

## INFORMATION MEMORANDUM

Date: 15.03.2022



**HKG LIMITED**

(CIN- L51909MH2010PLC340313)

Our Company was originally incorporated at New Delhi as “Yogya Enterprises Limited” on 16th September, 2010 under the provisions of the Companies Act, 1956. Subsequently, the name of our Company was changed to HKG Limited pursuant to special resolution passed at the Extra Ordinary General Meeting held on 30<sup>th</sup> September, 2019 and a fresh certificate of incorporation dated 16<sup>th</sup> October, 2019 issued by the Registrar of Companies, Delhi.

**Registered Office:** C Wing, Madhuban CHS Ltd, New Sai Baba Nagar, Opp Dev Nagar, Kandivali (West), Mumbai, Maharashtra, 400067.

**Contact Person & Compliance Officer:** Ms. Rajlaxmi Saini, Company Secretary & Compliance Officer  
Tel No.: + 91-8452009432;

Email ID: [info@hkglimited.com](mailto:info@hkglimited.com) Website: [www.hkglimited.com](http://www.hkglimited.com)

### INFORMATION MEMORANDUM FOR MIGRATION OF 5,25,00,000 EQUITY SHARES OF RS. 2/-EACH FULLY PAID UP TO MAIN PLATFORM OF BSE

#### GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest in the Equity shares of HKG Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of HKG Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

#### ABSOLUTE RESPONSIBILITY OF INVESTMENTS ABSOLUTE RESPONSIBILITY OF HKG LIMITED

HKG Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to HKG Limited, which is material, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

#### LISTING

The Equity Shares of HKG Limited which are listed on SME Platform of BSE Limited (“BSE SME”) are proposed to be migrated on Main Platform of BSE. BSE will be the designated Stock Exchange.

#### REGISTRAR & SHARE TRANSFER AGENT

##### BIGSHARE SERVICES PRIVATE LIMITED

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,  
Makwana Road, Marol, Andheri (East), Mumbai - 400059, Maharashtra, India.

Tel.No: 022 - 62638200; Fax No.: 022- 62638299

E-mail: [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

Website: [www.bigshareonline.com](http://www.bigshareonline.com)

Contact Person: Mr. Babu Rapheal; SEBI Registration No.INR000001385

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## SECTION I - GENERAL

### DEFINITIONS AND ABBREVIATIONS

TERMS	DESCRIPTION
“HKG Limited”, “HKGL”, “HKG”, “We” or “us” or “our Company” “the Company”	Unless the context otherwise requires, refers to HKG Limited, a Company incorporated under the Companies Act, 1956 having Registered Office at C Wing, Madhuban CHS Ltd, New Sai Baba Nagar, Opp Dev Nagar, Kandivali (West), Mumbai, Maharashtra, 400067.
“Subsidiary” or “Subsidiaries”	The company does not have any Subsidiaries.

### CONVENTIONAL/GENERAL TERMS

TERMS	DESCRIPTION
AOA/Articles/ Articles of Association	Articles of Association of HKG Limited
Board of Directors / Board/Director(s)	The Board of Directors of HKG Limited
BSE	BSE Limited (the Designated Stock Exchange)
CIN	Company Identification Number
Depositories Act	The Depositories Act, 2018 as amended from time to time
Depositories	NSDL and CDSL
DIN	Directors Identification Number
Director(s)	Director(s) of HKG Limited, unless otherwise specified
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time.
Equity Shares / Shares	Equity Shares of our Company of face value of Rs. 2 each unless otherwise specified in the context thereof
EPS	Earnings Per Share
GIR Number	General Index Registry Number
Gol/ Government	Government of India
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of HKG Limited
NSE	The National Stock Exchange of India Limited
Promoters	Promoters of the Company being Mr. Yatin Bhupendra Shah
Registered office of our Company	C Wing, Madhuban CHS Ltd, New Sai Baba Nagar, Opp Dev Nagar, Kandivali (West), Mumbai, Maharashtra, 400067
RoC	Registrar of Companies, Mumbai, Maharashtra
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME Platform of BSE/EMERGE	The SME platform of BSE for listing of Equity Shares offered under Chapter IX of the SEBI (ICDR) Regulations, 2018
Stock Exchange	BSE
SWOT	Analysis of strengths, weaknesses, opportunities and threats

**COMPANY/INDUSTRY RELATED TERMS/TECHNICAL TERMS**

TERMS	DESCRIPTION
AI	Artificial Intelligence
APA	Analytical Process Automation
API	Application Programming Interface
BCP	Business Continuity Planning
CRM	Customer Relationship Management
DevOps	Development and Operations
DPIIT	Department for Promotion of Industry and Internal Trade
ICANN	Internet Corporation for Assigned Names and Numbers
ICT	Information and Communications Technology
IoT	Internet of Things
ISOC	Information Security Operations Center
IT-BPM	Information Technology Business Process Management
IteS	Information Technology Enabled Services
NASSCOM	The National Association of Software and Service Companies
NET	Network Enabled Technologies
NIXI	National Internet Exchange of India
QA	Quality Assurance
R&D	Research and Development
RPA	Robotic Process Automation
RPO	Robotic Process Orchestration
SAP	Systems, Applications & Products in Data Processing
SaaS	Software as a service
TS	Technical Specifications
XMPP	Extensible Messaging and Presence Protocol

## ABBREVIATIONS

ABBREVIATION	FULL FORM
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
B.A	Bachelor of Arts
B.Com	Bachelor of Commerce
B.Sc.	Bachelor of Science
BG/LC	Bank Guarantee / Letter of Credit
CAGR	Compounded Annual Growth Rate
C. A.	Chartered Accountant
CAIIB	Certified Associate of the Indian Institute of Bankers
CC	Cubic Centimeter
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
C.S.	Company Secretary
DP	Depository Participant
ECS	Electronic Clearing System
EGM / EOGM	Extra Ordinary General Meeting of the shareholders
EPS	Earnings per Equity Share
ESOP	Employee Stock Option Plan
EMD	Earnest Money Deposit
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued there under.
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India.
FIs	Financial Institutions.
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry of Finance, Government of India

ABBREVIATION	FULL FORM
FY / Fiscal	Financial Year
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gol/ Government	Government of India
HUF	Hindu Undivided Family
BSC	Bachelor in Science
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
SME	Small And Medium Enterprises
SSC	Secondary School Certificate
M. Com.	Master of Commerce
NAV	Net Asset Value
No.	Number
NR	Non Resident
NSDL	National Securities Depository Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC/Registrar of Companies	Registrar of Companies, Mumbai, Maharashtra
RONW	Return on Net Worth
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America
VAT	Value added tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India
w.e.f	With effect from
YoY	Year on Year

## **CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION**

### **Certain Conventions**

In this Information Memorandum, unless the context otherwise requires or unless stated otherwise, the financial data is derived from our financial statements prepared and in accordance with the applicable regulations.

### **Financial Data**

Unless indicated otherwise, the financial data in this Information Memorandum is derived from our financial information for fiscal 2021, 2020 and 2019 and six months ended 30<sup>th</sup> September, 2021 prepared in accordance with the Generally Accepted Accounting Principles in India (“Indian GAAP”) and the Companies Act.

