdowns multiply, high-frequency indicators suggest that a marked slowdown may have taken place in the April-June quarter, although the overall annual impact is likely to be muted. Wholesale and retail inflation rates remain elevated, but within the target range of the central bank.

Domestic demand has been on the mend since mid-2020 and near-term prospects were improving until recently. The Purchasing Managers Index points to a recovery of the economy, with recent readings stable at levels above the medium-term average. Merchandise exports and imports surged to record levels in March. Financial markets have attracted considerable foreign portfolio flows, reflecting global trends and sound results, at least for large corporate bodies. Foreign-exchange reserves are close to the all-time record in January, reflecting the central bank's strategy to build a buffer to tide over any possible impact of the unwinding in advanced economies of their anti-pandemic measures.

Even before the new COVID-19 flare-up, some weaknesses were emerging, especially in services where demand is still well below normal. Recent mobility data, including freight-rail traffic, as well as non-mobility indicators such as electricity consumption and e-way bill generation, indicate a weakening recovery momentum. The unemployment rate was volatile in the six months to March 2021, before rising in April, and city lockdowns are spurring waves of return migration to rural areas. Inflation fears are mounting, stoked by prices of vegetables growing fast due to supply-chain disruptions and firming fuel prices.

In 2020, monetary easing, supportive financial regulation and fiscal support were deployed to counter the recessionary effects of the lockdown. Policy fine-tuning is now underway in each area. According to the 2021 Union Budget, the central government deficit is expected to fall to 6.8% of GDP, from 9.5% in FY20-21, with conservative assumptions of nominal GDP growth and revenue. Most of the improvement is cyclical. Following the steep increase in FY20-21, the overall public debt-to-GDP ratio is set to fall slightly to 93% in FY21-22. So far this year, the RBI Monetary Policy Committee has kept the repo rate unchanged at 4%, while signalling its intention of maintaining an accommodative stance as long as necessary. Given the risks to the pace of the recovery,

the central bank is projected to delay any rate increase to mid-2022. The cash-reserve ratio was raised to 4%, while significant sovereign-bond purchases have been announced.

Some structural reforms are envisaged. An asset-reconstruction company and an asset-management company will be set up to take over stressed debt and manage and dispose of impaired assets. The privatisation programme is to be accelerated – including two public-sector banks and one general insurance company – although the difficulties in concluding the long-delayed sale of Air India suggest that the goal of obtaining \$24 billion this year (0.8% of GDP) is ambitious. The reform of agriculture markets, aimed at supporting synergies between farmers and agri-business, has been halted as negotiations between government and farmer organisations remain suspended. The proposal to allow industrial conglomerates to own banks and participate in privatisation, on the other hand, should be considered with great caution.

India is projected to be the fastest-growing G-20 economy in 2021 – but also the one which is the furthest away from its pre-crisis GDP trend. Pent-up demand for consumer durables and exports of manufacturing goods and services will turn out to be favourable, but other components will be far less supportive. Notwithstanding the pressing need to upgrade physical and human infrastructure, as well as greater allocations to capital expenditure and the expansion of the production-linked incentives scheme to sectors other than large-scale electronics manufacturing, weak investment is set to persist. Profit margins in the banking sector are likely to decline, in particular for state banks that may see both impaired loans and credit costs soaring, following the lifting of the moratorium relief to borrowers. Input-cost pressures may push inflation beyond the policy-target band.

In 2020, poverty and informality increased and the ranks of the middle class plummeted, in both cases undoing several years of progress. Other negative consequences of the pandemic have been the surge in the number of school dropouts, heightened child malnutrition due to the suspension of the cooked-meal programme, and of the mid-day school-meal scheme in particular, and more than 150,000 estimated additional child and maternal deaths. Better targeting of energy and fertiliser subsidies, as well as an overhaul of tax expenditures, would free resources for pro-poor fiscal policies. Several states have either recently adopted or are contemplating policies to reserve private-sector jobs for local residents, but absorbing more than 10 million young Indians who join the labour market each year requires first and foremost a pick-up in job-generating investments. Improving the business climate will be crucial. With the share of banking assets that are non-performing expected to shoot up well above 10%, it will be especially important to apply the 2016 bankruptcy code in a consistent, transparent and fast way. (Source: OECD Economic Outlook, May 2021)

The IMF forecasts the Indian economy to grow 12.5% in FY22 and 6.9% in FY23, better than that of China, the only major economy with a positive growth rate last year in the midst of the Covid-19 pandemic. India's GDP contracted 8% in FY21. While China was the only major economy to record growth in 2020 (2.3%), it is expected to lag India in terms of economic expansion; its economy is projected to grow 8.6% in 2021 and 5.6% in 2022.

Industry Overview: Securities Trading

India's market cap-to-GDP ratio witnessed a rise from 54% in 2008 to 76% in 2019, compared to 93% for the overall global equity market (source: World Bank). This shows a scope for further expansion of the India's market cap, driven by both GDP growth as well as an increase in the market cap-to-GDP ratio. With GDP growth expected to gradually pick up, increasing formalisation of economy and more entities from newer segments getting listed (insurance companies, ecommerce service providers), India's market capitalisation to GDP ratio is likely to increase further in next few fiscals. As the covid vaccination drive picks up pace across the globe, the world economy is set to return to the growth path (+5.5% in CY21E) with India expected to lead the growth revival with a double-digit expansion of 11.5% in FY22. Improvement in global macroeconomic factors and monetary/fiscal stimulus by central banks/governments will continue to supply liquidity in global equity markets and support economic recovery over the next couple of years. The IPO market in India has also been buoyant recently with a number of marquee IPOs expected to hit the market this year.

The Indian commodity market went through structural changes in FY19 when the universal exchange principle came into effect with the commencement of commodity trading on the BSE and NSE in October 2018. Commodity market turnover increased by 24.8% from ₹74.3 lakh crore in FY19 to ₹92.6 lakh crore in FY20.

Despite the economy slipping into recession and all activity coming to a standstill for a few months due to the Covid-19 pandemic, markets registered their best financial year performance in a decade. In FY21, the S&P BSE Sensex and Nifty50 have rallied 68% and 71%, respectively.

The rally has been partly on account of strong foreign inflows on expectation of improvement in the economy after a stringent pandemic-triggered lockdown for a few months in FY21. Accommodative monetary policies of global central banks, especially the US, ensured emerging markets, including India, remained flushed with funds all through the year.

A comparison of BSE Sensex with 10 major world indices across nine countries shows that it has been the best performing in the current financial year (till March 29, 2021). On a year-on-year basis, the growth (increase) seen in FY2021 is the highest in the past decade and sixth best since the index's inception (1980).

During the year, foreign portfolio investors (FPIs) pumped in a record \$37 billion (Rs 2.74 trillion) into equities (up to March 26), which is the highest since FY13, data from the National Securities Depository Limited (NSDL) show. On the other hand, domestic mutual funds recorded a net outflow of Rs 1.25 trillion and became net sellers for the first time since FY13.

As a result, from its March 2020 low of 25,639, the S&P BSE Sensex climbed to an all-time high of 52,517 points on February 16, 2021 while the Nifty 50 scaled a record high of 15,432. Rising bond yields and oil prices created some panic, but the long-term outlook for equities still remains strong. Given the abundant liquidity, speedy rollout of Covid-19 vaccines, and consequent signs of economic recovery, Nifty earnings are expected to grow by a high single-digit in FY21.

Another key driver of the market rally has been retail investors, which not only pushed frontline benchmarks to new highs but also triggered an upswing in the mid-and small-cap indices during the year. The gains in mid-and small-caps have, in fact, been sharper with both the indices rallying 91% and 115%, respectively on the BSE.

With monetary easing in the US and other major countries lowering interest rates, Indian equity markets also saw the highest foreign investment in its history (Rs 2,74,108 crore till March 30) during 2020-21. The rise in equity markets as well as lower prevalent saving interest rates in the banks also facilitated larger participation from domestic retail investors as new demat accounts, a good proxy for individuals trading in stock markets, grew by around 115% till January, the highest in the past decade.

Sector sub-indices till March 30 show that firms in sectors such as metals, basic materials and industrials have seen the most growth in share prices in the last year. While every sub sector index has shown a positive growth (on account of lower base), comparison with their five-year growth shows that fewer sectors have actually performed well on a longer-term basis. The metal index gained 144% in FY21, as recovery in global economic activity and China's infrastructure spend kept the demand for industrial metals strong. While Automobile, information technology (IT) also logged stellar gains and doubled, real estate, capital goods, power, Nifty Bank and healthcare indices also outperformed and gained between 70% and 94% in FY21.

Industry Overview: E-commerce

India is the world's eighth largest e-commerce market, \$46 billion in 2020. This included online sales of physical goods to private consumers (B2C) but excluded digitally-distributed services (sale of travel tickets, digital media, B2B e-commerce and online sales between individuals, C2C). India's largest e-commerce operator is Amazon.IN (2020 revenue: \$1.1 billion), followed by BigBasket.com (\$668 million) and Grofers.com (\$492 million).

E-commerce in India can be classified into five broad categories. Electronics & media, the largest, accounts for 32% of e-commerce revenue, followed by fashion with 29%, food & personal care with 23%, toys, hobby and DIY with 11%, and furniture & appliances, 6%.

The share of e-commerce is projected to increase from 4% of retail (food and grocery, apparel and consumer electronics) trade in 2020 to 8% by 2025 in India. E-commerce order volumes increased 36% in the last quarter of 2020. The biggest beneficiaries of this increase were the personal care, beauty and wellness (PCB&W) categories.

The Indian e-commerce market expanded 39% in 2020 compared to 26% for world e-commerce. India has attained an e-commerce penetration of 36%, i.e. 36% of its population bought something online in 2020.

With new markets emerging and further deepening of existing markets, global e-commerce is expected to record robust growth in the next few years with East, Southeast and South Asia seen as leading drivers following an expanding middle class and rising disposable incomes.

India's e-commerce festival sales season (from 15th October to 15th November in 2020) recorded gross sales for brands and sellers of Rs.58,000 crore (\$8.3 billion), up 66% from Rs.35,000 crore (\$5 billion) last year. Similarly, the Indian e-commerce market registered ~88 million users in the festival season CY20, a significant 87% jump over the previous festival season.

The Indian e-retail market is expected to continue its strong growth - it registered more than a 35% CAGR to Rs.1.8 trillion (\$25.75 billion) in FY20. In the next five years, the Indian e-retail segment is projected to exceed ~300-350 million shoppers, propelling the online Gross Merchandise Value (GMV) to \$100-120 billion by 2025.

According to a Bain & Company report, India's social commerce GMV was ~\$2 billion in 2020. By 2025, it is expected to be \$20 billion, with a potentially monumental jump to \$70 billion by 2030, owing to high mobile usage.

Huge investments from global players—such as Facebook, which is investing in Reliance Jio—are being recorded in the e-commerce market. Google also reported its first investment, of \$4.5 billion on Jio Platforms. This deal was followed by the purchase of the Future Group by Reliance Retail, expanding the presence of the Reliance Group in e-commerce arena.

Much of the growth in the industry has been triggered by increasing internet and smartphone penetration. As of September 2020, the number of internet connections in India significantly increased to 776.45 million, driven by the 'Digital India' programme. Of the internet connections, ~61% were in urban areas, of which 97% were wireless.

Smartphone shipments to India touched 150 million units and 5G smartphone shipments crossed 4 million in 2020, driven by high consumer demand during and after the covid-led lockdown. Samsung led the Indian smartphone market with a 24% shipping share, followed by Xiaomi at 23%. Smartphone use in India is expected to rise 84% to 859 million by 2022.

The e-commerce segment has been directly impacting micro, small & medium enterprises (MSME) in India by providing means of financing, technology and training and has a favourable cascading effect on other industries as well. Indian e-commerce has been on an upward growth trajectory and is expected to surpass the US to become the second largest e-commerce market in the world by 2034. Technology-enabled innovations such as digital payments, hyper-local logistics, analytics-driven customer engagement and digital advertisements are likely to support growth in the sector. The growth in e-commerce will also boost employment, increase revenues from export and tax collection by exchequers, and provide better products and services to customers in the long term.

India's e-commerce market is poised to grow 84% to \$111 billion by 2024 following the accelerated adoption of digital technologies amid the Covid-19 pandemic, a report by fintech firm, FIS, said. The report noted that countries, including India, have seen a shift in consumer behaviour caused by Covid-19, and new payment trends are shown to be on the rise. FIS, in its 2021 Global Payments Report, examined current and future payment trends across 41 countries. India's e-commerce market is projected to grow 84% between now and 2024 to about \$111 billion (from about \$60 billion in 2020) driven by mobile shopping, which is projected to grow 21% annually in the next four years, the report said. Digital wallets (40%) followed by credit and debit cards (15% each) were the most popular online payment methods in 2020. Also, digital-wallet purchases are expected to increase its market share of online payments by 2024 to 47%. Besides, 'Buy Now, Pay Later' emerged as the fastest-growing online-payment method in India. While it is only 3% of the market now, it is projected to increase to 9% by 2024 based on the analysis in the report. E-commerce capability is no longer limited to just traditional websites, while physical retail has blended with the digital world. Players positioning themselves with digital-payment capabilities will be well-set to capture the next wave of growth in the retail and e-commerce markets in India.

The report also forecast that the Point of Sale (PoS) market in India would increase by 41% between now and 2024 to \$1,035 billion. The most popular in-store payment method is cash, at 34%, followed by digital wallets (22%) and debit card payments (20%). The report projected that digital wallets will overtake cash as the most popular in-store payment method by 2024, accounting for 33% of payments. The e-commerce market in the Asia-Pacific region is expected to grow 13% per annum until 2024, with the highest growth in developing countries. While China has very high e-commerce penetration and high growth, below-average growth is seen in Thailand, Hong Kong, Taiwan and South Korea. High-growth markets include Indonesia, India, Malaysia and the Philippines with over 14% growth rates, while less-mature, low-growth markets are Japan, New Zealand, Singapore and Australia, per the report.

The Indian e-commerce sector, now growing robustly, is expected to overtake the US to become the world's second-largest e-commerce market in the world by 2034. Indian e-commerce is estimated to strike a 27% CAGR to \$99 billion by 2024 (\$30 billion in 2019) according to the EY-IVCA Trend Book 2021. Key drivers would be the grocery and fashion/apparel sub-segments. The online grocery market is forecast to clock a 57% CAGR (from \$1.9 billion in 2019 to \$18.2 billion in 2024). The report revealed that India will have 220 million online shoppers in India by 2025. Retail penetration is expected to be 10.7% by 2024, contrasted with 4.7% in 2019. It stated that the government is aiming to build a trillion-dollar online economy by 2025, through its Digital India programme. The online retail market in India is estimated at 25% of the formal retail market and is expected to touch 37% by 2020-27. The increase in online users has been seen across various segments coming from tier-2 and -3 cities. This could serve as a great market for native startups to tap into. The report said that the rise of technology adoption among small and medium businesses is also expected to drive growth of native digital startups. With small merchants increasingly implementing online payments and mobile channels, they are also exploring collaborations with technology-driven startups. Simultaneously, various government initiatives (Start-up India, Digital India, Skill India, Innovation Fund, BharatNet) aim to digitise the traditional offline market and boost the e-commerce sector.

