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CONTENTS

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 Equity Shares	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' contact 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)

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 ur 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 *pari pasu* 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 "*Objects of the Issue*" on page 42.
Terms of the Issue	For details please refer to the chapter titled "*Terms of the Issue*" 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, Kandiwali 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 Ramesh Koti	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 Mukesh Shah	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[$]**		
	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.*

[$]This 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 Lacs	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 Lacs	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
Bhavesh 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 Bhavesh 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 polices 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 Ministtry 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 issues 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 Paresh Shah** **DIN:** 08800947 **Date of Birth:** 11 March 1990 **Designation:** Managing Director **Address:** Nagar Niwas Building, 5th 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* **the LLP has a defaulting status as per MCA website.*
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* **the LLP has a defaulting status as per MCA website.*
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.

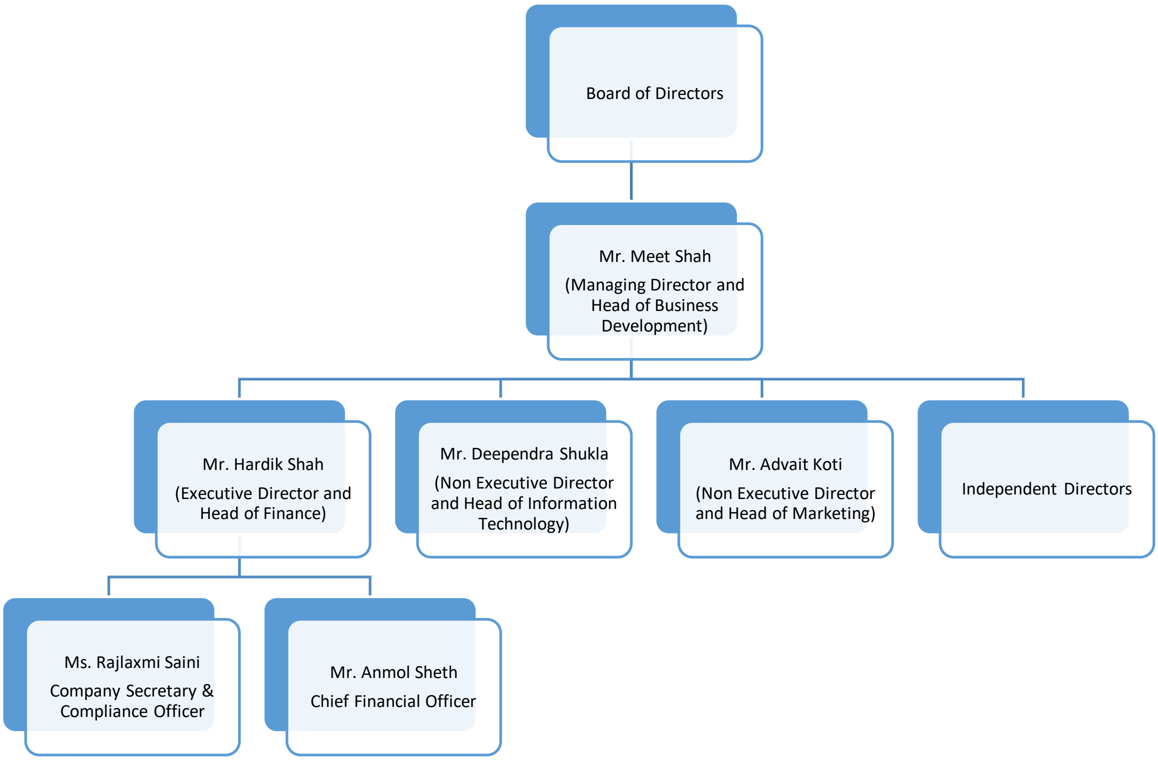
Mr. Deependra Vedprakash Shukla, aged 33 years, is a Non-Executive Non-Independent Director of our Company. He has done BSc IT from Mumbai University. He holds an experience of 12 years in the field of Information Technology. He joined our company on March 25, 2021.

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 lease 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 Isuue 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)

S/d
Piyush Agarwal
Partner
Membership No. 135505

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