Our fiscal year commences on April 1 of the immediately preceding year and ends on March 31 of that year, so all references to a particular fiscal year are to the 12 month period ended March 31 of that year. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

There are significant differences between the Indian GAAP, the International Financial Reporting Standards (the “IFRS”) and the Generally Accepted Accounting Principles in the United States of America (the “U.S. GAAP”). Accordingly, the degree to which the financial statements included in this Information Memorandum will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations on the financial disclosures presented in this Information Memorandum should accordingly be limited. We have not attempted to quantify the impact of the IFRS or the U.S. GAAP on the financial data included in this Information Memorandum, nor do we provide a reconciliation of our financial statements to those under the U.S. GAAP or the IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

### **Currency and Units of Presentation**

All references to “Rupees” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. Except where specified, in this Information Memorandum, all figures have been expressed in Lacs, except as otherwise stated. The word “Lacs”, “Lac”, “Lakhs” or “Lakh” means “One Hundred Thousand”. All references to “US\$”, “U.S. Dollar”, “USD” or “US Dollars” are to United States Dollars, the official currency of the United States of America. All references to “€” are to Euros, the single currency of the participating member states in the third stage of the European and Economic Monetary Union of the treaty establishing the European Community.

### **Industry and Market Data**

Industry and Market data used throughout this Information Memorandum has been obtained from publicly available documents from various sources believed to be reliable but it has not been independently verified by us or its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe the industry and market data used in this Information Memorandum is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data is presented in this Information Memorandum is meaningful depends upon the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

## FORWARD-LOOKING STATEMENTS

Our Company has included statements in this Information Memorandum, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "project", "shall", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will continue", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company objectives, plans or goals, expected financial condition and results of operations, business plans and prospects are also forward-looking statements.

These forward-looking statements include statements as to business strategy, revenue and profitability, planned projects and other matters discussed in this Information Memorandum regarding matters that are not historical fact. These forward-looking statements contained in this Information Memorandum (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Further the 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 Healthcare industry in India and overseas 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 and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility 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, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations;
- Our ability to successfully implement our strategy, our growth and expansion, technological changes.
- Our exposure to market risks that 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.
- Our failure to keep pace with rapid changes in the industry;
- Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- Changes in political conditions in India.
- The outcome of legal or regulatory proceedings that we are or might become involved in;
- Our ability to compete effectively, particularly in new markets and businesses;
- Our dependence on our Key Management Personnel and Promoter;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.



For further discussion of factors that could cause Company's actual results to differ, see the section titled "Risk Factors" on page 7 of this Information Memorandum. By their nature, certain risk disclosures are only estimates and could be 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. Our Company and respective affiliates do not have any obligation to, and do not intend 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 requirements, our Company will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange.

#### **Absolute Responsibility of HKG Limited**

**HKG Limited** having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to the Company, which is material, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions are intentions misleading in any material respect.

#### **Listing**

The Equity Shares of **HKG Limited** which are listed on SME Platform of BSE Limited ("BSE SME") are proposed to be migrated on Main Platform of BSE. BSE will be the designated Stock Exchange.

The Information Memorandum is for the Migration of 5,25,00,000 Equity Shares of Rs. 2/-each fully paid up to main platform of BSE.

## SECTION II - RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. Investors should carefully consider all the information in this Information Memorandum,*

*The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares.*

*While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.*

*This Information Memorandum 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 the considerations described below and elsewhere in this Information Memorandum.*

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved.*

*The following factors have been considered for determining the materiality of Risk Factors:*

- Some events may not be material individually but may be found material collectively;*
- Some events may have material impact qualitatively instead of quantitatively;*
- Some events may not be material at present but may have material impact in future.*

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Information Memorandum. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein.*

*In this Information Memorandum, any discrepancies in any table between total and the sums of the amount listed are due to rounding off.*

*For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviations” beginning on page 1 of this Information Memorandum. The numbering of the*

*risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

#### **INTERNAL RISK FACTORS:**

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

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

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

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

SEBI vide order no. WTM/AB/IVD/ID2/7988/2020-21 dated 23 June 2020, in the matter of Pyramid Saimira Theater Limited, debarred Mr. Yatin B. Shah, Promoter of our Company, inter-alia, from dealing in securities and accessing the capital market for a period of 2 years. However, the Hon'ble Securities Appellate Tribunal has on appeal filed by Mr. Yatin Shah (Appeal No. 227 of 2020) 'stayed' the order till the next date of hearing. The next date of hearing in the said matter is 24<sup>th</sup> March, 2022 as mentioned in the SAT order dated 14<sup>th</sup> February, 2022. Therefore, as on date of this Information Memorandum the stay continues to be in force pending final disposition of the appeal by SAT. 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. 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.

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

We have recently received the marketing rights for web portals and have been developing 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.

**5. *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.

**6. *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 Audited financial statements for the FY 2018-19, 2019-20 & 2020-21 and Half year ended 30<sup>th</sup> September, 2021 are;

<i>Amount in Lakhs</i>				
Particulars	30.09.2021	31.03.2021	31.03.2020	31.03.2019
Net Cash flow from Operative activities	60.44	32.62	(80.49)	(251.44)
Net Cash Flow from investing activities	(20.81)	(20.32)	63.85	268.05
Net Cash Flow from Financing activities	4.13	-	-	(0.88)
<b>Net Cash Flow for the Year</b>	<b>43.77</b>	<b>12.30</b>	<b>(16.64)</b>	<b>15.73</b>

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.

**7. *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.

**8. *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 write downs of assets.

**9. *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.

**10. *We are dependent on our ability to develop new services and products, and enhance our existing services and products. If our products and services do not gain market acceptance, our operating results may be negatively affected.***

Rapid technological advances, changing delivery models and evolving standards in software development and maintenance, increasing customer needs, frequent new product introductions and enhancements characterize the industry in which we operate. Digitization is driving major changes in the global business software market, with IT leaders looking to adopt new technologies and software platforms to meet business needs, including revenue growth driven through new products and services, better customer experience and delivery mechanisms, and growth in revenue and profits. Our success depends upon our ability to anticipate, design, develop, test, market and support new software products, services, and enhancements of current products and services in response to evolving industry requirements.

To effectively meet customer demand, it is important that we continue to enhance our products and service offerings. The markets for our offerings are rapidly evolving due to which the level of acceptance of such products and services is not certain.

If we are unable to develop new or sufficiently differentiated products and services, enhance our product offerings and support services in a timely manner or position and price our products and services to meet demand including in response to new industry standards, it may have an adverse impact on our business.

If the markets for our services fail to develop, develop slower than expected or experience increased competition, our business may suffer. As a result, we may be unable to successfully market our existing services and products, develop and successfully launch new products and

services and enhancements to existing products and services, complete customer implementations on a timely basis, or complete products and services currently under development. If our services are not accepted by our customers, our business, operating results and financial condition will be materially adversely affected. For further details regarding our business.

**11. *We may become liable to our customers and lose customers if we have defects or disruptions in our service or if we provide poor service. We may also be liable in the event of misuse of our services or platforms.***

We deliver technology as a service, and errors or defects in the software applications underlying our services, or a failure of our hosting infrastructure, may make our services unavailable to our customers. Majority of our contracts or service agreements involve projects that are critical to the operations of our clients' businesses. Any failure in a client's system and any direct damages, expenses, costs, obligations could result in a claim for substantial damages against us, regardless of our responsibility for such failure. Any errors, defects, disruptions in service or other performance problems with our services, whether in connection with the day-to-day operation of our services, upgrades or otherwise, could damage our customers' businesses.

If we have any errors, defects, disruptions in service or other performance problems with our services, our customers could elect not to renew our contract, or delay or withhold payments to us and we could lose future sales. Further, our customers may make claims against us, which could result in an increase in our provision for doubtful accounts, an increase in collection cycles for accounts receivable or litigation costs. We may in the future, experience, misuse of our services or platforms. The occurrence of any such events in the future could lead to user dissatisfaction and discourage the use of our products and services. Such events may also give rise to complaints and actions against us. All these factors could adversely affect our business and results of operation.

**12. *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.

**13. *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.

**14. *If we are unable to source business opportunities effectively, we may not achieve our financial objectives.***

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our

growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use.