According to the EY-IVCA Trend Book 2021, various regulatory reforms such as new draft e-commerce policy, the national retail policy and consumer protection rules 2020 showcase the government's inclination toward building this sector further. It added that the rapid increase in internet users has attracted new budding entrepreneurs to set up establishments coming up with innovative pricing and stocking practices (marketplace vs inventory) while traditional operators (brick-and-mortar stores) are slowly catching up. This has helped in developing B2C e-commerce numerous choices have now been thrown up in terms of brands, faster delivery, discount offers, personalisation, digital payment options, cash on delivery, and easy returns.

The report stated that companies are creating an omni-channel presence, blending online shopping and offline retail to overcome trust issues of customers. Leading e-tailers in India are planning to open brick-and-mortar stores. Digital B2C companies have invested in creation of brands, which attract the young millennial crowd consisting of most online shoppers, who tend to be more brand-conscious. These companies are forming innovative product bundles aligned to the needs of customers and, thus, ensuring greater customer engagement.

The rise of B2C e-commerce

The influx of capital in B2Cs has also been significant, primarily to support supply chains, global expansion, acquisitions and to bring innovative products to the market. The report revealed that the growing B2C e-commerce is attracting much attention and key investments from international companies. In the next phase of e-comm, a surge of demand is expected from tier-2 and -3 cities and towns in India, bringing in the next hundreds of millions of consumers. A new wave of investments in this sector in both B2B and B2C are creating a huge gig economy with several sub-sectors emerging as innovation drives storefronts, local commerce, e-commerce infra and payments.

Some key investments in B2C in 2020: \$90 million in interior-designer marketplace LiveSpace and \$52 million in online grocery platform BigBasket. Key investors include Venturi Partners, Bessemer Venture Partners, Goldman Sachs, TPG Capital, the CDC Group and Alibaba.com India. In 2020, e-commerce and consumer internet companies raised more than \$8 billion in PE/VC across more than 400 deals (excluding the Jio Platform investment) giving rise to nine unicorns. Edtech and hyperlocal segments led the investment, together accounting for over 40% of 2020 investments and clocking 5x and 2x growth in funding value, respectively, over 2019.

Policy environment and government initiatives

The government of India's policies and regulatory frameworks such as 100% Foreign Direct Investment (FDI) in B2B e-commerce and 100% FDI under the automatic route under the marketplace model of B2C e-commerce are expected to further propel growth in the sector. According to the new FDI policy, online entities through foreign investment cannot offer the products which are sold by retailers in which they hold equity stake.

On 15th February 2020, the government e-marketplace (GeM) listed 1,071,747 sellers and service providers for more than 13,899 product and 176 service categories. For the financial year 2020-21, government procurement from micro and small enterprises was worth Rs.23,424 crore (\$3.2 billion).

Through its Digital India campaign, the government of India aims to create a trillion-dollar online economy by 2025. It has instituted a steering committee to look into developing a government e-commerce platform. Set up by the Ministry of Commerce, the committee will oversee policy for the Open Network for Digital Commerce (ONDC), an e-commerce platform backed by the government for the development. The ONDC will serve as the infrastructure to set up a final storefront, similar to Flipkart and Amazon.

Some of the major developments in Indian e-commerce are

- In April 2021, Flipkart announced a commercial alliance with the Adani Group to improve the company's logistics and data-centre abilities and create about 2,500 direct jobs.
- In April 2021, Flipkart announced acquiring Cleartrip, an online travel-technology firm, purchasing 100% equity in Cleartrip, as it expands its investments to broaden its digital-commerce offerings.
- In April 2021, Kirana-commerce platform ElasticRun raised \$75 million in a round led by existing investors, Avataar Venture Partners and Prosus Ventures.
- In March 2021, Amazon acquired Bengaluru retail tech start-up Perpule for Rs.107.6 crore (\$14.5 million).
- In March 2021, Purplle, an online beauty store, raised \$45 million from Sequoia Capital India, Verlinvest, Blume Ventures and JSW Ventures.
- In March 2021, Captain Fresh, a B2B marketplace for seafood, raised \$3 million in seed capital, led by Matrix Partners India and Ankur Capital.
- In March 2021, the Confederation of All-India Traders (CAIT), representing 80 million traders and 40,000 trader associations, announced the launch of a mobile app for its e-commerce portal 'Bharat E-market'. The confederation aims to pull in more small traders to sell online easily through smartphones.
- In February 2021, Flipkart partnered with the Maharashtra State Khadi & Village Industries Board and the Maharashtra Small-Scale Industries Development Corporation to bring local artisans and small and medium businesses into the e-commerce ecosystem.
- In February 2021, Zomato entered into an agreement with the Ministry of Housing and Urban Affairs (MoHUA) to introduce 300 street-food vendors to its portal.
- In February 2021, Flipkart Wholesale, the digital B2B marketplace of the Flipkart Group offered grocery on its app to provide kirana and small retailers a one-stop access to a wide selection of products.
- In February 2021, Udaan, a B2B e-commerce firm, announced expanding warehouse capacity 5x, to 50 million sq. ft., in several states in the next 7-8 years.
- In January 2021, Flipkart introduced SuperCoin Pay to strengthen its SuperCoin rewards programme by allowing customers to pay through SuperCoins at more than 5,000 retail outlets across the country.
- In January 2021, The Khadi and Village Industries Commission (KVIC) unveiled eKhadiIndia.com, an e-commerce portal, which will offer more than 50,000 products, ranging from apparel to home décor.
- In January 2021, the B2B e-commerce platform, Udaan, raised \$280 million (~Rs.2,048 crore) in additional financing from new investors, Octahedron Capital and Moonstone Capital. Prior to this, in October 2019, it raised \$585 million (~Rs.4,280 crore) from Tencent, Altimeter, Footpath Ventures, Hillhouse, GGV Capital and Citi Ventures. It is likely to deploy the latest fund on continued market creation of B2B e-commerce in India and digitise more small businesses across the country.
- In October 2020, Flipkart partnered with PayTM for its annual Big Billion Days Sale, offering customers the convenience of making payments directly through the latter's application with the bonus of PayTM cashbacks over and above Flipkart discounts.
- In November 2020, Infibeam Avenues signed a contract with Oman's second-largest bank, the Bank of Muscat, to process the bank's online card transactions of various payment networks through its digital payment solution, CCAvenue Payment Gateway Service.
- In November 2020, Amazon India announced collaboration with Hindustan Petroleum Corporation. Under this partnership, customers will be able to book and pay for LPG cylinders on delivery.

- In November 2020, Amazon India opened a 'Made in India' toy store, in line with the government's 'AtmaNirbhar Bharat' vision. The store will allow thousands of manufacturers and vendors to sell toys driven by Indian culture, folk tales and those that promote creative thinking and are locally crafted and manufactured.

Since 2014, the government of India has announced various measures: Digital India, Make-in-India, Start-up India, and Skill India & Innovation Fund. The timely and effective implementation of such programs will support e-commerce growth in the country. Some of the major initiatives taken by the government to promote e-commerce in India are

- On 15th February 2020, the government e-marketplace (GeM), listed 1,071,747 sellers and service providers for more than 13,899 product and 176 service categories. For the financial year 2020-21, government procurement from micro and small enterprises was worth Rs.23,424 crore (\$3.2 billion).
- To systematise the onboarding of retailers on e-commerce platforms, the Department for Promotion of Industry and Internal Trade (DPIIT) is reportedly planning to utilise the Open Network for Digital Commerce (ONDC) to set protocols for cataloguing, vendor discovery and price discovery. The Department aims to provide equal opportunities to all marketplace players to make optimum use of the e-commerce ecosystem in the larger interest of the country and its citizens.
- National Retail Policy: The government had identified five areas in its proposed national retail policy: ease of doing business, rationalisation of the licensing process, digitising of retail, focus on reforms and an open network for digital commerce, stating that offline retail and e-commerce need to be administered in an integral manner.
- The Consumer Protection (e-commerce) Rules, 2020, notified by The Consumer Affairs Ministry in July directed e-commerce companies to display the country of origin alongside product listings. Besides, they would have to reveal the parameters that go into determining product listings on their platforms.
- In October 2019, the GeM signed a Memorandum of Understanding (MoU) with the Union Bank of India to facilitate a cashless, paperless and transparent payment system for an array of services.
- Under the Digital India movement, the government launched various initiatives such as Umang, the Start-up India portal, Bharat Interface for Money (BHIM), etc. to boost digitisation.
- In October 2020, the minister for Commerce and Industry, Mr Piyush Goyal invited start-ups to register at the public procurement portal, GeM, and offer goods and services to government organisations and PSUs.
- In October 2020, amending the equalisation levy rules of 2016, government-mandated foreign companies operating e-commerce platforms in India would have permanent account numbers (PAN). The government imposed a 2% tax in the FY21 budget on the sale of goods or delivery of services through a non-resident e-commerce operator.
- To increase participation of foreign operators in e-commerce, the Indian government hiked the limit of FDI in e-commerce marketplace model to up to 100% (in B2B models).
- Heavy investment made by the government in rolling out a 5G fibre network will help boost e-commerce in India.

References (for the Industry Overview): e-commerce DB; IBEF; ET Retail.com; The Economic Times

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read “Risk Factors” on page 20, for a discussion of the risks and uncertainties related to those statements, as well as “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 69 and 94, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Restated Financial Statements.

Our Company was incorporated as “Yogya Enterprises Limited” on 16th September 2010 under the Companies Act, 1956 and vide a certificate of incorporation dated 16th September 2010 and certificate of commencement of business dated 15th October 2010 issued by Assistant Registrar of Companies, National Capital Territory of Delhi & Haryana. Subsequently, the name of company was changed to “HKG Limited” vide fresh Certificate of Incorporation dated 16th October 2019 issued by Registrar of Companies, Delhi. The corporate identification number of our Company is L51909MH2010PLC340313.

In the year 2019, our company was acquired by its current promoters – Mr. Yatin Bhupendra Shah (“Acquirer”) along with HKG Money Tech Private Limited (formerly called IG Financial Services Pvt Ltd) (“Person Acting in Control”) from its former promoters – Mr. Rajeev Gupta and Yogya Infrastructure Ltd pursuant to a Share Purchase Agreement dated July 17, 2019 and an Open Offer from August 30, 2019 to September 16, 2019 (both dates inclusive).

Our company has been involved in the business of trading of shares and securities and the majority of our revenue has been from the trading in shares and securities. After the above acquisition, we also started taking keen interest in the business of creating and managing various web portals in order to foray into e commerce industry. We aspire to connect small businesses and empower them to grow through the use of our web interfaces and services. Our vision is to make web interface service accessible to every small business and enable them to grow manifold.

Our company has been developing the following web portals:-

1. **HKG Money:** HKG Money is an online platform that provides information related to capital markets, finance and investment. Address of the web portal is www.hkgmoney.com. This portal is under development.
2. **Mera Style:** Mera Style is an online fashion boutique for women. Envisaged with the aim of creating in-vogue collection of Indian & Western wear for women, we combine the finest of the clothing trends with our experience and expertise in fashion industry, to bring a wide-ranging, best-in-class, designer assemblage of casual, formal, party and bridal wear for women. The portal displays a collection of designer sarees, suits, lehengas, evening gowns, patialas, western tops, kurtis and much more. Address of the web portal is www.merastyle.in. This portal is under development.

Further, our company has also received the marketing rights for the following web portals:-

1. **Area Online:** Area online is an online business platform for entrepreneurs, small business owners and starts ups. It is easily accessible through website and mobile application (Android, IOS). The company provide social media links, digital page (with editing rights to the customers) payment gateway at lowest annual subscription. Address of the web portal is www.areaonline.in.
2. **My RERA:** My RERA (Real Estate Rating Agency) is a one-stop information repository for real estate industry in Maharashtra, India. It offers information, reviews and ratings on properties, real estate brokers / agents and builders registered and listed on our portal. We aim to bring the customers, agents and builders on our unified platform and enable them to boost their visibility and worth. It intends to leverage the review economy and help real estate agents and builders transform the real estate sector into a more transparent and digitized one. Address of the web portal is www.myrera.in.

3. **My Locker:** My Locker is a web portal to store and manage documents. It is a cloud-based platform which keeps all the files safe. Address of the web portal is www.mylocker.co.in.

SWOT Analysis of our company

Strength

- Variety of web products across different categories and the response to our online initiatives is commendable.
- Focus on having continuous innovation and new technology interference development.
- Strong emphasis on digital-efficiency.
- Technology Advance / Innovation in Real Estate Sectors.

Weakness

- Management is young and are in the process of gaining more experience.
- Availability of skilled employees to maintain the smooth functioning of our operations.

Opportunity

- There is a wide range of web-based services that can be created and which will help to boost the dynamics in the company.
- There is a growing demand in digitalization due to boom in internet availability and technology.

Threats

- Disruption in the web technology space.
- Regulations or policies of government or big companies which could affect the availability of open and free internet.

Collaborations

As on the date of this Draft Letter of Offer, we have not entered into any technical or other collaboration arrangements.

Human Resources

We believe our employees are one of our most important assets and critical to maintaining our competitive position in our industry. As on May 31, 2021 we had 7 full time employees. We are in the process to include more talent into our company.

Insurance

We have not availed any insurance policies as on the date of this Draft Letter of Offer.

Capacity and Capacity Utilization

We are engaged in internet related business and activities. Therefore, any data relating to capacity and capacity utilization is not applicable to our Company.

Intellectual Property

Trademark:

Our Company has not applied for trademarks or logo registration as on the date of this Draft Letter of Offer.

Property

We carry out business operations from the following property(ies):

Leasehold property:

Sr. No.	Particulars of the Property	Usage	Licensor
1.	C-Wing, Ground Floor and First Floor, Madhuban CHS Ltd, CTS No. 53, New Sai Baba Nagar, Opp. Dev Nagar, Kandivali West, Mumbai – 400 067, Maharashtra, India.	Registered Office	Mrs. Varsha Kasmukh Mehta and Mr. Rushabh Hasmukh Mehta

OUR MANAGEMENT

Our Board of Directors

As on date of this Draft Letter of Offer, we have six (06) Directors on our Board, which includes, one (01) Managing Director, one (01) Whole-time Director, two (02) Non-Executive Non-Independent Directors and two (02) Independent Directors, including a woman director.

Set forth below are details regarding our Board as on the date of this Draft Letter of Offer:

Sr. No.	Particulars	Age	Other Directorships / Designated Partner
1.	Meet Paresch Shah DIN: 08800947 Date of Birth: 11 March 1990 Designation: Managing Director Address: Nagar Niwas Building, 5 th Floor, Room No. 72, 6/8 Anantwadi, Near Adarsh Baug Hotel, Kalbadevi, Mumbai, Maharashtra – 400 002 Occupation: Head of Business Development in HKG Ltd Term: 5 years Nationality: Indian	31	i. Growthcap Trading LLP* <i>*the LLP has a defaulting status as per MCA website.</i>
2.	Mr. Hardik Manoj Shah DIN: 06843854 Date of Birth: 06 December 1990 Designation: Executive Director Address: B-1003, Gokul Society, Opp. Dev Nagar, New Sai Baba Nagar, Kandiwali West, Mumbai, Maharashtra – 400 067 Occupation: Head of Finance in HKG Ltd Term: Retire by Rotation Nationality: Indian	30	i. Book Your Dealer Services Private Limited ii. Katifes Capital Advisors LLP* <i>*the LLP has a defaulting status as per MCA website.</i>
3.	Mr. Deependra Vedprakash Shukla	33	Nil

	DIN: 09121916 Date of Birth: 03 February 1988 Designation: Non-Executive Non-Independent Director Address: A/303, Om Sai Milan Apartment, Central Park, Baba Sankul, Ostwal Nagari, Vasai, Palghar, Maharashtra – 401 209, India Occupation: Head of Finance in HKG Ltd Term: Retire by rotation Nationality: Indian		
4.	Mr. Advait Ramesh Koti DIN: 09181915 Date of Birth: Designation: Non-Executive Non-Independent Director Address: Flat No. 1701, Tower B Aquaria Grande, Devidas Road, Near Shanti Ashram, Borivali West, Mumbai Suburban, Maharashtra – 400 103, India Occupation: Head of Information Technology in HKG Ltd Term: Retire by rotation Nationality: Indian	26	Nil
5.	Ms. Shikha Mukesh Shah DIN: 08940235 Date of Birth: 04 August 1993 Designation: Non-Executive Independent Director Address: D-6, Room No. 17, Bhadran Nagar, SV Road, Behind NL High School, Malad (West), Mumbai, Maharashtra – 400 064	27	Nil

	Occupation: Service Term: 5 years Nationality: Indian		
6.	Mr. Hemang Hasmukhrai Shah DIN: 07953299 Date of Birth: 22 June 1993 Designation: Non-Executive Independent Director Address: A-102, Jay Ganesh Krupa Co. Op. Housing Society, Anand Nagar, Near K.T. Vision, Vasai West, Thane – 401 202, Maharashtra, India Occupation: Service Term: 5 years Nationality: Indian	28	Nil

Brief Biographies of our Directors

Mr. Meet Paresh Shah, aged 31 years, is the Managing Director of our Company. He holds a bachelor's degree in Financial Markets (BFM) from Mumbai University with an experience of 12 years in the field of trading and marketing in financial market. He joined our company on August 05, 2020.

Mr. Hardik Manoj Shah, aged 30 years, is an Executive Director of our company. He holds master's in business administration (MBA) from Fostiima Business School of Pondicherry. He was also a SEBI registered investment advisor providing Finance advisory services to domestic, international institution and individual clients. He holds an experience of 6 years while focusing on financial markets, management consultancy and corporate advisory. He joined our company on January 14, 2020.

Mr. Deependra Vedprakash Shukla, aged 33 years, is a Non-Executive Non-Independent Director of our Company. He has done BSc IT from Mumbai University. He holds an experience of 12 years in the field of Information Technology. He joined our company on March 25, 2021.

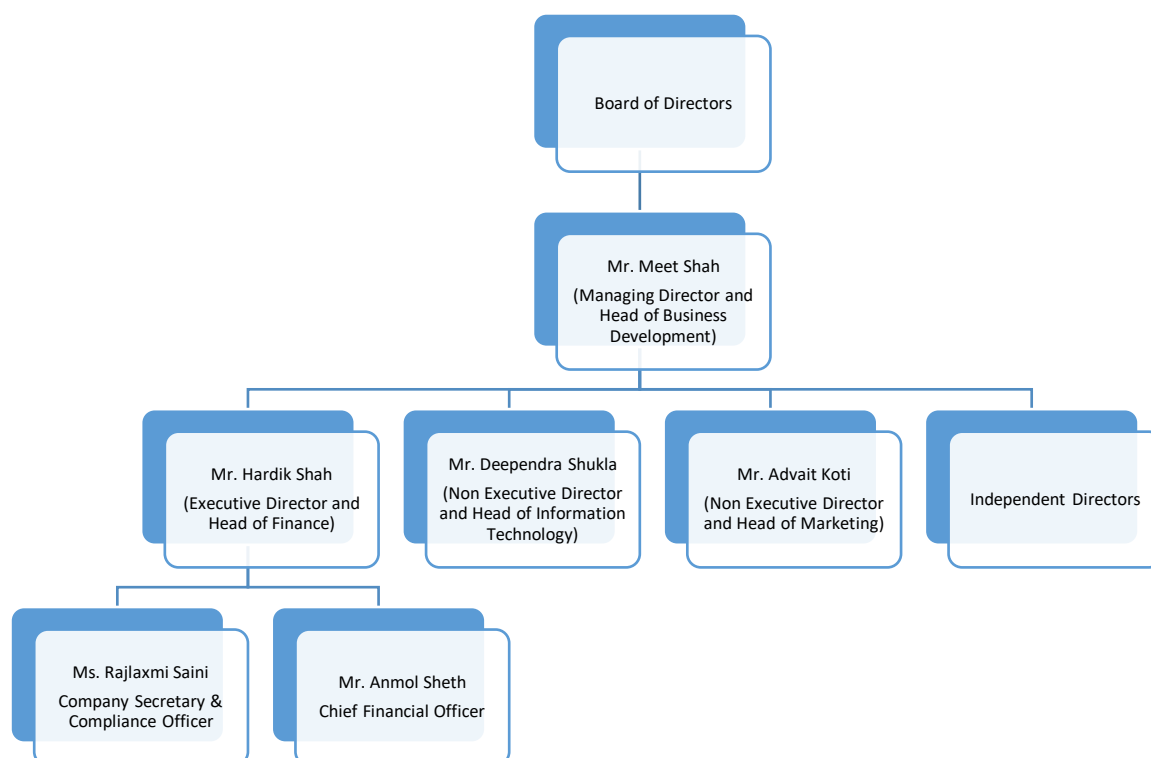
Mr. Advait Ramesh Koti, aged 26 years, is a Non-Executive Non-Independent Director of our Company. He holds a master's degree in business (marketing) from the University of Wollongong, Australia. He had also written thesis on CSR and its effects on the luxury hospitality business. He has 2 years of experience in the field of public relations and marketing. He joined our company on June 03, 2021.

Mr. Hemang Hasmukhrai Shah, aged 27 years, is an Independent Director of our Company. He holds a master's degree in commerce from Mumbai University. He has 5 years of experience in financial markets. He joined our company on June 29, 2020.

Ms. Shikha Mukesh Shah, aged 27 years, is an Independent Director of our Company. She holds bachelor's degree of commerce (B.Com) from Mumbai University and have passed intermediate level of Company Secretary course of the Institute of Company Secretaries of India. She has 6 years of experience in the field of corporate compliance. She joined our company on October 29, 2020.

Management Organization Structure

Set forth is the organization structure of our Company:



Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI (ICDR) Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- a) Audit Committee;
- b) Stakeholders' Relationship Committee; and
- c) Nomination and Remuneration Committee.

Details of each of these committees are as follows:

a. Audit Committee

Our Audit Committee was last reconstituted by our Board of Directors in their meeting held on 01 July 2021 with the following members forming a part of the said Committee:

Sr. No.	Name of Member	Designation
1.	Mr. Hemang Shah	Chairperson
2.	Ms. Shikha Shah	Member
3.	Mr. Deependra Vedprakash Shukla	Member

The Company Secretary acts as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

1. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval with particular reference to Matters required to be included in the Director's Responsibility Statement, changes, if any, in accounting policies and practices and reasons for the same, Major accounting entries involving estimates based on the exercise of judgment by management, Significant adjustments made in the financial statements arising out of audit findings, Compliance with listing and other legal requirements relating to financial statements, Disclosure of any related party transactions and Qualifications in the draft audit report;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders in case of non-payment of declared dividends and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
21. Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
22. Reviewing the statements of significant related party transactions submitted by the management;
23. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and ensuring suitable follow-up thereon;
24. Reviewing internal audit reports relating to internal control weaknesses;
25. Reviewing the appointment, removal and terms of remuneration of the internal auditor of the Company; and
26. Reviewing statement of deviations
 - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1),
 - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

As required under the SEBI Listing Regulations, the Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings and the quorum for each meeting of the Audit Committee shall be two members or one third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

b. Stakeholders Relationship Committee

Our Stakeholders Relationship Committee was last reconstituted on 01 July 2021. The members of the said Committee are as follows:

Sr. No.	Name of Member	Designation
1.	Ms. Shikha Shah	Chairperson
2.	Mr. Hemang Shah	Member
3.	Mr. Deependra Shukla	Member

The Company Secretary acts as the secretary of the Stakeholders Relationship Committee.

The scope and function of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders Relationship Committee of our Company include:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

As required under the SEBI Listing Regulations, the Stakeholders Relationship Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the security holders. The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater, including at least one independent director in attendance.

c. Nomination and Remuneration Committee

Our Nomination and Remuneration Committee last reconstituted by our Board of Directors in their meeting held on 01 July 2021 with the following members:

Sr. No.	Name of Member	Designation
1.	Ms. Shikha Shah	Chairperson
2.	Mr. Hemang Shah	Member
3.	Mr. Deependra Vedprakash Shukla	Member

The Company Secretary acts as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal;
2. To carry out evaluation of every Director's performance;
3. To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
4. To formulate the criteria for evaluation of Independent Directors and the Board;
5. To devise a policy on Board diversity;
6. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
7. To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme;
8. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
9. To perform such other functions as may be necessary or appropriate for the performance of its duties; and
10. To recommend to the board, all remuneration, in whatever form, payable to senior management.

As required under the SEBI Listing Regulations, the Nomination and Remuneration Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the shareholders. The quorum for each meeting of the said committee shall be either two members or one-third of the members of the committee whichever is greater, including at least one independent director in presence.

Our Key Managerial Personnel

In addition to our Whole-time Director, whose details have been provided under paragraph above titled '*Brief Profile of our Directors*', set forth below are the details of our Key Managerial Personnel as on the date of filing of this Draft Letter of Offer:

Mr. Anmol Nimesh Sheth, aged 25 years, is the Chief Financial Officer of our Company. He is pursuing his master's degree in commerce from Mumbai University. He has 4 years of experience in financial markets. He joined our company on December 19, 2020.

Ms. Rajlaxmi Saini, aged 26 years, is the Company Secretary and Compliance Officer of our Company. She holds bachelor's degree in commerce from Mumbai University. She is an Associate member of the Institute of Company Secretaries of India. She has 3 years of experience in corporate compliances. She joined our company on September 07, 2019.

All our Key Managerial Personnel are permanent employees of our Company.

Relationship of Key Managerial Personnel with our Directors, Promoter and / or other Key Managerial Personnel

None of the key managerial personnel are related to each other or to our Promoter or to any of our Directors.

OUR PROMOTERS

Our Promoters are Mr. Yatin Bhupendra Shah and M/s HKG Money Tech Private Limited (formerly called IG Financial Services Pvt Ltd).

A. Mr. Yatin Bhupendra Shah

Mr. Yatin Bhupendra Shah is a commerce graduate from University of Mumbai and a stock market veteran. He is one of the promoters of HKG Ltd. In the initial phase of his career, for over six years he worked with Shriram Mutual Fund, where he was instrumental in evolving its investment-management philosophy and framework. With a passion for research and stock-picking, he currently manages his family's wealth portfolio. A first-generation entrepreneur, Mr Shah is action-oriented and highly motivated. Leveraging his experience of conceptualising various businesses from scratch, he has achieved expertise in gathering the best of talent from varied fields and in building a strong team, which, in turn, can run businesses professionally. Apart from being connected with the capital market for over 25 years, Mr Shah has vast experience in the fields of real estate, Insurance, information technology and digital marketing.

Mr. Yatin Bhupendra Shah holds directorships in the following companies:-

- a. Loko Securities Private Limited
- b. Karnee Investments Pvt Ltd
- c. Area Online Services India Private Limited
- d. Book Your Dealer Services Private Limited

B. HKG Money Tech Private Limited

HKG Money Tech Private Limited was incorporated as IG Financial Services India Private Limited on March 08, 2008. The name of the company was changed to its current name vide fresh certificate of incorporation dated 15 June 2021 issued by RoC Mumbai. Registered office of the company is located at C-Wing, Madhuban Building, Opp Dev Nagar, New Sai Baba Nagar, Kandivali (W), Mumbai City, Maharashtra – 400067. CIN of the company is U74110MH2008PTC179825. HKG Money Tech Private Limited renders the trading and investing services to its clients.

Following are the directors of HKG Money Tech Private Limited:-

Sr. No.	Name	DIN	Designation
1.	Manoj Bhupendra Shah	01928687	Director
2.	Rajesh Bhupendra Shah	02057050	Director

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act, and other applicable laws. The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

We have not declared any dividend in the previous five (5) financial years immediately preceding this issue.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last three Fiscals, as per the requirements under the relevant accounting standards and as reported in the Restated Financial Information, see “Restated Financial Information- Notes to Restated Financial Statements- Annexure- VI - Note 25 - Related Party Disclosures” at page 86 of the Restated Financial Information.

SECTION V – FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

To,
The Board of Directors,
HKG Limited,
C Wing, Madhuban Building,
Opp. Dev Nagar New Sai Baba Nagar,
Kandivali West, Mumbai- 400 067

Auditors' Report on Restated Financial Information in connection with the Right Issue of HKG Limited

Dear Sirs,

1. This report is issued in accordance with the terms of our agreement dated May 21, 2021.
2. The accompanying restated financial information, expressed in Indian Rupees, in Lakhs, of HKG Limited (hereinafter referred to as the "Company"), comprising Financial Information in paragraph A below and Other Financial Information in paragraph B below (hereinafter together referred to as "Restated Financial Information"), has been prepared by the Management of the Company in accordance with the requirements of section 62 of the Companies Act, 2013 (hereinafter referred to as the "Act") read with Rule the Companies (Share Capital and Debentures) Rules, 2014 (the "Rules") and Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 68 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and has been approved by the Board of Directors and initialed by us for identification purposes only. For the purposes of our examination, we have placed reliance on the audited financial statements of the Company for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, (all of which were expressed in Indian Rupees), on which other auditors have expressed unmodified audit opinions vide their reports dated June 03, 2021, July 31, 2020 and May 29, 2019 respectively.