No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

***15. In the event our marketing initiatives do not yield intended results our business and results of operations may be adversely affected.***

We believe that the recognition and reputation of our brands has contributed to the growth of our business. We intend to continue to enhance the brand recall of our products through the use of targeted marketing and public relations initiatives. In order to maintain and enhance such recognition and reputation, we may be required to invest significant resources towards marketing and brand building exercises, specifically with respect to new products we launch or for geographic markets where we intend to expand our operations. We incur advertising and marketing expenses to increase brand recall and capture additional demand, and in the event they do not yield their intended results, or we are required to incur additional expenditures than anticipated, our business and results of operations may be adversely affected.

***16. Our limited operating experience, limited brand recognition in new markets may limit our expansion strategy and cause our business and growth to suffer.***

We seek to increase our presence in whole India as a part of our endeavour to increase the market penetration of our products and brand across India. Further, we have a limited number of customers in these markets and we may face risks in relation to delayed acceptance of our products due to limited brand recognition., We may also face risks in expanding our operations in geographic areas in which we do not possess the same level of familiarity with the economy, consumer preference, commercial operations and distribution network and with product offerings that we have limited operating experience of. In addition, our competitors in such geographic areas may already have established operations in such geographic areas and particularly in the cotton and cotton blended apparels market, and we may find it difficult to attract customers in such geographic areas. Our expansion plans could be delayed or abandoned, could cost more than anticipated and could divert resources from other areas of our business or divert management's attention from other aspects of our business and place a strain on our management, operational and financial resources, as well as our information systems, any of which could impact our competitive position and reduce our revenue and profitability.

***17. We have not independently verified certain data in this Information Memorandum.***

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

## EXTERNAL RISK FACTORS

***18. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

***19. Political, Economic and Social changes in India could adversely affect our business.***

Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

***20. Our business is dependent on economic growth in India.***

Our performance is dependent on the health of the overall Indian economy. There have been periods of slowdown in the economic growth of India. India economic growth is affected by various factors including domestic consumption and savings, balance of trade movements primarily resulting from export demand and movements in key imports, such as oil and oil products, and annual rainfall, which affect agricultural production. For example, in the monsoon of 2009, Several parts of the country experienced below average rainfall, leading to reduced farm output which impaired economic growth. In the past, economic slowdowns have harmed industries and industrial development in the country. Any future slowdown in the Indian economy could harm our business, financial condition and results of operations.

***21. The extent and reliability of Indian infrastructure could adversely affect our results of operations and financial condition.***

India's physical infrastructure is less developed than that of many developed countries. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy.

***22. Global economic downturn and adverse market conditions could cause our business to suffer. A slowdown in economic growth in India could cause our business to suffer.***

The developed economies of the world viz. U.S., Europe, Japan and others are in midst of a downturn affecting their economic condition and markets general business and consumer sentiment has been adversely affected due to the global slowdown and there can be no assurance whether the developed economies or the emerging market economies will see good economic growth in the near



future. Consequently, this has also affected the global stock and commodity markets. Our performance and growth is directly related to the performance of the Indian economy.

The performance of the Indian economy is dependent among other things on the interest rate, political and regulatory actions, liberalization policies, commodity and energy prices etc. A change in any of the factors would affect the growth prospects of the Indian economy, which may in turn adversely impact our results of operations, and consequently the price of our Equity Shares.

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

The continuing effect of the COVID-19 pandemic on our business and operations is highly uncertain and cannot be predicted. In late calendar 2019, COVID-19, commonly known as “novel coronavirus” was first reported in Wuhan, China. Since then, the virus has progressively spread globally too many countries. The World Health Organization declared the COVID-19 outbreak as a health emergency of international concern on January 30, 2020 and thereafter categorized the outbreak as a pandemic on March 11, 2020. In order to contain the spread of COVID-19 virus, the Government of India initially announced a 21-day lockdown on March 24, 2020, which, after being subject to successive extensions, is being relaxed currently. During the duration of the lockdown, there were several restrictions in place including travel restrictions and directive to all citizens to not move out of their respective houses unless essential. Whilst the lockdown required private, commercial and industrial establishments to remain closed, manufacturing units of essential commodities were permitted to be functional. The team members have been working from home during lockdown and have been able to execute their responsibilities and service clients without any disruption, difficulty or delay. Due to the rising number of infected cases of COVID-19 in the country, there is no certainty if additional restrictions will be put back in place or if another lockdown would be re-imposed to control the spread of the pandemic. We cannot assure you that we may not face any difficulty in our operations due to such restrictions and such a prolonged instance of lockdown may adversely affect our business, financial condition and results of operations. Further, our ability to ensure the safety of our workforce and continuity of operations while confirming with measures implemented by the central and state governments in relation to the health and safety of our employees may result in increased costs. In the event a member or members of our senior management team contract COVID-19, it may potentially affect our operations. Further, in the event any of our employees contract COVID-19, we may be required to quarantine our employees and shut down a part of or the entire operating facility as necessary. Risks arising on account of COVID-19 can also threaten the safe operation of our facility, loss of life, injuries and impact the wellbeing of our employees. The ultimate impact will depend on a number of factors, many of which are outside our control. These factors include the duration, severity and scope of the pandemic, the impact of the pandemic on economic activity in India and globally, the eventual level of infections in India, and the impact of any actions taken by governmental bodies or health organisations (whether mandatory or advisory) to combat the spread of the virus. These risks could have an adverse effect on our business, results of operations, cash flows and financial condition. To the extent that the COVID19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this “Risk Factors” section.

***24. Any downgrading of India’s debt rating by an independent agency may harm our ability to raise debt financing.***

Any adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our capital expenditure plans, business and financial performance.

**25. *Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.***

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets *on* which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among neighbouring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the world, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

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

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations.

## SECTION III - INTRODUCTION

### SUMMARY OF INDUSTRY & BUSINESS

The following summary should be read with the Risk Factors included from page numbers 7 to 14 and the more detailed information about the Company and the financial statements included in the Information Memorandum.

### GLOBAL PROSPECTS AND POLICIES

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects.

Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022—half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward 1.2 percentage-points revision for the United States. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow to 3.8 percent in 2023. Although this is 0.2 percentage point higher than in the previous forecast, the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022. The forecast is conditional on adverse health outcomes declining to low levels in most countries by end-2022, assuming vaccination rates improve worldwide and therapies become more effective.

Elevated inflation is expected to persist for longer than envisioned in the October WEO, with ongoing supply chain disruptions and high energy prices continuing in 2022. Assuming inflation expectations stay well anchored, inflation should gradually decrease as supply-demand imbalances wane in 2022 and monetary policy in major economies responds.

Risks to the global baseline are tilted to the downside. The emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high. As advanced economies lift policy rates, risks to financial stability and emerging market and developing economies' capital flows, currencies, and fiscal positions—especially with debt levels having increased significantly in the past two years—may emerge. Other global risks may crystallize as geopolitical tensions remain high, and the ongoing climate emergency means that the probability of major natural disasters remains elevated.

With the pandemic continuing to maintain its grip, the emphasis on an effective global health strategy is more salient than ever. Worldwide access to vaccines, tests, and treatments is essential to reduce the risk of further dangerous COVID-19 variants. This requires increased production of supplies, as well as better in-country delivery systems and fairer international distribution. Monetary policy in many countries will need to continue on a tightening path to curb inflation pressures, while fiscal policy—operating with more limited space than earlier in the pandemic—will need to prioritize health and social spending while focusing support on the worst affected. In this context, international cooperation will be essential to preserve access to liquidity and expedite orderly debt restructurings where needed. Investing in climate policies remains imperative to reduce the risk of catastrophic climate change.