Management's Responsibility for the Restated Financial Information

3. The preparation of the Restated Financial Information, which is to be included in the Offer Document, is the responsibility of the Management of the Company and has been approved by the Board of Directors, at its meeting held on July 1, 2021 for the purpose set out in paragraph 13 below. The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors' Responsibilities

4. Our work has been carried out in accordance with the Standards on Auditing under section 143(10) of the Act, (Revised) Guidance Note on Reports in Company Prospectuses and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India and pursuant to the requirements of section 62 of the Act read with applicable provisions within the Rules and the SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

A. Financial Information as per audited standalone financial statements:

5. We have examined the following summarized financial statements of the Company contained in Financial Information of the Company:
 - a) the "Restated Statement of Assets and Liabilities " as at March 31, 2021, 2020 and 2019 (enclosed as Annexure I);

- b) the “Restated Statement of Profit and Loss” for the years March 31, 2021, 2020 and 2019 (enclosed as Annexure II)
 - c) the “Restated Statement of changes in equity” for the years ended March 31, 2021, 2020 and 2019 (enclosed as Annexure III) and
 - d) the “Restated Statement of Cash Flows” for the years ended March 31, 2021, 2020 and 2019 (enclosed as Annexure IV).
6. The Restated Financial Information, expressed in Indian Rupees, in Lakhs, has been derived from the audited financial statements of the Company read with paragraph 7 below, as at March 31, 2021, 2020 and 2019, all of which expressed in Indian Rupees and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, all of which expressed in India Rupees.
7. We draw your attention to the following:
- a) the Restated Financial Information should be read in conjunction with the basis of preparation and significant accounting policies given in Annexure V (as described in paragraph 9(a) below);
 - b) the Restated Financial Information does not contain all the disclosures required by the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
8. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2019. Accordingly, we do not express any opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to March 31, 2019.

B. Other Financial Information:

9. At the Company’s request, we have also examined the following Other Financial Information relating to the Company as at March 31, 2021, 2020 and 2019 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 proposed to be included in the offer document, prepared by the Management of the Company and as approved by the Board of Directors of the Company and annexed to this report:
- a) Basis of preparation and Significant Accounting Policies as enclosed in Annexure V
 - b) Notes to the Restated Financial Information as enclosed in Annexure VI
 - c) Restated Statement of Reserves & Surplus as enclosed in Annexure VII
 - d) Restated Statement of Secured Borrowings as enclosed in Annexure VIII
 - e) Restated Statement of Principle Terms of Secured Borrowings outstanding as at March 31, 2021 as enclosed in Annexure IX
 - f) Restated Statement of Current Liabilities & Provisions as enclosed in Annexure X
 - g) Restated Statement of Investments as enclosed in Annexure XI
 - h) Restated Statement of Trade Receivables as enclosed in Annexure XII
 - i) Restated Statement of Loans as enclosed in Annexure XIII
 - j) Restated Statement of Other Current Assets as enclosed in Annexure XIV
 - k) Restated Statement of Other Income as enclosed in Annexure XV
 - l) Restated Statement of Accounting Ratios as enclosed in Annexure XVI
 - m) Restated Statement of Capitalisation as enclosed in Annexure XVII
 - n) Restated Statement of Tax Shelter as enclosed in Annexure XVIII
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Opinion

11. In our opinion:

- a) the Restated Standalone Financial Information of the Company, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation and respective significant accounting policies have been prepared in accordance with the Act, Rules, and the SEBI Regulations;
 - b) there have been no changes in accounting policies of the Company (as disclosed in Annexure V to this report);
 - c) there are no qualifications in the Auditors' Report which require any adjustments; and
 - d) there are no extra-ordinary items which needs to be disclosed separately.
12. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us on the financial statements of the Company.

Restriction on Use

13. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the offer document, prepared in connection with the proposed Right Issue of Equity Shares of the Company, to be filed by the Company with the SEBI, Registrar of Companies, Mumbai and the concerned Stock Exchanges.

For **Mittal Agarwal & Company**
Chartered Accountants
(Firm Registration No. 131025W)

Place: Mumbai
Dated: 01/07/2021
UDIN: 21135505AAAADL7837

S/d
Piyush Agarwal
Partner
Membership No. 135505

Annexure I - Restated Statement of Assets and Liabilities of HKG Limited
(Rs. in lakhs)

Particulars	Notes / Annexures	As at		
		March 31, 2021	March 31, 2020	March 31, 2019
Assets				
Non-Current Assets				
Property, plant and equipment	AnnexureVI, Note 1	20.99	2.11	5.21
Current Assets				
Inventories	AnnexureVI, Note 2	189.14	120.53	213.89
Financial assets				
Investments	AnnexureVI, Note 3	-	-	61.52
Trade Receivables	AnnexureVI, Note 4	0.18	0.30	10.59
Cash and cash equivalents	AnnexureVI, Note 5	21.78	9.48	26.12
Loans	AnnexureVI, Note 6	50.19	60.01	60.00
Other Current Assets	AnnexureVI, Note 7	16.64	15.59	19.34
Total		298.92	208.02	396.67
Equity and Liabilities				
Equity				
Share Capital	AnnexureVI, Note 8	350.00	350.00	350.00
Other Equity	AnnexureVI, Note 9	-72.88	-143.71	45.14
Non Current Liabilities				
Financial Liabilities				
Borrowings	AnnexureVI, Note 10	-	-	-
Deferred Tax Liabilities (Net)	AnnexureVI, Note 11	-	0.51	0.12
Current Liabilities				
Financial Liabilities				
Trade Payables	AnnexureVI, Note 12			
- Total outstanding dues of micro enterprisesand small enterprises		-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3.48	0.70	0.02
Other Financial Liabilities	AnnexureVI, Note 13	-	-	1.29
Other Current Liabilities	AnnexureVI, Note 14	3.43	0.52	0.10
Current tax liabilities (Net)	AnnexureVI, Note 15	14.90	-	-
Total		298.91	208.02	396.67

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure V and Notes to the Restated Financial Information appearing in Annexure VI.

Annexure II - Restated Statement of Profit and Loss of HKG Limited
(Rs. in lakhs)

Particulars	Notes / Annexures	For the period ended		
		March 31, 2021	March 31, 2020	March 31, 2019
Income				
Revenue from Operations	Annexure VI, Note 16	663.22	90.96	785.07
Other Income	Annexure VI, Note 17	-	2.92	-64.28
Total		663.22	93.88	720.79
Expenditure				
Purchase of Stock-in-Trade	Annexure VI, Note 18	620.89	171.25	952.22
Changes in Inventories of Securities	Annexure VI, Note 19	-68.61	93.36	-155.68
Employee Benefit Expenses	Annexure VI, Note 20	5.08	2.30	5.01
Finance Costs	Annexure VI, Note 21	0.01	0.12	0.05
Depreciation and Amortisation Expense	Annexure VI, Note 22	1.44	3.09	3.28
Other Expenses	Annexure VI, Note 23	18.09	12.22	7.26
Total		576.90	282.34	812.14
Profit before Tax and exceptional items		86.31	-188.46	-91.35
Exceptional Items		-	-	-
Profit before Tax		86.31	-188.46	-91.35
Less: Tax Expenses				
Current Tax		16.00	-	-
MAT Credit		-	-	-
Earlier Year Taxes		-	-	-
Deferred Tax		-0.51	0.39	-0.96
Profit for the year		70.83	-188.85	-90.40
Other Comprehensive Income				
Items that will not be reclassified to profit or loss		-	-	-
Remeasurements of the defined benefit plans		-	-	-
Tax expenses on the above		-	-	-
Total other comprehensive income		-	-	-
Total comprehensive income for the period		70.83	-188.85	-90.40

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure V and Notes to the Restated Financial Information appearing in Annexure VI.

Annexure III - Restated Statement of changes in equity of HKG Limited

All amounts are in Rs. Lakhs unless otherwise stated

Equity share capital

(Rs. in lakhs)

	No. of Shares	Amount
Balance at March 31, 2018	35,00,000	350.00
Changes in equity share capital during the year	-	-
Balance at March 31, 2019	35,00,000	350.00
Changes in equity share capital during the year	-	-
Balance at March 31, 2020	35,00,000	350.00
Changes in equity share capital during the year	-	-
Balance at March 31, 2021	35,00,000	350.00

b. Other equity (Refer Note 18)

(Rs. in lakhs)

Particulars	Reserves and surplus			
	Security Premium	Retained earnings	Other Comprehensive Income	Total
Balance at March 31, 2018	50.00	85.54	-	135.54
Profit for the year	-	-90.40	-	-90.40
Transaction during the year	-	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-
Balance at March 31, 2019	50.00	-4.86	-	45.14
Profit for the year	-	-188.85	-	-188.85
Transaction during the year	-	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-
Balance at March 31, 2020	50.00	-193.71	-	-143.71
Profit for the year	-	70.83	-	70.83
Transaction during the year	-	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-
Balance at March 31, 2021	50.00	-122.88	-	-72.88

Annexure IV - Restated Statement of Cash Flows of HKG Limited

(Rs. in lakhs)

Particulars	For the period ended		
	March 31, 2021	March 31, 2020	March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before taxes	86.31	-188.46	-91.35
Adjustment for:			
Depreciation	1.44	3.09	3.28
Revaluation income on Liquid Funds	-	-	-
Interest Expenses	0.01	0.12	0.05
Profit on sale of Fixed Assets	-	-	-0.08
Capital Gain on Liquid Fund	-	-1.86	-4.87
Dividend Income	-	-0.47	-
Interest Income	-	-	-
Operating Profit before Working capital changes	87.77	-187.58	-92.97
Adjustments for:			
Increase / (Decrease) in Other Current Liabilities & Provisions	2.91	-0.87	-51.23
Increase / (Decrease) in trade payables	2.78	0.68	0.02
Increase / (Decrease) in Inventories	-68.61	93.36	-155.68
(Increase) / Decrease in Receivables	0.12	10.29	48.63
(Increase)/Decrease in Other Current Assets	-	-	-
Proceeds from Repayment of Short Term Loans & Advances	8.77	3.74	4.07
Proceeds from Short Term Borrowings	-	-	-
Net Changes in Working Capital	-54.03	107.20	-154.19
Cash Generated from Operations	33.74	-80.38	-247.16
Less: Taxes	-1.10	-	-4.34
Net Cash Flow from Operating Activities (A)	32.63	-80.38	-251.50
CASH FLOW FROM INVESTING ACTIVITIES			
Interest Received	-	-	-
Capital gain on Liquid fund	-	-	-
Dividend Income	-	0.47	-
Sale of Investment	-	63.38	260.57
Sale of Fixed Assets	-	-	7.53
Purchase of Fixed Assets	-20.32	-	-
Purchase of Investments	-	-	-
Net Cash Flow from Investing Activities (B)	-20.32	63.85	268.10
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of share Capital	-	-	-
Interest & Finance Charges	-0.01	-0.12	-0.05
Proceedings of Long Term Borrowing	-	-	-0.82
Net Cash Flow from Financing Activities (C)	-0.01	-0.12	-0.87
Net Increase / (Decrease) in Cash and Cash Equivalents	12.30	-16.64	15.73
Cash and cash equivalents at the beginning of the year / Period	9.48	26.12	10.39
Cash and cash equivalents at the end of the year/ Period	21.78	9.48	26.12

Notes:

- 1)The above statement of cash flow has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS-7) "Statement of Cash Flows".
- 2)The above statement should be read with the Basis of Preparation and Significant Accounting Policies, appearing in Annexure V and Notes to the Restated Financial Information appearing in Annexure VI.

1. Corporate Information

HKG Limited (Formerly known as Yogya Enterprises Limited) ("the Company") is a company domiciled in India, with registered office situated at C Wing, Madhuban Building, Opp. Dev Nagar, New Sai Baba Nagar, Kandivali (West), Mumbai – 400067. The Company has been incorporated under the provisions of Companies Act 1956 and its equity shares are listed on Bombay Stock Exchange in India. The company is engaged in the trading business including trading in securities. They are registered dealer in Metals, IT Hardware, Bullion and Fabrics.

2. Summary of significant Accounting Policies and Practices**A. Basis of Preparation**

The Restated Statement of Assets and Liabilities of the HKG Limited as at 31st March, 2021, 2020, and 2019 and the Restated Statement of Profit and Loss and the Restated Statement of Cash flows, for the period ended 31st March 2021, 2020 and 2019 (together referred as Financial and Other Financial Information have been extracted by the Management from the Audited Financial Statements of the Company for the respective years ("Audited Financial Statements").

These restated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The financial statements are presented in Indian Rupees ("INR") which is also the Company's

functional currency. All the amounts are rounded to the nearest lakhs, unless otherwise

indicated.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The Restated Financial Information and Other Financial Information have been prepared by the management in connection with the proposed Rights Issue Offering of equity shares of the Company, in accordance with the requirements of:

- a) Section 62 read with applicable provisions within Rules Companies (Share Capital and Debentures) Rules, 2014 to the Companies Act, 2013; and
- (b) Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 68 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

These Restated Financial Information and Other Financial Information have been extracted by the Management from the Audited Financial Statements and :

- there were no audit qualifications on these financial statements,
- there were no changes in accounting policies during the years of these financial statements.

All assets and liabilities have been classified as current or non-current as per the normal operating cycle and other prescribed criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services rendered and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

These Restated Financial Information and Other Financial Information were approved by the Board of Directors of the Company on July 1, 2021.

B. Basis of Measurement

The financial statements have been prepared under the historical cost convention, unless otherwise indicated.

C. Key Accounting Estimates and Judgements

The preparation of financial statements requires management to make Judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

Recognition of deferred tax assets – Refer Note 11.

D. Inventories

Inventories are measured at the lower of cost and the realizable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories and other costs incurred directly.

E. Revenue Recognition

According to Ind AS 115, revenue is measured at the amount of consideration the Company expects to receive in exchange for the goods or services when control of the goods or services and the benefits obtainable from them are transferred to the customer. Revenue is recognised using the following five step model specified in Ind AS 115:

Step 1: Identify contracts with customers

Step 2: Identify performance obligations contained in the contracts

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations

Step 5: Recognise revenue when the

performance obligation is satisfied

The performance obligations arising from sale of products with the Company's customers are satisfied at a point in time. Sales of products are recognised when control of the products has transferred based on the agreed terms. Revenue is net of sales returns and allowances, discounts and volume rebates if any.

F. Property, Plant and Equipment

Tangible Assets

All items of property, plant and equipment are stated at historical cost less accumulated depreciation & impairment losses, if any. Cost of property, plant and equipments comprises of purchase price, non-refundable taxes and duties and any directly attributable cost of bringing each asset to its working condition for the intended use. Financing costs relating to borrowed funds attributable to the acquisition of qualifying property, plant and equipments i.e. asset that necessarily takes a substantial period of time to get ready for its intended use or sale, upto the completion of construction or acquisition of such property, plant and equipments are included in the gross book value of the asset.

- Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that incremental future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
- Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

D. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method, and is generally recognised in the statement of profit and loss. The estimated useful lives of items of property, plant and equipment prescribed as per Schedule II are as follows:

Particulars	Method of Useful life	Depreciation
Computers and data processing unit	Written Down value	3 years
Office Equipments	Written Down value	5 years
Furniture and Fittings	Written Down value	10 years
Plant & Machinery	Written Down value	15 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

G. Income Tax Expense

Income tax comprises current and deferred tax.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is unable to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets — unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

H. Recent Accounting Developments

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing Indian Accounting Standards (Ind AS). There is no such notification which would have been applicable from 1 April 2021.

Annexure VI - Notes to the Restated Financial Information

Note 10 - Property, plant and equipment as at March 31, 2021

(Rs. in lakhs)

Description of assets	Office Equipment	Building	Plant & Equipment	Electric al Fittings	Furniture & Fixtures	Vehicle	Air Conditioner	Computer	Total
As at March 31, 2018	0.99	-	0.80	0.36	1.11	-	-	19.48	22.74
Additions	-	-	-	-	-	-	-	-	-
Disposales/reclassifications	-	-	(0.80)	(0.36)	(1.11)	-	-	(5.74)	(8.01)
As at March 31, 2019	0.99	-	-	-	-	-	-	13.74	14.73
Additions	-	-	-	-	-	-	-	-	-
Disposales/reclassifications	-	-	-	-	-	-	-	-	-
As at March 31, 2020	0.99	-	-	-	-	-	-	13.74	14.73
Additions	1.68	-	-	-	3.10	-	14.83	0.72	20.32
Disposales/reclassifications	-	-	-	-	-	-	-	-	-
As at March 31, 2021	2.67	-	-	-	3.10	-	14.83	14.45	35.05
Accumulated Depreciation									
As at March 31, 2018	0.28	-	0.14	0.07	0.29	-	-	6.02	6.80
Depreciation expense for the year	0.18	-	0.02	0.01	0.04	-	-	3.04	3.28
Eliminated on disposal of assets /reclassification	-	-	(0.16)	(0.07)	(0.32)	-	-	-	(0.56)
As at March 31, 2019	0.46	-	-	-	-	-	-	9.06	9.52
Depreciation expense for the year	0.14	-	-	-	-	-	-	2.96	3.09
Eliminated on disposal of assets /reclassification	-	-	-	-	-	-	-	-	-
As at March 31, 2020	0.60	-	-	-	-	-	-	12.01	12.61
Depreciation expense for the year	0.24	-	-	-	0.05	-	-	1.15	1.44
Eliminated on disposal of assets /reclassification	-	-	-	-	-	-	-	-	-
As at March 31, 2021	0.84	-	-	-	0.05	-	-	13.16	14.06
As at March 31, 2021	1.83	-	-	-	3.04	-	14.83	1.29	20.99
As at March 31, 2020	0.39	-	-	-	-	-	-	1.72	2.11
As at March 31, 2019	0.53	-	-	-	-	-	-	4.68	5.21

Annexure VI - Notes to the Restated Financial Information

(Rs. in lakhs)

Note 2 - Inventories	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Stock in Trade of Shares and Securites	189.14	120.53	213.89
Total	189.14	120.53	213.89

(Rs. in lakhs)

Note 3 - Investments	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Progressive Finlease Ltd		-	-
Liquid Fund Investment		-	61.52
Total	-	-	61.52

(Rs. in lakhs)

Note 4 - Trade Receivables	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Unsecured and considered good (unless otherwise stated)			
Outstanding for a period exceeding six months	-	-	-
Others	0.18	0.30	10.59
Total	0.18	0.30	10.59

(Rs. in lakhs)

Note 5 - Cash & Cash Equivalents	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Cash on hand	8.42	8.98	25.72
Balances with banks:			
In current accounts	13.36	0.49	0.40
Total	21.78	9.48	26.12

(Rs. in lakhs)

Note 6 - Loans	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Advance to Staff	-	10.00	10.00
Advance to Corporates	50.00	50.00	50.00
Other Advances	0.19	0.01	
Total	50.19	60.01	60.00

(Rs. in lakhs)

Note 7 - Other Current Assets	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Advances receivable in cash or kind	-	-	11.00
IPO Expenditure	-	-	3.21
GST Input	-	-	0.65
Mat Credit	4.48	4.48	4.48
TDS Credit	-	0.10	-
Advance Balance Lien With VAT Dep.	11.00	11.00	-
Prepaid Expenses	1.15	-	-
Total	16.64	15.59	19.34

(Rs. in lakhs)

Note 8 - Share Capital	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Authorised Share Capital: 40,00,000 Equity Shares of ` 10 each	400.00	400.00	400.00
Issued, Subscribed and Fully Paid up: 35,00,000 Equity Shares of ` 10 each	350.00	350.00	350.00
Total	350.00	350.00	350.00

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
	No. of Shares	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	35,00,000	35,00,000	35,00,000
Add: Shares issued during the year	-	-	-
Add: Bonus shares issued during the year	-	-	-
Equity Shares at the end of the year	35,00,000	35,00,000	35,00,000

Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

b) Details of shareholders holding more than 5% of share capital in the Company as at the balance sheet date :	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
	No. of Shares % held	No. of Shares % held	No. of Shares % held
Yatin Bhupendra Shah	8,86,000 25.31%	8,86,000 25.31%	8,86,000 25.31%

(Rs. in lakhs)

Note 9 - Other Equity	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Securities Premium			
As per last Balance Sheet	50.00	50.00	50.00
Add: On Issue of Shares	-	-	-
Less: Utilised for issue of Bonus Shares	-	-	-
	50.00	50.00	50.00
Surplus in the Statement of Profit and Loss			
As per last Balance Sheet	-193.71	-4.86	85.54
Add: Profit for the year	70.83	-188.85	-90.40
	-122.88	-193.71	-4.86
Total	-72.88	-143.71	45.14

(Rs. in lakhs)

Note 10 - Borrowings	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Secured			
Car Loan	-	-	-
Total	-	-	-

(Rs. in lakhs)

Note 11 - Deferred Tax Liability (Net)	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Deferred Tax Liability			
Related to fixed assets	-	0.51	0.12
Deferred Tax Asset			
Related to fixed assets	-	-	-
Disallowances under the income Tax Act, 1961	-	-	-
Total	-	0.51	0.12

(Rs. in lakhs)

Note 12 - Trade Payables	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
(Unsecured and considered good)			
Micro, Small and Medium Enterprises	-	-	-
Others	3.48	0.70	0.02
Total	3.48	0.70	0.02

(Rs. in lakhs)

Note 13 - Other Current Financial Liabilities	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Employee Benefits Payable		-	0.45
Others		-	0.84
Total	-	-	1.29

(Rs. in lakhs)

Note 14 - Other Current Liabilities	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Current maturities of long term loan	-	-	-
Advances from customers	2.00	0.50	-
Statutory dues	1.43	0.02	0.10
Total	3.43	0.52	0.10

(Rs. in lakhs)

Note 15 - Current tax liabilities (Net)	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Provision for Income Tax (Net)	14.90	-	-
Total	14.90	-	-

(Rs. in lakhs)

Note 16 - Revenue	For the period ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Sale of Services	66.80	5.15	13.60
Sale of Securities	596.42	85.81	771.47
Total	663.22	90.96	785.07

(Rs. in lakhs)

Note 17 - Other Income	For the period ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Interest on FDR	-	-	-
Revaluation income on Liquid Fund Investment	-	-	-
Capital Gain on Liquid Fund	-	1.86	-64.33
Dividend Income	-	0.47	-
Profit on sale of unquoted shares	-	-	-
Revaluation Income on Non Current Investment	-	-	-
Profit on sale of fixed assets	-	-	0.08
Rent	-	-	-
Commission	-	0.59	-0.02
Total	-	2.92	-64.28

(Rs. in lakhs)

Note 18 - Purchase of Stock-in-Trade	For the period ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Purchases	620.89	171.25	952.22
Total	620.89	171.25	952.22

(Rs. in lakhs)

Note 19 - Changes in Inventory of Securities	For the period ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Inventories (at close)			
Securities	189.14	120.53	213.89
Inventories (at commencement)			
Securities	120.53	213.89	58.21
Total	-68.61	93.36	-155.68

(Rs. in lakhs)

Note 20 - Employee Benefit Expenses	For the period ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Salaries, wages and bonus (Refer Note 28)	5.08	2.30	5.01
Total	5.08	2.30	5.01

(Rs. in lakhs)

Note 21 - Finance Costs	For the period ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Interest on OD Limit	-	-	-
Bank Charges	0.01	0.12	-0.01
Interest on Car Loan	-	-	0.06
Total	0.01	0.12	0.05

(Rs. in lakhs)

Note 22 - Depreciation and Amortisation Expenses	For the period ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Depreciation on tangible fixed assets [Read with note 10]	1.44	3.09	3.28
Total	1.44	3.09	3.28

(Rs. in lakhs)

Note 23 - Other Expenses	For the period ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Advertisement Expenses	-	0.03	0.03
Annual Listing Fees	-	0.25	0.25
Car Insurance	-	-	0.09
Car Maintenance	-	-	0.10
Depository Charges	-	0.09	0.09
Discount	-	0.01	-
Power & Fuel	0.21	-	-
Interest on Income Tax	-	-	0.38
Interest on TDS	-	-	0.00
IPO Expenses Write/off	-	3.21	3.21
Professional Expenses	-	1.45	0.96
Misc. Expenses	-	0.00	0.00

Office Expenses	0.05	-	-
Payout Charges	1.06	-	-
Professional Fees	0.90	-	-
Website Charges	0.12	-	-
Membership& Subscription	0.10	-	-
Balances Written off	10.00	-	-
Rent	-	-	0.60
ROC Fees	-	0.05	0.07
RTA Expenses	-	0.14	0.24
Independent Director fees	0.28	-	-
Share Trading Charges	-	6.00	0.08
Statutory Audit	0.35	0.75	0.58
Charges of Share Trading	5.02	-	-
Tax Audit	-	-	0.35
Telephone Expenses	-	-	0.11
Sundry Balances Written off	-	0.23	0.12
Total	18.09	12.22	7.26

(Rs. in lakhs)

Payment to auditors as:	For the period ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Statutory audit fees	0.35	0.75	0.68
Tax audit fees	-	-	0.41
	0.35	0.75	1.10

Note 24 - Earning Per Share (EPS)	For the period ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Net profit after tax as per statement of profit and loss attributable equity shareholders (Rs.)	70.83	-188.85	-90.40
Weighted average number of equity shares used as denominator for calculating EPS (Refer note 1 and 2 below)	35,00,000	35,00,000	35,00,000
Basic and diluted earnings per share (Rs.)	2.02	-5.40	-2.58
Face value per equity share (Rs.)	10.00	10.00	10.00

Note 25 - Related Party Disclosures

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and

Sr. No.	Name of the Related Party	Relationship	Nature of Relationship
1	Yatin Bhupendra Shah	Promoter	
2	Meet Paresh Shah	Managing Director	
3	Hardik Manoj Shah	Executive Director	
4	Hemang Hasmukhrai Shah	Executive Director	
5	Shikha Mukesh Shah	Executive Director	
6	Deependra Vedprakash Shukla	Executive Director	

7	Rajlaxmi Saini	Company Secretary	Key Managerial Personnel
8	Anmol Nimesh Sheth	Chief Financial Officer	
9	Rajesh Shah	Former Director	
10	Rajeev Gupta	Former Director	
11	Monica Gupta	Former Director	
12	Shyam Sunder Aggarwal	Former Director	
13	Aditya Mehra	Former Director	
14	Ankit Rastogi	Former Director	
15	Smriti Dubey	Former Director	
16	Jaya Arora	Former Director	
17	Vikal Madaan	Former Director	
18	Rajeev Gupta HUF	Relative of Formal Director	Relative of Key Managerial Personnel
19	IG Finance Limited	Relative of the Company	Enterprises over which Key Managerial Personnel are able

i) Transactions during the year with related parties:

(Rs. in lakhs)

Sr. No.	Nature of Transactions	For the period ended		
		March 31, 2021	March 31, 2020	March 31, 2019
1	Rajeev Gupta			
	Loan Taken	-	-	1.50
	Loan Repaid	-	-	1.50
	Salary	-	-	3.00
2	Shyam Sundar Aggarwal			
	Director Sitting Fees	-	-	0.50
3	CS Jaya Arora			
	Salary	-	-	0.50
4	CS Vikal Madaan			
	Salary	-	-	1.06
5	Yogya Infrastructure Limited			
	Rent Paid	-	-	0.60
6	Hemang Hasmukhrai Shah			
	Director Sitting Fees	0.18	-	-
7	Shikha Mukesh Shah			
	Director Sitting Fees	0.10	-	-

ii) Closing balance with related parties:

(Rs. in lakhs)

Sr. No.	Nature of Transactions	For the period ended		
		March 31, 2021	March 31, 2020	March 31, 2019
1	Rajeev Gupta	-	-	0.25
2	CA Vikal Madan	-	-	0.25
3	Smriti Dubey	-	-	0.25

Note 26 - Contingent Liabilities and Commitments (in lakhs) (in lakhs) (in lakhs)

(I) Contingent Liabilities (to the extent not provided for)

(A) Guarantees

(i) Guarantees to Banks and Financial Institutions against credit facilities extended to Group Companies

- - -

(ii) Performance Guarantees

- - -

(iii) Financial Guarantees

- - -

(B) Custom Duty payable against Export Obligation

- - -

(II) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)

- - -

Note 27 - Debit and Credit balances are subject to confirmation and reconciliation if any.

Note 28 - Previous year figures have been regrouped / reclassified, wherever necessary, to correspond with current year classification.