**Table 1. Overview of the World Economic Outlook Projections**  
(Percent change, unless noted otherwise)

	Year over Year					Q4 over Q4 2/		
	Estimate	Projections			Difference from October 2021 WEO Projections 1/	Estimate	Projections	
		2021	2022	2023			2021	2022
<b>World Output</b>	-3.1	5.9	4.4	3.8	-0.5	0.2	4.2	3.9
<b>Advanced Economies</b>	-4.5	5.0	3.9	2.6	-0.6	0.4	4.4	3.5
United States	-3.4	5.6	4.0	2.6	-1.2	0.4	5.3	3.5
Euro Area	-6.4	5.2	3.9	2.5	-0.4	0.5	4.8	3.2
Germany	-4.6	2.7	3.8	2.5	-0.8	0.9	1.9	4.2
France	-8.0	6.7	3.5	1.8	-0.4	0.0	5.0	1.9
Italy	-8.9	6.2	3.8	2.2	-0.4	0.6	6.2	2.5
Spain	-10.8	4.9	5.8	3.8	-0.6	1.2	4.9	5.0
Japan	-4.5	1.6	3.3	1.8	0.1	0.4	0.4	3.6
United Kingdom	-9.4	7.2	4.7	2.3	-0.3	0.4	6.3	3.8
Canada	-5.2	4.7	4.1	2.8	-0.8	0.2	3.5	3.9
Other Advanced Economies 3/	-1.9	4.7	3.6	2.9	-0.1	0.0	3.8	3.4
<b>Emerging Market and Developing Economies</b>	-2.0	6.5	4.8	4.7	-0.3	0.1	4.0	4.3
Emerging and Developing Asia	-0.9	7.2	5.9	5.8	-0.4	0.1	3.7	5.4
China	2.3	8.1	4.8	5.2	-0.8	-0.1	3.5	5.1
India 4/	-7.3	9.0	9.0	7.1	0.5	0.5	4.3	5.8
ASEAN-5 5/	-3.4	3.1	5.6	6.0	-0.2	0.0	3.5	5.6
Emerging and Developing Europe	-1.8	6.5	3.5	2.9	-0.1	0.0	5.8	2.2
Russia	-2.7	4.5	2.8	2.1	-0.1	0.1	4.2	2.1
Latin America and the Caribbean	-6.9	6.8	2.4	2.6	-0.6	0.1	3.7	1.8
Brazil	-3.9	4.7	0.3	1.6	-1.2	-0.4	0.6	1.5
Mexico	-8.2	5.3	2.8	2.7	-1.2	0.5	2.9	3.4
Middle East and Central Asia	-2.8	4.2	4.3	3.6	0.2	-0.2	...	...
Saudi Arabia	-4.1	2.9	4.8	2.8	0.0	0.0	5.2	5.3
Sub-Saharan Africa	-1.7	4.0	3.7	4.0	-0.1	-0.1	...	...
Nigeria	-1.8	3.0	2.7	2.7	0.0	0.1	2.4	2.1
South Africa	-6.4	4.6	1.9	1.4	-0.3	0.0	1.3	2.6
<b>Memorandum</b>								
World Growth Based on Market Exchange Rates	-3.5	5.6	4.2	3.4	-0.5	0.3	4.2	3.9
European Union	-5.9	5.2	4.0	2.8	-0.4	0.5	4.9	3.5
Middle East and North Africa	-3.2	4.1	4.4	3.4	0.3	-0.1	...	...
Emerging Market and Middle-Income Economies	-2.2	6.8	4.8	4.6	-0.3	0.0	4.0	4.3
Low-Income Developing Countries	0.1	3.1	5.3	5.5	0.0	0.0	...	...
<b>World Trade Volume (goods and services) 6/</b>	-8.2	9.3	6.0	4.9	-0.7	0.4	...	...
Advanced Economies	-9.0	8.3	6.2	4.6	-0.7	0.6	...	...
Emerging Market and Developing Economies	-6.7	11.1	5.7	5.4	-0.7	0.0	...	...
<b>Commodity Prices (US dollars)</b>								
Oil 7/	-32.7	67.3	11.9	-7.8	13.7	-2.8	79.2	-4.7
Nonfuel (average based on world commodity import weights)	6.7	26.7	3.1	-1.9	4.0	-0.4	17.2	1.5
<b>Consumer Prices</b>								
Advanced Economies 8/	0.7	3.1	3.9	2.1	1.6	0.2	4.8	2.8
Emerging Market and Developing Economies 9/	5.1	5.7	5.9	4.7	1.0	0.4	5.9	5.1

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during December 10, 2021–January 7, 2022. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = World Economic Outlook.  
1/ Difference based on rounded figures for the current and October 2021 WEO forecasts. Countries whose forecasts have been updated relative to October 2021 WEO forecasts account for approximately 90 percent of world GDP measured at purchasing-power-parity weights.  
2/ For World Output, the quarterly estimates and projections account for approximately 80 percent of annual world output at purchasing-power-parity weights. For Emerging Market and Developing Economies, the quarterly estimates and projections account for approximately 80 percent of annual emerging market and developing economies' output at purchasing-power-parity weights.  
3/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.  
4/ For India, data and forecasts are presented on a fiscal year basis, with FY 2021/2022 starting in April 2021. For the January 2022 WEO Update, India's growth projections are 8.7 percent in 2022 and 6.8 percent in 2023 based on calendar year. The impact of the Omicron variant is captured in the column for 2021 in the table.  
5/ Indonesia, Malaysia, Philippines, Thailand, Vietnam.  
6/ Simple average of growth rates for export and import volumes (goods and services).  
7/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average price of oil in US dollars a barrel was \$99.07 in 2021; the assumed price, based on futures markets (as of January 10, 2022), is \$77.31 in 2022 and \$71.28 in 2023.  
8/ The inflation rate for the euro area is 3.0% in 2022 and 1.7% in 2023, for Japan is 0.7% in 2022 and 2023, and for the United States is 5.6% in 2022 and 2.7% in 2023, respectively.  
9/ Excludes Venezuela.

(Source: [www.imf.org](http://www.imf.org))

## Indian Economy Overview

### Introduction

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

### Market size

India's real gross domestic product (GDP) at current prices stood at Rs. 195.86 lakh crore (US\$ 2.71 trillion) in FY21, as per the second advance estimates (SAE) for 2020-21.

India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have ~100 unicorns by 2025 and will create ~1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'.

India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.

India's foreign exchange reserves stood at US\$ 582.04 billion, as of March 12, 2021, according to data from RBI.

(Source: [www.ibef.org](http://www.ibef.org))

## OVERVIEW OF INDIAN E-COMMERCE INDUSTRY

E-commerce has transformed the way business is done in India. The Indian E-commerce market is expected to grow to US\$ 111.40 billion by 2025 from US\$ 46.2 billion as of 2020. By 2030, it is expected to reach US\$ 350 billion.

By 2021, total e-commerce sales are expected to reach US\$ 67-84 billion from the US\$ 52.57 billion recorded in 2020.

India's e-commerce market is expected to reach US\$ 111 billion by 2024 and US\$ 200 billion by 2026.

Much of the growth for the industry has been triggered by an increase in internet and smartphone penetration. As of July 2021, the number of internet connections in India significantly increased to 784.59 million, driven by the 'Digital India' programme. Out of the total internet connections, ~61% connections were in urban areas, of which 97% connections were wireless.

### Market Size

The Indian online grocery market is estimated to reach US\$ 18.2 billion in 2024 from US\$ 1.9 billion in 2019, expanding at a CAGR of 57%. India's e-commerce orders volume increased by 36% in the last quarter of 2020, with the personal care, beauty and wellness (PCB&W) segment being the largest beneficiary. India's consumer digital economy is expected to become a US\$ 800 billion market by 2030, growing from US\$ 537.5 billion in 2020, driven by strong adoption of online services such as e-commerce and edtech in the country.