Annexure VII - Restated Statement of Reserve and Surplus of HKG Limited

(Rs. in lakhs)

Note 2 - Reserve and Surplus	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Securities Premium			
As per last Balance Sheet	50.00	50.00	50.00
Add: On Issue of Shares	-	-	-
Less: Utilised for issue of Bonus Shares	-	-	-
	50.00	50.00	50.00
Surplus in the Statement of Profit and Loss			
As per last Balance Sheet	-193.71	-4.86	85.54
Add: Profit for the year	70.83	-188.85	-90.40
Less: Proposed dividend	-	-	-
	-122.88	-193.71	-4.86
Total	-72.88	-143.71	45.14

Annexure VIII - Restated Statement of Secured Borrowings of HKG Limited

(Rs. in lakhs)

Particulars	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Long term borrowings			
HDFC Car Loan	-	-	-
	-	-	-
Short term borrowings			
Cash Credit Facility	-	-	-
	-	-	-
Total	-	-	-

Annexure IX - Restated Statement of Principal Terms of Secured Borrowings outstanding as at 31 March 2021 of HKG Limited

(Rs. in lakhs)

Sl. No.	Lender	Nature of Facility(Term Loan-INR, Working Capital Facility-Cash credit)	Loan currency	Amount Outstanding as at 31 March 2021	Rate of Interest %	Repayment Terms	Other Principal Terms and Conditions
1	NA	Term Loan	INR	0.00	0.00%	-	-
2	NA	Cash Credit	INR	0.00	0.00%	-	-
			Total	0.00			

Annexure - X - Restated Statement of Current Liabilities & Provisions of HKG Limited

Particulars	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Other Current Liabilities			
Current maturities of long term loan	-	-	-
Advances from customers	2.00	0.50	-
Statutory dues	1.43	0.02	0.10
	3.43	0.52	0.10
Short Term Provisions			
Provision for Employee Benefits			
Salary Payable	14.90	-	-
	14.90	-	-
Total	18.32	0.52	0.10

Annexure - XI - Restated Statement of Investments of HKG Limited

Particulars	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Progressive Finlease Ltd	-	-	-
Liquid Fund Investment	-	-	61.52
Total	-	-	61.52

Annexure - XII - Restated Statement of Trade Receivables of HKG Limited

Particulars	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Unsecured and considered good (unless otherwise stated)			
Outstanding for a period exceeding six months	-	-	-
Others	0.18	0.30	10.59
Total	0.18	0.30	10.59

Annexure - XIII - Restated Statement of Other Current Assets of HKG Limited

Particulars	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Advance to Staff	-	10.00	10.00
Advance to Corporates	50.00	50.00	50.00
Other Advances	0.19	0.01	-
Total	50.19	60.01	60.00

Annexure - XIV - Restated Statement of Other Current Assets of HKG Limited

Particulars	As at		
	March 31, 2021	March 31, 2020	March 31, 2019
Advances receivable in cash or kind	-	-	11.00
IPO Expenditure	-	-	3.21
GST Input	-	-	0.65
Mat Credit	4.48	4.48	4.48
TDS Credit	-	0.10	-
Advance Balance Lien With VAT Dep.	11.00	11.00	-
Prepaid Expenses	1.15	-	-
Total	16.64	15.59	19.34

Annexure XV - Restated Statement of Other Income of HKG Limited*(Rs. in lakhs)*

Particulars	Nature (Recurring / Non-recurring)	For the period ended		
		March 31, 2021	March 31, 2020	March 31, 2019
Interest on FDR	Non-Recurring	-	-	-
Revaluation income on Liquid Fund Investmen	Non-Recurring	-	-	-
Capital Gain on Liquid Fund	Non-Recurring	-	1.86	-64.33
Dividend Income	Non-Recurring	-	0.47	-
Profit on sale of unquoted shares	Non-Recurring	-	-	-
Revaluation Income on Non Current Investme	Non-Recurring	-	-	-
Profit on sale of fixed assets	Non-Recurring	-	-	0.08
Rent	Non-Recurring	-	-	-
Commission	Non-Recurring	-	0.59	-0.02
Total		-	2.92	-64.28

Note :

1. The classification of income into recurring and non-recurring is based on the current operations and business activities of the Company.
2. All items of Other Income are from normal business activities.

Annexure XVI - Restated Statement of Accounting Ratios of HKG Limited*(Rs. in lakhs)*

Sr. No.	Particulars	For the period ended		
		March 31, 2021	March 31, 2020	March 31, 2019
1	Restated Profit / (Loss) after Tax (in lakhs)	70.83	-188.85	-90.40
2	Net Profit / (Loss) available to Equity Shareholders (in Lakhs)	70.83	-188.85	-90.40
3	Weighted average number of Equity Shares outstanding during the year for Basic and Diluted EPS	35,00,000	35,00,000	35,00,000
4	Number of Equity Shares outstanding at the end of the year	35,00,000	35,00,000	35,00,000
5	Net Worth for Equity Shareholders (in lakhs)	277.12	206.29	395.14
6	Accounting Ratios: Basic and Diluted Earnings / (Loss) per Share (‘) (2)/(3)(Refer Annexure VI, Note 23)	2.02	-5.40	-2.58
7	Return on Net Worth for Equity Shareholders(2)/(7)	25.56%	-91.55%	-22.88%
	Net Asset Value Per Share (‘) (7)/(3)	7.92	5.89	11.29

Note:

1. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

2 Net worth for ratios mentioned in Sr. No. 5 is = Equity share capital + Reserves and surplus (including Securities Premium, Share Option Outstanding Account , Debenture Redemption Reserve and Surplus/ (Deficit)).

3.The above ratios have been computed on the basis of the Restated Financial Information- Annexure I & Annexure II.

Annexure XVII - Restated Statement of Capitalisation of HKG Limited

(Rs. in lakhs)

Particulars	As at 31 March 2021	Post Issue
Debt:		
Long term borrowings	0.00	
Short term borrowings	0.00	
Current portion of Secured long term borrowings, included in Other Current Liabilities	-	
Total debt (A)	0.00	
Shareholders Funds:		
Equity Share Capital	350.00	
Reserves and Surplus	-72.88	
Total Shareholders Funds (B)	277.12	
Total Debt/Equity Ratio (A/B)	0.00	
Total Long Term Debt / Equity Ratio (Long term borrowings/Equity Share Capital & Reserves and Surplus)	0.00	

Notes:

- The above has been computed on the basis of the Restated Financial Information - Annexure I & Annexure II.
- Short term borrowings represent working capital loans, Commercial paper and Short term loans.
- The issue price and number of shares are being finalised and as such the post- capitalisation statement cannot be presented.

Annexure XVIII - Restated Statement of Tax Shelter of HKG Limited
(Rs. in lakhs)

Particulars		As at		
		March 31, 2021	March 31, 2020	March 31, 2019
A	Profit/ (Loss) before taxation and adjustments	86.31	-188.46	-91.35
B	Tax at applicable Rates	22.88%	0.00%	0.00%
C	Tax thereon at the above rate	19.75	-	-
	Adjustments:			
D	Permanent Differences			
	Net Disallowances/ (Allowances) under the Income Tax Act	-	-	-
	Deduction u/s 80 G of the Income Tax Act Profit / Loss on Sale of Assets	-	-	-
	Others	-	-	-
	Total Permanent Differences	-	-	-
E	Timing Differences			
	Difference in depreciation as per Income Tax Act and Financial Statements	-16.40	-1.51	0.47
	Provision for Gratuity	0.00	0.00	0.00
	Loss / unabosorbed depreiciation set off	-	-	-
	Deduction u/s 43B of the Income tax act Others	-	-	-
	Total Timing Differences	-16.40	-1.51	0.47
F	Net Adjustments (D+E)	-16.40	-1.51	0.47
G	Tax Expense/ (savings) thereon (FxB)	-3.75	-	-
H	Tax Liability (C+G)	16.00	-	-
I	Minimum Alternate Tax under Sec. 115 JB of Income Tax Act including other taxes			
	Income Tax Act	0.00%	0.00%	0.00%
	Tax Liability as per Minimum Alternate Tax under Sec. 115 JB of Income Tax Act including other taxes	-	-	-
J	Net Tax Liability (Higher of H and I)	16.00	-	-
K	Total Current Tax	16.00	-	-
L	Impact of Material Adjustments for Restatement in corresponding years	-	-	-
M	Current Tax Liability on Material Adjustments for Restatement in corresponding years	-	-	-
N	Taxable Profit before Taxation and after adjustments as Restated (A+F+L, restricted to zero)	69.91	-	-
O	Total Tax Liability after Tax impact of adjustments	16.00	-	-

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the "Restated Financial Statements" beginning on page 69.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on pages 20 and 16, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our financial statements included in this Draft Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. For further information, see "Restated Financial Statements" beginning on page 69.

Neither we, nor the Lead Manager, any of our/their affiliates or advisors, nor any other person connected with the Issue has independently verified such information. For further information, see "Presentation of Financial and other Information – Market and Industry Data" beginning on page 16.

Business overview

Our company has been involved in the business of trading of shares and securities and the majority of our revenue has been from the trading in shares and securities. After the company was acquired by its current promoters as detailed below, we also started taking keen interest in the business of marketing and/or developing various web portals in order to foray in e-commerce. We aspire to connect small businesses and empower them to grow through the use of our web interfaces and services. Our vision is to make web interface service accessible to every small business and enable them to grow manifold.

In the year 2019, our company was acquired by its current promoters – Mr. Yatin Bhupendra Shah ("Acquirer") along with HKG Money Tech Private Limited (formerly called IG Financial Services Pvt Ltd) ("Person Acting in Control") from its former promoters – Mr. Rajeev Gupta and Yogya Infrastructure Ltd pursuant to a Share Purchase Agreement dated July 17, 2019 and an Open Offer from August 30, 2019 to September 16, 2019 (both dates inclusive).

SIGNIFICANT DEVELOPMENTS AFTER 31st MARCH 2021 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

To the knowledge of our Company and except as disclosed herein, since the date of the last financial statements contained in this Draft Letter of Offer, no other circumstances have arisen which would materially and adversely affect or which would be likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 (twelve) months.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our company has been involved in the business of trading of shares and securities and the majority of our revenue has been from the trading in shares and securities. However, there are some specific items that we believe have impacted our results of operations, and in some cases, may continue to impact our results of operations in future. In this section, we discuss some of the significant factors that we believe have or could have an impact on our revenue and expenditure. *Please also see the section titled "Risk Factors" beginning on page 20.*

SUMMARY OF THE RESULTS OF OPERATION

(Rs. in Lakhs)

Particulars	For the Year Ended March 31,		
	2021	2020	2019
REVENUE			
Sale of Services	66.80	5.15	13.60
Sale in Securities	596.42	85.81	771.47
Total Revenue from operations	663.22	90.96	785.07
As a % of Total Revenue	100.00	96.89	108.92
Other Income	-	2.92	(64.28)
As a % of Total Revenue	0.00	3.11	(8.92)
Total Revenue	663.22	93.88	720.79
EXPENDITURE			
Purchases of Stock in Trade after changes in Inventory	552.28	264.60	796.54
As a % of Total Revenue	83.27	281.86	110.51
Employee Benefits Expense	5.08	2.30	5.01
As a % of Total Revenue	0.77	2.45	0.70
Finance Cost	0.01	0.12	0.05
As a % of Total Revenue	0.00	0.12	0.01
Depreciation and Amortisation Expenses	1.44	3.09	3.28
As a % of Total Revenue	0.22	3.30	0.46
Other Expenses	18.09	12.22	7.26
As a % of Total Revenue	2.73	13.02	1.01
Total Expenditure	576.90	282.34	812.14
As a % of Total Revenue	86.99	300.75	112.67
Profit Before Exceptional & Extraordinary items and tax	86.31	(188.46)	(91.35)
As a % of Total Revenue	13.01	(200.75)	(12.67)
Exceptional Items	-	-	-
As a % of Total Revenue	-	-	-
Extraordinary Items	-	-	-
As a % of Total Revenue	-	-	-
Profit before tax	86.31	(188.46)	(91.35)
PBT Margin (in %)	13.01	(200.75)	(12.67)
Tax expense :			
(i) Current Tax	16.00	-	-
(ii) Tax adjustment of prior years	-	-	-
(iii) Deferred Tax Liability / (Asset)	(0.51)	0.39	(0.96)
Total Tax Expenses	15.49	0.39	(0.96)
As a % of Total Revenue	2.33	0.42	(0.13)
Profit for the year	70.83	(188.85)	(90.40)
PAT Margin (in %)	10.68	(201.17)	(12.54)

OVERVIEW OF RESULTS OF OPERATION

Comparison of Financial Year ended March 31, 2021 with Financial Year ended March 31, 2020

Revenue from Operations:

The revenue from operation of the Company has increased from ₹ 90.96 Lakhs in FY 2019-20 to ₹ 663.22 Lakhs in FY 2020-21 showing an increase of 629.16%. This increase was in line with increase in our business operations and favourable market conditions.

Other Income:

Our other income decreased by 100.00% from ₹ 2.92 Lakhs in FY 2019-20 to Nil in FY 2020-21. This is because we did not hold any investments earning other income for the period of FY 2020-21.

Expenditure

Employee benefit expenses increased by 120.87% from ₹ 2.30 Lakhs in financial year 2019-20 to ₹ 5.08 Lakhs in financial year 2020-21. Finance Cost decreased by 87.96% from ₹ 0.12 Lakhs in financial year 2019-20 to ₹ 0.01 Lakhs in financial year 2020-21. Other Expenses decreased by 47.98% from ₹ 12.22 Lakhs in financial year 2019-20 to ₹ 18.09 Lakhs in financial year 2020-21. Our Other Expenses mainly includes charges on Share Trading and written-off balances.

Purchases of Stock in Trade including changes in Inventories:

Purchases of Stock in Trade including changes in Inventories increased by 108.72% from ₹ 264.60 Lakhs in financial year 2019-20 to ₹ 552.28 in financial year 2020-21. This increase is due to increase in purchase-sale of securities.

Depreciation

Depreciation decreased by 53.36% from ₹ 3.09 lakhs in financial year 2019-20 to ₹ 1.44 Lakhs in financial year 2020-21.

Comparison of Financial Year ended March 31, 2020 with Financial Year ended March 31, 2019**Revenue from Operations:**

The revenue from operation of the Company has decreased from ₹ 785.07 Lakhs in FY 2018-19 to ₹ 90.96 Lakhs in FY 2019-20 showing a decrease of 88.41 %. This decrease was due to the decrease in our business operations and unfavourable market conditions.

Other Income:

Our other income increased by 2300.91% from ₹ -64.28 Lakhs in FY 2018-19 to ₹ 2.92 Lakhs in FY 2019-20. This increase is due to Capital Gain in Liquid Fund in FY 2019-20 compared to Capital Loss in Liquid Fund in FY 2018-19.

Expenditure

Employee benefit expenses decreased by 54.11% from ₹ 5.01 Lakhs in financial year 2018-19 to ₹ 2.30 Lakhs in financial year 2019-20. Finance Cost increased by 131.98% from ₹ 0.05 Lakhs in financial year 2018-19 to ₹ 0.12 Lakhs in financial year 2019-20. Other Expenses increased by 68.42% from ₹ 7.26 Lakhs in financial year 2018-19 to ₹ 12.22 Lakhs in financial year 2019-20. Our Other Expenses mainly includes charges on Share Trading and IPO expenses written-off.

Purchases of Stock in Trade including changes in Inventories:

Purchases of Stock in Trade including changes in Inventories decreased by 66.78% from ₹ 796.54 Lakhs in financial year 2018-19 to ₹ 264.60 in financial year 2019-20. This decrease is due to decrease in purchase-sale of securities.