According to Grant Thornton, e-commerce in India is expected to be worth US\$ 188 billion by 2025. With a turnover of \$50 billion in 2020, India became the eighth-largest market for e-commerce, trailing France and a position ahead of Canada.

According to NASSCOM, despite COVID-19 challenges/disruptions, India's e-commerce market continues to grow at 5%, with expected sales of US\$ 56.6 billion in 2021.

Propelled by rising smartphone penetration, launch of 4G network and increasing consumer wealth, the Indian E-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion in 2017. Online retail sales in India is expected to grow 31% to touch US\$ 32.70 billion in 2018, led by Flipkart, Amazon India and Paytm Mall.

After China and the US, India had the third-largest online shopper base of 140 million in 2020.

Indian consumers are increasingly adopting 5G smartphones even before roll out of the next-gen mobile broadband technology in the country. Smartphone shipments reached 150 million units and 5G smartphone shipments crossed 4 million in 2020, driven by high consumer demand post-lockdown. According to a report published by IAMAI and Kantar Research, India internet users are expected to reach 900 million by 2025 from ~622 million internet users in 2020, increasing at a CAGR of 45% until 2025.

In October 2021, the e-commerce sales reached US\$ 4.6 billion, supported by the festival season in India.

## Road Ahead

The E-commerce industry 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 industry 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 like digital payments, hyper-local logistics, analytics driven customer engagement and digital advertisements will likely support the growth in the sector. The growth in E-commerce sector will also boost employment, increase revenues from export, increase tax collection by exchequers, and provide better products and services to customers in the long-term. Rise in smartphone usage is expected to rise 84% to reach 859 million by 2022.

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

(Source: [www.ibef.org](http://www.ibef.org))

## **BUSINESS OVERVIEW**

Our Company was originally incorporated at New Delhi as “Yogya Enterprises Limited” on 16th September, 2010 under the provisions of the Companies Act, 1956. Subsequently, the name of our Company was changed to HKG Limited pursuant to special resolution passed at the Extra Ordinary General Meeting held on 30<sup>th</sup> September, 2019 and a fresh certificate of incorporation dated 16<sup>th</sup> October, 2019 issued by the Registrar of Companies, Delhi.

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).

HKG Limited is a growing business conglomerates in Mumbai, India. 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.

HKG Limited is helmed by Mr. Yatin Shah, a veteran who has more than 20 years of experience in Financial services, Consulting and Information Technology. Under his able leadership, we have been relentlessly on the progressive journey.

Our Company is engaged in the business of offering online platform with a wide range of customers Service. We have built technology and data-driven solutions for every area of the business which enables one company to increase efficiency. We have developed following websites in the area of real estate, Financial services, mobiles and many more.

- <https://www.myrera.in/>



- <http://www.merastyle.in/>

- <http://www.funkymobile.in/>

- <https://www.areaonline.in/>



- <https://hkgmoneytech.com/>

- <https://www.mylocker.co.in/>

**MyLocker**

- <http://expo.softwarencrm.com/>

- <https://www.hkgmoney.com/>

- <https://www.researchfactory.in/>

We provide dynamic pricing and route specific approach. Currently, our services cover Mumbai area. We are providing online solution for customers in the area of Lease property, Financial related problems, online exhibition of their products etc.

We work on the theme of “DIGITALISATING BHARAT”.

Our Company adheres to all necessary regulatory specifications. We firmly believe in maintaining our service quality against the highest standards, are unflinchingly customer centric, deeply people

focused, and follow ethical business practices and corporate governance standards overall. We draw our strength from an age old tradition of quality services as the best strategy for sustained growth.

Our Promoters believe in the ideology of continuous improvement and development. Also, we believe role of a management team is equally important as to that of our employees for growth of a business, and accordingly we have placed an experienced management team to look after various facets of operations.

We endeavor to satisfy customers by continuous improvement through process innovation and quality maintenance. We focus on providing quality services to increase customer satisfaction and develop a positive brand image in the industry. We aim to grow our operations on PAN India basis and make our brand as a distinguished name in industry.

Our Company is engaged and providing following services:

**My RERA** is a one-stop first-of-a-kind Review & Rating platform for Real Estate industry. We have largest number of registered societies, agents and builders with genuine customers reviews that help in enhancing visibility and brand value. We envision to become India's leading Review & Rating portal for real estate sector and transform it to make it transparent and digital. We encourage societies, agents and builders to capitalize on the review economy and gain from the ratings to build their value and brand.

**AREA ONLINE:** Indian retail industry is under transition today, bringing a lot of transformations from static to digital retailing business. The shoppers enjoy the privilege of Digital shopping of the goods and services required by them in a variety of formats to meet their expectations. Ecommerce business model generally consists of eight key components i.e. value proposition, market opportunity, revenue model, competitive environment, competitive advantage, market strategy, organizational development, and management team.

Area Online targets the middle class & upper class people who have hands on experience in technology but don't have much time to do shopping from the physical outlets. Taking this into consideration Area Online has successfully positioned itself as a Glocal (Go global Act local) e-commerce giant where one can sell anything & get it delivered at any remote locations.

**My Notification:** Install, customize, and make it your own. From collecting data to converting information into insights, My Notification does it all. Automating your processes, giving your colleagues the access, they need, visualizing information through reports, and doing it all from anywhere. With this app, you can:

- Connect lenders and borrowers.
- Set return reminders.
- Instantly approve or reject requests.
- See it all on detailed dashboards.
- Collect product feedback.

**Virtual Exhibition:** A Virtual Event is a gathering of people sharing a common virtual environment on the web, rather than meeting in a physical location. Virtual Event provides a rich source of marketing data as every activity of a participant at Virtual Event can be tracked and evaluated. It helps create a virtual engagement index, which is a variable to measure interaction quantity and quality of participants. Using the versatility and scope of the online space to host a Digital Exhibition Fair, which allows exhibitors to fully view their items in rich content formats and allows visitors to access and explore these offers in the comfort of their homes. A world class web-based platform ensures you get to display all your products virtually as well speak to your customers as part of the conference sessions and through one-to-one audio/video calls. You also get the functionality to disseminate white papers, case studies, PPTs, brochures and any other informative material that you would normally share with your customers. So, sitting from the comfort of your



office or even home, you get to reach out to your target audience seamlessly through your mobile device.

**Media Marketing:**

- Website Development
- E-Commerce Development
- Mobile App Development
- ERP Software Development
- Digital Marketing
- Graphics Designing

**Annual Report:** Annual Report Designing Is Our Core Specialization. Our experienced team has worked with the top annual report agencies in India and is well versed with the statutory importance of this document. We understand the communication treatment and possess the expertise of providing you fresh and solid approach for an effective impact on the stakeholder community.

## SUMMARY OF FINANCIAL STATEMENTS

### STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019, 2020 AND 2021 AND FOR THE HALF YEAR ENDED ON 30<sup>TH</sup> SEPTEMBER, 2021 - AMOUNT IN RS. LAKHS

Particulars	30 <sup>th</sup> September, 2021	31.03.2021	31.03.2020	31.03.2019
Revenue from Operations	192.88	663.22	90.96	785.07
Other Income	0.07	-	2.92	(64.28)
<b>Total Revenue</b>	<b>192.95</b>	<b>663.22</b>	<b>93.88</b>	<b>720.79</b>
<b>Expenses</b>				
Purchase of stock-in-trade	90.58	620.89	171.25	952.22
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(19.53)	(68.61)	93.36	(155.68)
Employees Benefit Expenses	12.98	5.08	2.30	5.01
Finance Cost	0.09	0.01	0.12	0.05
Depreciation & Amortization Expenses	1.48	1.44	3.09	3.28
Other Expenses	23.39	18.09	11.99	7.25
<b>Total Expenses</b>	<b>108.99</b>	<b>576.90</b>	<b>282.10</b>	<b>812.14</b>
<b>Profit before exceptional and extraordinary items and tax</b>	<b>83.96</b>	<b>86.31</b>	<b>(188.23)</b>	<b>(91.35)</b>
Exceptional items	-	-	-	-
<b>Profit before extraordinary items and tax</b>	<b>83.96</b>	<b>86.31</b>	<b>(188.23)</b>	<b>(91.35)</b>
Extraordinary/Exceptional items	-	-	0.23	-
<b>Profit before tax</b>	<b>83.96</b>	<b>86.31</b>	<b>(188.46)</b>	<b>(91.35)</b>
<b>Tax Expenses</b>				
Current Tax	21.13	16.00	-	-
Deferred Tax	-	0.51	0.39	(0.96)
Mat credit Entitlement	-	-	-	-
Adjustment of tax to earlier period	-	-	-	-
<b>Profit (Loss) for the period</b>	<b>62.83</b>	<b>70.83</b>	<b>(188.85)</b>	<b>(90.40)</b>

### STATEMENT OF BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2019, 2020 AND 2021 AND FOR THE PERIOD ENDED ON 30<sup>TH</sup> SEPTEMBER, 2021 - AMOUNT IN RS. LAKHS

Particulars	30 <sup>th</sup> September, 2021	31.03.2021	31.03.2020	31.03.2019
<b>Equity &amp; Liabilities</b>				
<b>Shareholders' Funds</b>				
Share Capital	350.00	350.00	350.00	350.00
Reserve & Surplus	(19.60)	(72.88)	(143.71)	45.14
<b>Non-Current Liabilities</b>				

Particulars	30 <sup>th</sup> September, 2021	31.03.2021	31.03.2020	31.03.2019
Long Term Borrowings	11.37	-	-	-
Deferred Tax Liabilities (Net)	-	-	0.51	0.12
Other Long Term Liabilities	-	-	-	-
Long Term Provisions	-	-	-	-
<b>Current Liabilities</b>				
Financial Liabilities	8.89	-	-	-
Trade Payables	15.63	3.48	0.70	0.02
Other Current Liabilities	7.43	3.43	0.52	0.10
Current tax liabilities	26.75	14.90	-	1.29
<b>Total</b>	<b>400.47</b>	<b>298.92</b>	<b>208.02</b>	<b>396.67</b>
<b>Assets</b>				
(a)Fixed Assets:	40.32	20.99	2.11	5.21
(b)Non-Current Investments	-	-	-	-
(c)Deferred Tax Assets (Net)	-	-	-	-
(d)Long-Term Loans and Advances	-	-	-	-
(e)Other non currents assets	-	-	-	-
<b>Current Assets</b>				
(a)Current Investment	-	-	-	61.52
(b)Inventories	208.67	189.14	120.53	213.89
(c)Trade Receivables	10.73	0.18	0.30	10.59
(d)Cash & Bank Balances	65.55	21.78	9.48	26.12
(e)Short Term Loans & Advances	58.75	50.19	60.01	60.00
(f)Other Current Assets	16.44	16.64	15.59	19.34
<b>Total</b>	<b>400.47</b>	<b>298.92</b>	<b>208.02</b>	<b>396.67</b>

#### STATEMENT OF DIVIDEND

The declaration and payment of dividends on our Equity Shares will be recommended by the Board of Directors and approved by the shareholders of our Company, at their discretion, and will depend on a number of factors, including but not limited to the profits, cash flows, capital expenditure, capital requirements and overall financial condition. The Board may also from time to time pay interim dividend.

The Dividend payout for the preceding ten (10) years is as under:

Financial Year	% of paid-up share capital	Amount (Rs. Lacs)
2011-12	-	-
2012-13	-	-
2013-14	-	-
2014-15	-	-
2015-16	-	-
2016-17	-	-
2017-18	-	-
2018-19	-	-
2019-20	-	-

2020-21	-	-
30 <sup>th</sup> September, 2021		

The declaration and payment of dividend depends upon a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

#### STATEMENT OF CASH BONUSES

The statement of cash bonuses for the preceding ten (10) years is as under.

Financial Year	Amount (Rs. Lacs)
2011-12	-
2012-13	-
2013-14	-
2014-15	-
2015-16	-
2016-17	-
2017-18	-
2018-19	-
2019-20	-
2020-21	-
30 <sup>th</sup> September, 2021	-

#### GENERAL INFORMATION

Our Company was originally incorporated at New Delhi as “Yogya Enterprises Limited” on 16th September, 2010 under the provisions of the Companies Act, 1956. Subsequently, the name of our Company was changed to HKG Limited pursuant to special resolution passed at the Extra Ordinary General Meeting held on 30<sup>th</sup> September, 2019 and a fresh certificate of incorporation dated 16<sup>th</sup> October, 2019 issued by the Registrar of Companies, Delhi.

#### REGISTERED OFFICE OF OUR COMPANY

C Wing, Madhuban CHS Ltd,  
New Sai Baba Nagar, Opp Dev Nagar,  
Kandivali (West), Mumbai, Maharashtra, 400067.  
Tel: +91-8452009432  
Email: [info@hkglimited.com](mailto:info@hkglimited.com)  
Website: [www.hkglimited.com](http://www.hkglimited.com)

#### ADDRESS OF REGISTRAR OF COMPANIES

Registrar of Companies, Mumbai,  
100, Everest, Marine Drive,  
Mumbai-400002, Maharashtra.  
Tel.: 022-22812627  
Email: [roc.mumbai@mca.gov.in](mailto:roc.mumbai@mca.gov.in)  
Website: [www.mca.gov.in](http://www.mca.gov.in)

## BOARD OF DIRECTORS

The following table sets out the details regarding our Board as on the date of this Information Memorandum:

Sr. no.	Director Name	Designation	DIN	Address
1	Mr. Yatin Bhupendra Shah	Managing Director	<u>02055422</u>	A-901, Gokul Society, Opp Dev Nagar, New Sai Baba Nagar Kandivali West Mumbai Maharashtra-400067
2	Mr. Meet Paresch Shah	Non-Executive Director	<u>08800947</u>	Nagar Niwas Building, 5th Floor, Room No. 72, 6/8 Anantwadi, Near Adarsh Baug Hotel, Kalbadevi, Mumbai, Maharashtra - 400 002
3	Mr. Hardik Manoj Shah	Executive and Non Independent Director	<u>06843854</u>	B-1003, Gokul Society, Opp. Dev Nagar, New Sai Baba Nagar, Kandiwali West, Mumbai, Maharashtra - 400 067, India
4	Mr. Hemang Hasmukhrai Shah	Independent Director	<u>07953299</u>	A-102, Jay Ganesh Krupa Co. Op. Housing Society, Anand Nagar, Near K.T. Vision, Vasai West, Thane - 401 202, Maharashtra, India
5	Mr. Hemant Vastani	Independent Director	<u>07085006</u>	C-507, RNA Royale Park, M. G. Road, Kandivali (west) Mumbai Maharashtra-400067
6.	Ms. Shikha Mukesh Shah	Independent Director	<u>08940235</u>	D-6, Room No. 17, Bhadran Nagar, SV Road, Behind NL High School, Malad (West), Mumbai, Maharashtra - 400 064, India

### COMPANY SECRETARY & COMPLIANCE OFFICER:

**Ms. Rajlaxmi Saini**  
C Wing, Madhuban CHS Ltd,  
New Sai Baba Nagar, Opp Dev Nagar,  
Kandivali (West), Mumbai, Maharashtra, 400067.  
Tel: +91-8452009432  
Email: [info@hkglimited.com](mailto:info@hkglimited.com)  
Website: [www.hkglimited.com](http://www.hkglimited.com)