Depreciation

Depreciation decreased by 5.77 % from ₹ 3.28 lakhs in financial year 2019-20 to ₹ 3.09 Lakhs in financial year 2020-21.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Draft Letter of Offer, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in this Draft Letter of Offer to our knowledge there are not any significant economic changes that materially affected or are likely to affect income from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as disclosed in the section titled Risk Factors beginning on page 20, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

4. Future relationship between Costs and Income.

Our Company's future costs and revenues will be determined by government policies, investment & trading situation in the country and technological developments in the e-commerce industry.

5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices.

Increase in revenue is by and large linked to increases in volume of business activity by the Company.

6. Total turnover of each major industry segment in which the issuer company operates.

Our Company is operating in the share trading and investment industry. Further, our company has also started to foray into e-commerce industry and consequently received the marketing rights of 3 web portals and has been developing 2 web portals as mentioned in the chapter titled Our Business beginning on page 55. Relevant industry data, as available, has been included in the chapter titled Industry Overview beginning on page 47.

7. Status of any publicly announced new products/projects or business segments

Our Company has launched web portals as mentioned in the chapter titled Our Business beginning on page 55. There are no statutory approvals pending for the web portals.

8. The extent to which the business is seasonal

Our Company's business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers

The Company generates majority of its revenue from share trading activities. Therefore, there are no major clients on which the company is significantly depended.

10. Competitive Conditions

For the share trading activities we face competition from existing and potential organised and unorganized competitors which is common for any business. For the recently created web portals we face competition from larger web portals and online businesses both organised and unorganized. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled Our Business on page 55.

MARKET PRICE INFORMATION

The Equity Shares are listed on the SME platform of BSE Limited (“BSE-SME” or “BSE” or “Stock Exchange”). The Rights Equity Shares will be listed on the Stock Exchange pursuant to the Issue. For further details, please see “Terms of the Issue” on page 108. We have received in-principle approval for listing of the Rights Equity Shares on the Stock Exchange to be issued pursuant to the Issue from the BSE by letter dated [●]. Our Company will also make application to BSE to obtain the trading approval from the stock exchange for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

For the purpose of this section, unless otherwise specified:

- (a) Year is a Financial Year;
- (b) Average price is the average of the daily closing prices of our Equity Shares for the year, or the month, as the case may be;
- (c) High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of our Equity Shares, for the year, the month, or the week, as the case may be; and
- (d) In case of two days with the same high / low / closing price, the date with higher volume has been considered.

The following table sets forth the high, low and average market prices of the Equity Shares recorded on the BSE-SME during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded.

BSE-SME							
FY	High (Rs.)	Date of High	Volume on date of high (No. of Equity Shares)	Low (Rs.)	Date of low	Volume on date of low (No. of Equity Shares)	Average (Rs.)
2021-22*	70.15	June 30, 2021	3,37,500	39.35	April 16, 2021	1,00,000	52.13
2020-21**	154.00	August 26, 2020	10,000	26.00	September 07, 2020	1,50,000	59.96
2019-20	88.50	March 27, 2020	20,000	20.60	May 30, 2019	24,000	42.78
2018-19	35.00	November 16, 2018	8,000	10.85	April 26, 2018	8,000	21.09

(Source: www.bsesme.com)

*till July 02, 2021

**Split/sub-division of shares of the Company from face value of Rs. 10 (Rupees Ten) to face value of Rs. 2 (Rupees Two) each.

Notes:

High and low prices are based on the daily high/low prices.

Average prices are based on the daily closing prices.

In case of two days with the same high or low price, the date with the high volume has been considered.

The total number of days trading during the past six months, from January 2021 to June 2021 was 123. The average volume of Equity Shares traded on the BSE-SME was 1,20,874 Equity Shares per day.

The high and low prices and volume of Equity Shares traded on the respective date on the BSE-SME during the last six months preceding the date of filing of this Draft Letter of Offer are as follows:

BSE-SME							
Month	High (Rs.)	Date of High	Volume on date of high (No. of Equity Shares)	Low (Rs.)	Date of low	Volume on date of low (No. of Equity Shares)	Average (Rs.)
June 2021	70.15	June 30, 2021	3,37,500	54.50	June 14, 2021	1,57,500	61.16
May 2021	59.05	May 20, 2021	9,90,000	42.00	May 06, 2021	4,00,000	49.67
April 2021	43.85	April 29, 2021	30,000	39.35	April 16, 2021	1,00,000	41.85
March 2021	43.10	March 01, 2021	30,000	40.00	March 19, 2021	4,00,000	40.68
February 2021	44.80	February 02, 2021	1,55,000	37.00	February 09, 2021	1,10,000	40.94
January 2021	45.00	January 04, 2021	50,000	35.00	January 12, 2021	1,85,000	40.55

(Source: www.bsesme.com)

Notes:

High and low prices are based on the daily high/low prices.

Average prices are based on the daily closing prices.

In case of two days with the same high or low price, the date with the high volume has been considered.

The Board of our Company has approved the Issue at their meeting held on February 27, 2021. The high and low prices of our Company's shares as quoted on the BSE-SME on March 01, 2021, the day on which the trading happened immediately following the date of the Board meeting is as follows:

Date	Volume (No of Equity Shares)	High Price (Rs.)	Low Price (Rs.)
March 01, 2021	30,000	43.10	40.10

(Source: www.bsesme.com)

The closing market price of the Equity Shares as on one day prior to the date of this Draft Letter of Offer was Rs. 69.10 on the BSE SME. The Issue Price is Rs. [●] per Rights Equity Share.

SECTION VI - LEGAL AND THE OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal proceedings involving our Company, Directors, or Promoter; (ii) actions by any statutory or regulatory authorities involving our Company, Directors, or Promoter; or (iii) claim involving our Company, Directors or Promoter for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved), (iv) proceeding involving our Company, Directors or Promoter (other than proceedings covered under (i) to (iii) above) which has been determined to be “material” pursuant to the materiality policy approved by our Board in its meeting held on 01 July 2021 (“Materiality Policy”) (as disclosed herein below).

In terms of the Materiality Policy, other than outstanding criminal proceedings, actions taken by any statutory or regulatory authority and claims for any direct or indirect tax liabilities mentioned in point (i) to (iii) above, all other pending litigation involving our Company, Directors, Promoters, other than criminal proceedings, statutory or regulatory actions and taxation matters being considered ‘material’ for the purpose of disclosure in the Offer Documents, if:

- The monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of Rs. 2 Crores; or 5% of the net profits after tax of the Company for the most recent audited fiscal period whichever is higher;
- Such pending cases are material from the perspective of the Issuer’s business, operations, prospects or reputation.

Except as disclosed below, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

Pre-litigation notices received by our Company from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.

A. Pending Litigations Relating to the Company

- a) Labour Cases filed against the Company: Nil
- b) Labour Cases filed by the Company: Nil
- c) Civil Cases filed against the Company: Nil
- d) Civil Cases filed by the Company: Nil
- e) Criminal cases against the company: Nil
- f) Criminal cases filed by the company: Nil
- g) Notices served on the Company: Nil
- h) Tax related matters (against the Company): Nil

B. Pending Litigation Relating to the Promoters of the Company

- a) Criminal Case against the promoters: Nil
- b) Civil Cases Against the Promoters:

Civil Litigations related to Mr. Yatin Bhupendra Shah:-

SEBI vide order no. WTM/AB/IVD/ID2/7988/2020-21 dated 23 June 2020, in the matter of Pyramid Saimira Theater Limited, debarred Mr. Yatin B. Shah, Promoter of our Company, inter-alia, from dealing in securities and accessing the capital market for a period of 2 years. However, the Hon’ble Securities Appellate Tribunal has on appeal filed by Mr. Yatin Shah (Appeal No. 227 of 2020) stayed the order till the next date of hearing. The next date of hearing in the said matter is 14 July 2021 as mentioned in the

SAT order dated 21 May 2021. Therefore, as on date of this Draft Letter of Offer the stay continues to be in force pending final disposition of the appeal by SAT.

In the same matter SEBI imposed a penalty on our Promoter, the details of which are in the below paragraphs.

Civil Litigations related to HKG Money Tech Pvt Ltd:-
Nil

- c) Criminal Cases Filed by the Promoters: Nil
- d) Civil Case Filed by the Promoters: Nil
- e) Cases Relating to Tax Matters: Nil

C. Pending Litigations Relating to the Directors of the Company

- a) Criminal case against the Directors: Nil
- b) Civil Cases Against the Directors: Nil
- c) Criminal Cases Filed by the Directors: Nil
- d) Civil Case Filed by the Directors: Nil
- e) Cases Relating to Tax Matters: Nil

OUTSTANDING DUES TO CREDITORS

Particulars	No. of Creditors	Amount Outstanding (in Rs.) as on 31 March 2021
Micro, Small and Medium Enterprise	-	-
Material dues to creditors	-	-
Other dues to creditors	5	3,47,510
Total	5	3,47,510

There have been no past cases in which penalties have been imposed on the Company, the Promoters and Directors except the penalty imposed by SEBI on our Promoter Mr. Yatin B. Shah for Rs. 2,00,000 vide Adjudication Order bearing reference no. Order/VV/AA/2021-22/12081 dated 31st May 2021. Mr. Yatin Shah has paid the requisite penalty on 02nd June 2021 vide an Axis Bank cheque no. 208407. This was in the same matter in which Mr. Yatin B. Shah was restrained from accessing the securities market as disclosed above.

There has been 1 instance of disciplinary action including penalty imposed by SEBI against our Promoter Mr. Yatin B. Shah as disclosed above. Other than this there has been no disciplinary action including penalty imposed by SEBI or Stock Exchanges against the Company, Directors and Promoters during the last 5 financial years.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled “Objects of the Issue” at page 42.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board, pursuant to its resolution dated February 27, 2021 authorised the Issue under Section 62(1) (c) of the Companies Act, 2013.

Our Board has, at its meeting held on [●], determined the Issue Price as ₹ [●] per Rights Equity Share and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date.

Our Company has received 'in-principle' approval for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, vide letter dated [●] issued by BSE for listing of the Rights Equity Shares to be Allotted pursuant to the Issue.

Prohibition by SEBI or other Governmental Authorities

SEBI vide order no. WTM/AB/IVD/ID2/7988/2020-21 dated 23 June 2020 debarred Mr. Yatin B. Shah, Promoter of our Company, inter-alia, from dealing in securities and accessing the capital market for 2 years from the date of such order. However, the Hon'ble Securities Appellate Tribunal has on appeal filed by Mr. Yatin Shah stayed the order and as on date of this Draft Letter of Offer the stay continues to be in force pending final disposition of the appeal by SAT. As on date of this Draft Letter of Offer, our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. Further, except as stated above, there is no outstanding action initiated against our company or any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Eligibility for the Issue

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clause 2 of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the Issue.

DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is up to ₹ 5,000.00 lakhs.

Disclaimer from our Company and our Directors

Our Company accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

Disclaimer in respect of Jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with the Stock Exchange.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE Limited.

Listing

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this the Draft Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI and the Stock Exchange.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable

in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws in the United States.

Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Except from the Banker to the Issue/ Refund Banker which we will appoint before the filing of Letter of Offer, consents in writing of: our Directors, Auditors, Lead Manager and the Registrar to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

Our Company has received written consent dated 02 July 2021 from our Statutory Auditor, namely, M/s. H. M. Shah & Co., Chartered Accountants to include their name as required in this Draft Letter of Offer and in relation to the Statement of Tax Benefits dated 02 July 2021 and such consent has not been withdrawn as of the date of this Draft Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Our Company has received written consent dated 02 July 2021 from our Peer Review Auditor, namely, M/s. Mittal Agarwal & Company, Chartered Accountants to include their name as required in this Draft Letter of Offer and in relation to its restated report, dated 02 July 2021 on the Restated Financial Information and such consent has not been withdrawn as of the date of this Draft Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, our Company has not obtained any expert opinions.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Draft Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates

Our Company does not have any subsidiaries or associate companies as on the date of this Draft Letter of Offer.

Stock Market Data of the Equity Shares

Our Equity Shares are listed and traded on BSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled "Market Price Information" on page 98.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the

rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer will be filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Bigshare Services Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue at:

Registrar to the Issue

Bigshare Services Private Limited

1st floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East), Mumbai- 400 059,
Maharashtra, India.

Telephone: +91 22 6263 8200

E-mail: rightsissue@bigshareonline.com

Website: www.bigshareonline.com

Contact person: Ashish Bhope

Investor grievance: investor@bigshareonline.com

SEBI Registration No: INR000001385

Validity of Registration: Permanent

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

Ms. Rajlaxmi Saini, is the Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder:

Office No 1 & Office No 2, Ground Floor,
Neelam Industrial Estate, C.T.S. No.251,
Shantilal Mody Cross Road No.2, Kandivali (West),
Mumbai, Maharashtra, 400067.

Telephone: +91 84520 09432

E-mail: info@hkglimited.com

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

The Eligible Equity Shareholders are requested to note that application in this issue can only be made through ASBA or by B-WAP facility. Further, this B-WAP facility in addition to ASBA and the relaxation on applications to be made by physical shareholders, are onetime relaxations made available by SEBI in view of the COVID 2019 and shall not be a replacement of the existing process under the SEBI ICDR regulations. For guidance on the application process through B-WAP and resolution of difficulties faced by the Eligible Equity Shareholders, you are advised to read the frequently asked question (FAQ) on the website of the registrar at www.bigshareonline.com.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- (i) our Company at www.hkglimited.com;
- (ii) the Registrar at www.bigshareonline.com;
- (iii) the Lead Manager at www.khambattasecurities.com;
- (iv) the Stock Exchange at www.bseindia.com; and
- (v) the Registrar's web-based application platform at www.bigshareonline.com ("B-WAP").

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.hkglimited.com).

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Shareholders desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the B-WAP (instituted only for resident Shareholders in this Issue, in the event the Shareholders are not able to utilize the ASBA facility for making an Application despite their best efforts). Shareholders should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the B-WAP.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" below.

Please note that one single Application Form shall be used by Shareholders to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the

demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Shareholders who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Shareholders will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholders are required to submit a separate Application Form for each demat account.

Shareholders may apply for the Equity Shares by submitting the Application Form to the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders are also advised to ensure that the Application Form is correctly filled up stating therein:

- (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or
- (ii) the requisite internet banking or UPI details (in case of Application through B-WAP, which is available only for resident Shareholders).

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and B-WAP. Please note that incorrect depository account details or PAN or Application Forms without depository account details (except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Relaxation Circular through B-WAP) shall be treated as incomplete and shall be rejected. For details see “- Grounds for Technical Rejection” below. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” below.