### CHIEF FINANCIAL OFFICER:

**Mr. Mayur Bipinchandra Shah**  
C Wing, Madhuban CHS Ltd,  
New Sai Baba Nagar, Opp Dev Nagar,  
Kandivali (West), Mumbai, Maharashtra, 400067.  
Tel: +91-8452009432  
Email: [info@hkglimited.com](mailto:info@hkglimited.com)  
Website: [www.hkglimited.com](http://www.hkglimited.com)

**STATUTORY AUDITORS:**

**M/s. Mittal Agarwal & Company**  
Chartered Accountants  
Office No. 404, Madhu Industrial Park,  
Mogra Cross Road, Near Apollo Chambers,  
Andheri (E), Mumbai- 400069  
Email: [office@mittalagarwal.com](mailto:office@mittalagarwal.com)  
Tel: 022 2832 4532

**REGISTRAR TO THE ISSUE:****BIGSHARE SERVICES PRIVATE LIMITED**

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,  
Makwana Road, Marol, Andheri (East),  
Mumbai - 400059, Maharashtra, India.  
Tel.No: 022 - 62638200;  
Fax No.: 022-62638299  
E-mail: [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)  
Contact Person: Mr. Babu Rapheal

SEBI Registration No. INR000001385

Now the Equity Shares of the Company i.e. HKG Limited, shall be admitted to main platform of BSE. Such admission for trading will be subject to fulfillment by the Company of listing criteria of main platform of BSE and also subject to such other terms and conditions as may be prescribed by BSE at the time of the application by the Company seeking listing.

**Eligibility Criteria**

The Company is submitting its Information Memorandum, containing information about itself, making disclosures, as applicable, to BSE for making the said Information Memorandum available to public through their website viz. [www.bseindia.com](http://www.bseindia.com). The Shareholders of HKG Limited has approved the migration to main platform of BSE vide Postal Ballot results on 13<sup>th</sup> February, 2022 in accordance with Regulation 277 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

**Prohibition by SEBI**

The Company, its Directors, its Promoters, other Companies promoted by the Promoters and companies with which the Company's Directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

**Caution**

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

**Disclaimer Clause of BSE**

As required, a copy of this Information Memorandum is being submitted to BSE. The BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- warrant that this Company's securities will be traded or will continue to be traded on the BSE; or
- take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE. Every person who desires to acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

### **Filing**

Copies of this Information Memorandum have been filed with BSE in due compliance.

### **Demat Credit**

The Company has executed Agreements with NSDL and CDSL for its securities in demat form.

### **Dematerialisation of Shares**

Tripartite agreements have been signed between the Company, the Registrar and CDSL and NSDL. The ISIN No. allotted to the Company is **INE904R01027**.

## **CAPITAL STRUCTURE**

Our Share Capital as on the date of this Information Memorandum is set forth below:

<b>Sr. No</b>	<b>Particulars</b>	<b>Aggregate value at face value in Lakhs</b>
<b>A.</b>	<b>Authorized share capital</b>	
	7,00,00,000 Equity Shares having Face Value of Rs 2/- each	1,400.00
<b>B.</b>	<b>Issued, subscribed and paid-up share capital</b>	
	5,25,00,000 Equity Shares having Face Value of Rs. 2/- each	1,050.00

## NOTES TO CAPITAL STRUCTURE

### 1. Equity Share capital history of our Company

Date of issue/ allotment of Shares	No. of Equity Shares Issued	Face valu e (Rs.)	Issu e pric e (Rs.)	Considerati on (cash, bonus, consideratio n other than cash)	Nature of allotment  (Bonus, swap etc.)	Cumulativ e  no. of Equity Shares	Cumulativ e  paid-up share capital (Rs.)	Cumulativ e  share premium (Rs.)
On incorporati on	50,000	10	10	Cash	Subscription to MOA	50,000	5,00,000	Nil
10.11.2010	50,000	10	10	Cash	Further Allotment	1,00,000	10,00,000	Nil
31.03.2011	1,20,000	10	10	Cash	Further Allotment	2,20,000	22,00,000	Nil
28.03.2013	7,85,000	10	10	Cash	Further Allotment	10,05,000	1,00,50,00 0	Nil
10.12.2014	14,95,000	10	10	Cash	Further Allotment	25,00,000	2,50,00,00 0	Nil
09.05.2015	10,00,000	10	15	Cash	Initial Public Offer	35,00,000	3,50,00,00 0	50.00
04.09.2020	175,00,00 0	2	N.A.	N.A.	Sub division of face value from Rs. 10 to Rs. 2 per share	175,00,00 0	3,50,00,00 0	50.00
17.12.2021	175,00,00 0	2	6	Cash	Right issue (ratio 1:1)	3,50,00,00 0	7,00,00,00 0	1,100.00
28.02.2022	175,00,00 0	2	N.A.	Other than Cash	Bonus Issue (1:2)	5,25,00,00 0	10,50,00,0 00	750.00

Notes:

(a) Particulars of shares and debenture issued:-

(i) For consideration other than cash:

We have not issued any Equity Shares for consideration other than cash except as detailed below:



Date of/ issue allotment of Shares	No. of Equity Shares Issued	Face value (Rs)	Issue price(Rs.)	Consideration (cash, bonus, consideration other than cash)	Nature of allotment (Bonus, swap etc.)
28.02.2022	175,00,000	₹	N.A.	Other than Cash	Bonus

(ii) At a premium or discount,

There are no shares issued at premium or discount since incorporation of company except as detailed below:

Date of/ issue allotment of Shares	No. of Equity Shares Issued	Face value (Rs)	Issue price(Rs.)	Consideration (cash, bonus, consideration other than cash)	Nature of allotment (Bonus, swap etc.)
09.05.2015	10,00,000	10	15	Cash	Initial Public Offer
17.12.2021	175,00,000	2	6	Cash	Right issue (ratio 1:1)

(iii) In pursuance of option:

There are no shares issued pursuant to any option, since incorporation of company.

## 2. Shareholding Pattern of our Company

The table below presents our shareholding pattern as on 31<sup>st</sup> December, 2021.

Summary of Shareholding Pattern

[illegible]

Ca te go ry (I)	Cat ego ry of sha reh old er (II)	Nos. of sha reh old ers (III)	No . of ful ly pai d up equ ity sh ar es hel d (IV )	No. of P ar tl y pai d - u p pe re q ui ty sh ar es hel d (V )	No. of sha res un der ly ing De pos itor y Rec eip ts (VI)	To tal no s. sh ar es hel d (VI I) = (IV ) + (V ) + (VI )	Shar eh old ing as a % of tota l no. of shar es (cal cula ted as per SCR R, 195 7) (VIII ) As a % of (A+ B+C 2)	Number of Voting Rights held in each class of securities* (IX)				No. of Sha res Und erly ing Out sta ndi ng con vert ible sec urit ies (inc ludi ng War ran ts) (X)	Shar eh old ing , as a % assu min g full con vers ion of con vert ible sec urit ies ( as a per cent age of dilu ted share capital) (XI) = (VII) +(X) As a % of (A+ B+C 2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Nu mb er of equ ity sha res hel d in de mat er ial ize d for m (XIV )
								No of Voting Rights			To tal as a % of (A +B +C )			No . (a )	As a % of tota l S h ar es hel d (b )	No . (a )	As a % of tota l S h ar es hel d (b )	
								Class X	Class Y	Total								
	Total	1045	52500000	-	-	52500000	100.00	52500000	-	52500000	100.00	-	-	-	-	-	52500000	

### 3. Equity Shares held by top ten shareholders

Our top ten shareholders and the number of Equity Shares held by them as on 11<sup>th</sup> March, 2022 are as under:

Sr. No.	Name of the Shareholders	No. of Shares
1.	Vaishali Yatin Shah	7095000
2.	Yatin Bhupendra Shah	6645000

Sr. No.	Name of the Shareholders	No. of Shares
3.	Madhukar Sheth	2576250
4.	Hkg Money Tech Private Limited	2550000
5.	Tcg Funds Fund 1	2017500
6.	Ramesh Chandu Koti	2006250
7.	Sujata Ajay Pandey	1680000
8.	Ajinkya Mercantile Pvt Ltd	1173000
9.	Kaushik Shah Shares And Sec Pvt Ltd	997500
10.	Usha Arun Mane	649500

4. As on date of this Information Memorandum, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares.
5. As on date of this information memorandum, the entire issued capital of our company is fully paid up.
6. No payment, direct, indirect in the nature of brokerage, discount, commission, and allowance, or other special terms including an option for the issue of any kind of securities granted to any person.
7. There is no outstanding instrument including warrants pending conversion in to shares as on date.