- ***Options available to the Eligible Equity Shareholders***

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- i. apply for its Equity Shares to the full extent of its Rights Entitlements; or
- ii. apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- iii. apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv. apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- v. renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

Shareholders, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Do's for Shareholders applying through ASBA:

- a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Shareholders applying through ASBA:

- (a) Do not submit the Application Form after you have submitted a plain paper Application to a designated Branch of the SCSB or *vice versa*.
 - (b) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
 - (c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
 - (d) Do not submit Application Form using third party ASBA account.
- **Making of an Application through the Registrar's Web-based Application Platform ("B-WAP") process**

In accordance with the SEBI Relaxation Circulars, a separate web-based application platform, i.e., the B-WAP facility (accessible at www.bigshareonline.com), has been instituted for making an Application in this Issue by resident Shareholders. Further, B-WAP is only an additional option and not a replacement of the ASBA process and B-WAP facility should be utilized only in the event that Shareholders are not able to utilize the ASBA facility for making an Application despite their best efforts.

At the B-WAP, resident Shareholders can access and submit the online Application Form in electronic mode using the B-WAP. Resident Shareholders, making an Application through B-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Shareholders should enable the internet banking or UPI facility of their respective bank accounts and such Shareholders should ensure that the respective bank accounts have sufficient funds.

Set out below is the procedure followed using the B-WAP:

- (a) Prior to making an Application using the B-WAP facility, the Shareholders should enable the internet banking or UPI facility of their respective bank accounts and the Shareholders should ensure that the respective bank accounts have sufficient funds. If the funds available in the relevant bank account is less than the total amount payable on submission of online Application Form, such Application shall be rejected. Please note that B-WAP is a non-cash payment mechanism in accordance with the SEBI Relaxation Circulars.
- (b) Resident Shareholders should visit B-WAP (accessible at www.alankit.com) and fill the online Application Form available on B-WAP in electronic mode. Please ensure that you provide correct DP ID, Client ID, PAN and Folio number (for resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) along with all other details sought for while submitting the online Application Form.
- (c) Non-resident Shareholders are not eligible to apply in this Issue through B-WAP.
- (d) Shareholders should ensure that Application process is verified through the e-mail / phone / mobile number or other means as applicable. Post due verification, Shareholders can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Equity Shares to be applied for in the Issue. Please note that the Application Money will be determined based on number of Equity Shares applied for.
- (e) Shareholders who are Renouncees should select the category of 'Renouncee' at the application page of B-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Equity Shares applied for in the Issue.
- (f) The Shareholders shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.
- (g) Verification, if any, in respect of Application through Shareholders' own bank account, shall be done through the latest beneficial position data of our Company containing Shareholders's bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.
- (h) The Application Money collected through Applications made on the B-WAP will be credited to the Escrow Account opened by our Company with the Escrow Collection Bank(s).
- (i) For guidance on the Application process through B-WAP and resolution of difficulties faced by the Shareholders, the Shareholders are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated Shareholders helpdesk (www.bigshareonline.com.) or call helpline number (+91 22 6263 8200).

PLEASE NOTE THAT ONLY RESIDENT SHAREHOLDERS CAN SUBMIT AN APPLICATION USING THE B-WAP. B-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. OUR COMPANY, THE REGISTRAR AND THE LEAD MANAGER SHALL NOT BE RESPONSIBLE IF THE APPLICATION IS NOT SUCCESSFULLY SUBMITTED OR REJECTED DURING THE BASIS OF ALLOTMENT ON ACCOUNT OF FAILURE TO BE IN COMPLIANCE WITH THE SAME. FOR RISKS ASSOCIATED WITH THE B-WAP PROCESS, SEE "RISK FACTORS".

Do's for Shareholders applying through B-WAP:

- (a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.

- (b) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in the bank account through which payment is made using the B-WAP.
- (c) Ensure that you make the payment towards your Application through your bank account only and not use any third-party bank account for making the payment.
- (d) Ensure that you receive a confirmation e-mail or confirmation through other applicable means on successful transfer of funds.
- (e) Ensure you have filled in correct details of PAN, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date), DP ID and Client ID, as applicable and all such other details as may be required.
- (f) Ensure that you receive an acknowledgement from the B-WAP for your submission of the Application.

Don'ts for Shareholders applying through B-WAP:

- (a) Do not apply from bank account of third parties.
- (b) Do not apply if you are a non-resident Shareholders.
- (c) Do not apply from non-resident account.

• **Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT THE APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH B-WAP.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- i. Name of our Company, being HKG Limited;
- ii. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- iii. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP and Client ID;
- iv. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
- v. Number of Equity Shares held as on Record Date;
- vi. Allotment option – only dematerialised form;
- vii. Number of Equity Shares entitled to;
- viii. Number of Equity Shares applied for within the Rights Entitlements;
- ix. Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- x. Total number of Equity Shares applied for;
- xi. Total amount paid at the rate of ₹ [●] per Equity Share;

- xii. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- xiii. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- xiv. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- xv. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- xvi. All such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a “U.S. Person” as defined in (“Regulation S”), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Shareholders. The plain paper Application format will be available on the website of the Registrar at www.bigshareonline.com.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders’ ASBA Accounts on or before the Issue Closing Date.

- **Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The remaining procedure for Application shall be same as set out in “- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” mentioned above.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process or using the B-WAP.

Application for Additional Equity Shares

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “*Basis of Allotment*” mentioned below.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Additional general instructions for Shareholders in relation to making of an application

- a. Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
- b. Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- c. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” mentioned above.
- d. Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on the B-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the B-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- e. Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager.
- f. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Shareholders for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.

- g. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“**Demographic Details**”) are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Shareholders for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

- h. By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- i. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the SCSB.
- j. Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.
- k. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.
- l. All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- m. Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- n. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- o. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- p. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- q. Do not pay the Application Money in cash, by money order, pay order or postal order.
- r. Do not submit multiple Applications.

- s. No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.
- t. An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

- **Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, the Lead Manager, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where a Shareholders submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and this Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand s.
- (o) If a Shareholders is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Shareholders to subscribe to their Rights Entitlements.
- (p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- (q) Applications which have evidence of being executed or made in contravention of applicable securities laws.

- (r) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).
- (s) Applications under the B-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds including in relation to insufficient funds available in the opted bank account):

Applications by non-resident Shareholders.

(a) Payment from third party bank accounts.

- ***Multiple Applications***

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “*Procedure for Applications by Mutual Funds*” mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) an Shareholders submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on B-WAP as well as through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “*Capital Structure - Intention and extent of participation by our Promoter*” mentioned above.

- ***Procedure for Applications by certain categories of Shareholders***

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its Shareholders group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility or using B-WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Shareholders**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholders should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management

companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificates from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is, [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the B-WAP, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in “- Basis of Allotment” mentioned below.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the B-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the B-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Shareholders in the same bank account through which Application Money was received, in case of an application using the B-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Shareholders within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. REDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

- **Rights Entitlements**

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder

in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.hkglimited.com).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* www.alankit.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self- attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to

enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. ENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

- ***Renouncees***

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

- ***Renunciation of Rights Entitlements***

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

- ***Procedure for Renunciation of Rights Entitlements***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Shareholders.

(a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. Prior

to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

Since we are a BSE SME listed company. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is [●] Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [●] to [●] (both days inclusive).

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to trade.

The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Equity Shares in the Issue.

The Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through (i) ASBA facility; or (ii) internet banking or UPI facility if applying through B-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through B-WAP.

In case of Application through the ASBA facility, the Shareholders agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholders's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the

amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Shareholders

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through B-WAP. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Shareholders

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

For details of mode of payment in case of Application through B-WAP, see *“Making of an Application through the Registrar's Web-based Application Platform (“B-WAP”) process”* mentioned above.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see *“The Issue”* beginning on mentioned above.

- **Fractional Entitlements**

The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] ([●] Equity Shares for every [●] Equity Shares) held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [●] ([●] Equity Shares) or is not in the multiple of [●] ([●] Equity Shares), the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Equity Share if they apply for additional Equity Shares over and above their Rights Entitlements, if any, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Equity Shareholder will be entitled to [●] Equity Share and will also be given a preferential consideration for the Allotment of one additional Equity Share if such Eligible Equity Shareholder has applied for additional Equity Shares, over and above his/her Rights Entitlements, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than [●] ([●] Equity Shares) shall have 'zero' entitlement for the Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the Allotment of one Equity Share, if such Eligible Equity Shareholders apply for additional Equity Shares, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

- **Ranking**

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

- **Listing and trading of the Equity Shares to be issued pursuant to this Issue**

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 539097) under the ISIN: INE904R01027. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- **Subscription to this Issue by our Promoter and members of the Promoter Group**

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see “*Capital Structure - Intention and extent of participation by our Promoter*” mentioned above.

- **Rights of Holders of Equity Shares of our Company**

Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:

- a. The right to receive dividend, if declared;
- b. The right to receive surplus on liquidation;
- c. The right to receive offers for rights shares and be allotted bonus shares, if announced;
- d. The right to free transferability of Equity Shares;
- e. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Letter of Offer; and
- f. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

- **Market Lot**

The Equity Shares of our Company shall be tradable only in dematerialized form. Since we are a BSE SME listed company the market lot for Equity Shares in dematerialised mode is [●] Equity Shares.

- **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

- **Nomination**

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholders holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

- **Arrangements for Disposal of Odd Lots**

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be 2,500 Equity Shares and hence, no arrangements for disposal of odd lots are required.

- **Notices**

In accordance with the SEBI ICDR Regulations and the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one regional language newspaper with wide circulation in Mumbai, where our Registered Office is situated.

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

- **Offer to Non-Resident Eligible Equity Shareholders/Shareholders**

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at www.bigshareonline.com. It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non- residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please note that only resident Shareholders can submit an Application using the B-WAP.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003. Any Shareholders being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self- attested proof of address, passport, etc. at www.bigshareonline.com.

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” AS MENTIONED ABOVE.

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS [#]	[●]
ISSUE CLOSING DATE*	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

[#]Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

*Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●].

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

- Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.
- Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if

there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

- c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through B-WAP, instruction will be sent to Escrow Collection Bank(s) with list of Allottees and corresponding amount to be transferred to the Allotment Account(s). Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank(s) to refund such Applicants.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will issue and dispatch Allotment advice, refund instructions (including in respect of Applications made through the optional facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date i.e. [●]. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

In case of Applications through the optional facility B-WAP, refunds, if any, will be made to the registered bank account details in demat account. Therefore, the Investors should ensure that such bank accounts remain valid and active.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("NACH") except where Investors have not provided the details required to send electronic refunds or where the investors are otherwise disclosed as applicable or eligible to get refunds through direct credit and real-time gross settlement ("RTGS").

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date i.e. [●].

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form was available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019.

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

XI. PAYMENT OF REFUND

• Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes. Please note that payment of refund in case of Applications made through B-WAP, shall be through modes under (b) to (g) below.

- a) Unblocking amounts blocked using ASBA facility.
- b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- c) **National Electronic Fund Transfer ("NEFT")** – Payment of refund shall be undertaken through NEFT wherever the Shareholders' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Shareholders have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Shareholders through this method.
- d) **Direct Credit** – Shareholders having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- e) **RTGS** – If the refund amount exceeds ₹ 2,00,000, the Shareholders have the option to receive refund through RTGS. Such eligible Shareholders who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Shareholders's bank receiving the credit would be borne by the Shareholders.
- f) For all other Shareholders, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demands drawn in favour of the sole/first Shareholders and payable at par.

- g) Credit of refunds to Shareholders in any other electronic manner, permissible by SEBI from time to time.

- ***Refund payment to non-residents***

In case of Application through B-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Shareholders should ensure that such bank accounts remain valid and active.

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

- **Receipt of the Equity Shares in Dematerialized Form**

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form.

SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

- Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Shareholders's depository participant, would rest with the Shareholders. Shareholders should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholders's depository participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.
- The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc.*).

Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.

- Non-transferable Allotment advice/ refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.
- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

XIII. IMPERSONATION

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least R.s. 10 Lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than R.s. 10 Lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to R.s. 50 Lakhs or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- D. Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- i. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- ii. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- iii. The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

- iv. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- v. In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- vi. Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.
- vii. At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- viii. Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- ix. Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

XVI. SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

- 1) Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
- 2) All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “**HKG Limited – Rights Issue**” on the envelope and postmarked in India or in the e- mail) to the Registrar at the following address:

Bigshare Services Private Limited
 1st Floor, Bharat Tin Works Building,
 Opp. Vasant Oasis, Makwana Road,
 Marol, Andheri East, Mumbai – 400 059
 Tel: (022) 62638200
 E-mail id: rightsissue@bigshareonline.com
 Shareholders grievance e-mail id: investor@bigshareonline.com
 Contact person: Mr. Ashish Bhope
 Website: www.bigshareonline.com
 SEBI Registration No: INR000001385

- 3) In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar www.bigshareonline.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 22 6263 8200.
- 4) The Shareholders can visit www.bigshareonline.com for the below-mentioned purposes also:
 - i. Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders.
 - ii. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company.
 - iii. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form.

- iv. Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders.

This Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the “Department of Industrial Policy and Promotion”) (“DPIIT”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Circular 2020**”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Managers and our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“**OCBs**”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII – STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at www.hkglimited.com from the date of this Draft Letter of Offer until the Issue Closing Date.

1. Material Contracts for the Issue

- (i) Mandate Letter dated March 01, 2021 between our Company and Khambatta Securities Ltd, Lead Manager to the Issue;
- (ii) Registrar Agreement dated [●] entered into amongst our Company and the Registrar to the Issue.
- (iii) Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank.

2. Material Documents

- (i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- (ii) Certificate of Incorporation of our company and certificates of incorporation consequent upon change in name of our Company.
- (iii) Annual Reports of the Company for the past five years.
- (iv) Resolution of the Board of Directors dated February 27, 2021 in relation to the Rights Issue.
- (v) Resolution of the Board of Directors dated 03 July 2021 approving and adopting the Draft Letter of Offer.
- (vi) Consent of our Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Review Auditor to the Issue, Lead Manager, Registrar to the Issue for inclusion of their names in the Letter of Offer in their respective capacities.
- (vii) The restated audit report dated 01 July of the Statutory Auditor, on our Company's Restated Financial Statements, included in this Draft Letter of Offer.
- (viii) Statement of Tax Benefits dated 02 July 2021 from the Statutory Auditor included in this Draft Letter of Offer.
- (ix) Tripartite Agreement dated 15 January 2015 between our Company, NSDL and the Registrar to the Issue.
- (x) Tripartite Agreement dated 01 January 2015 between our Company, CSDL and the Registrar to the Issue.
- (xi) In principle listing approval dated [●] and [●] issued by BSE.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Meet Paresh Shah	Managing Director	Sd/-
Hardik Manoj Shah	Executive Director	Sd/-
Deependra Vedprakash Shukla	Non-Executive Non-Independent Director	Sd/-
Advait Ramesh Koti	Non-Executive Non-Independent Director	Sd/-
Shikha Mukesh Shah	Independent Director	Sd/-
Hemang Hasmukhrai Shah	Independent Director	Sd/-

SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY OF OUR COMPANY

Rajlaxmi Saini	Company Secretary & Compliance Officer	Sd/-
Anmol Nimesh Sheth	Chief Financial Officer	Sd/-

Date: 03 / July / 2021

Place: Mumbai