## SECTION IV - ABOUT THE COMPANY

The following summary should be read with the Risk Factors included from page numbers 7 to 14 and the more detailed information about the Company and the financial statements included in the Information Memorandum.

### GLOBAL PROSPECTS AND POLICIES

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects.

Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022—half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward 1.2 percentage-points revision for the United States. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow to 3.8 percent in 2023. Although this is 0.2 percentage point higher than in the previous forecast, the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022. The forecast is conditional on adverse health outcomes declining to low levels in most countries by end-2022, assuming vaccination rates improve worldwide and therapies become more effective.

Elevated inflation is expected to persist for longer than envisioned in the October WEO, with ongoing supply chain disruptions and high energy prices continuing in 2022. Assuming inflation expectations stay well anchored, inflation should gradually decrease as supply-demand imbalances wane in 2022 and monetary policy in major economies responds.

Risks to the global baseline are tilted to the downside. The emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high. As advanced economies lift policy rates, risks to financial stability and emerging market and developing economies' capital flows, currencies, and fiscal positions—especially with debt levels having increased significantly in the past two years—may emerge. Other global risks may crystallize as geopolitical tensions remain high, and the ongoing climate emergency means that the probability of major natural disasters remains elevated.

With the pandemic continuing to maintain its grip, the emphasis on an effective global health strategy is more salient than ever. Worldwide access to vaccines, tests, and treatments is essential to reduce the risk of further dangerous COVID-19 variants. This requires increased production of supplies, as well as better in-country delivery systems and fairer international distribution. Monetary policy in many countries will need to continue on a tightening path to curb inflation pressures, while fiscal policy—operating with more limited space than earlier in the pandemic—will need to prioritize health and social spending while focusing support on the worst affected. In this context, international cooperation will be essential to preserve access to liquidity and expedite orderly debt restructurings where needed. Investing in climate policies remains imperative to reduce the risk of catastrophic climate change.

**Table 1. Overview of the World Economic Outlook Projections**  
(Percent change, unless noted otherwise)

	Year over Year					Q4 over Q4 2/		
	Estimate	Projections			Difference from October 2021 WEO Projections 1/	Estimate	Projections	
		2021	2022	2023			2021	2022
<b>World Output</b>	-3.1	5.9	4.4	3.8	-0.5	0.2	4.2	3.9
<b>Advanced Economies</b>	-4.5	5.0	3.9	2.6	-0.6	0.4	4.4	3.5
United States	-3.4	5.6	4.0	2.6	-1.2	0.4	5.3	3.5
Euro Area	-6.4	5.2	3.9	2.5	-0.4	0.5	4.8	3.2
Germany	-4.6	2.7	3.8	2.5	-0.8	0.9	1.9	4.2
France	-8.0	6.7	3.5	1.8	-0.4	0.0	5.0	1.9
Italy	-8.9	6.2	3.8	2.2	-0.4	0.6	6.2	2.5
Spain	-10.8	4.9	5.8	3.8	-0.6	1.2	4.9	5.0
Japan	-4.5	1.6	3.3	1.8	0.1	0.4	0.4	3.6
United Kingdom	-9.4	7.2	4.7	2.3	-0.3	0.4	6.3	3.8
Canada	-5.2	4.7	4.1	2.8	-0.8	0.2	3.5	3.9
Other Advanced Economies 3/	-1.9	4.7	3.6	2.9	-0.1	0.0	3.8	3.4
<b>Emerging Market and Developing Economies</b>	-2.0	6.5	4.8	4.7	-0.3	0.1	4.0	4.3
Emerging and Developing Asia	-0.9	7.2	5.9	5.8	-0.4	0.1	3.7	5.4
China	2.3	8.1	4.8	5.2	-0.8	-0.1	3.5	5.1
India 4/	-7.3	9.0	9.0	7.1	0.5	0.5	4.3	5.8
ASEAN-5 5/	-3.4	3.1	5.6	6.0	-0.2	0.0	3.5	5.6
Emerging and Developing Europe	-1.8	6.5	3.5	2.9	-0.1	0.0	5.8	2.2
Russia	-2.7	4.5	2.8	2.1	-0.1	0.1	4.2	2.1
Latin America and the Caribbean	-6.9	6.8	2.4	2.6	-0.6	0.1	3.7	1.8
Brazil	-3.9	4.7	0.3	1.6	-1.2	-0.4	0.6	1.5
Mexico	-8.2	5.3	2.8	2.7	-1.2	0.5	2.9	3.4
Middle East and Central Asia	-2.8	4.2	4.3	3.6	0.2	-0.2	...	...
Saudi Arabia	-4.1	2.9	4.8	2.8	0.0	0.0	5.2	5.3
Sub-Saharan Africa	-1.7	4.0	3.7	4.0	-0.1	-0.1	...	...
Nigeria	-1.8	3.0	2.7	2.7	0.0	0.1	2.4	2.1
South Africa	-6.4	4.6	1.9	1.4	-0.3	0.0	1.3	2.6
<b>Memorandum</b>								
World Growth Based on Market Exchange Rates	-3.5	5.6	4.2	3.4	-0.5	0.3	4.2	3.9
European Union	-5.9	5.2	4.0	2.8	-0.4	0.5	4.9	3.5
Middle East and North Africa	-3.2	4.1	4.4	3.4	0.3	-0.1	...	...
Emerging Market and Middle-Income Economies	-2.2	6.8	4.8	4.6	-0.3	0.0	4.0	4.3
Low-Income Developing Countries	0.1	3.1	5.3	5.5	0.0	0.0	...	...
<b>World Trade Volume (goods and services) 6/</b>	-8.2	9.3	6.0	4.9	-0.7	0.4	...	...
Advanced Economies	-9.0	8.3	6.2	4.6	-0.7	0.6	...	...
Emerging Market and Developing Economies	-6.7	11.1	5.7	5.4	-0.7	0.0	...	...
<b>Commodity Prices (US dollars)</b>								
Oil 7/	-32.7	67.3	11.9	-7.8	13.7	-2.8	79.2	-4.7
Nonfuel (average based on world commodity import weights)	6.7	26.7	3.1	-1.9	4.0	-0.4	17.2	1.5
<b>Consumer Prices</b>								
Advanced Economies 8/	0.7	3.1	3.9	2.1	1.6	0.2	4.8	2.8
Emerging Market and Developing Economies 9/	5.1	5.7	5.9	4.7	1.0	0.4	5.9	5.1

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during December 10, 2021–January 7, 2022. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = World Economic Outlook.  
1/ Difference based on rounded figures for the current and October 2021 WEO forecasts. Countries whose forecasts have been updated relative to October 2021 WEO forecasts account for approximately 90 percent of world GDP measured at purchasing-power-parity weights.  
2/ For World Output, the quarterly estimates and projections account for approximately 80 percent of annual world output at purchasing-power-parity weights. For Emerging Market and Developing Economies, the quarterly estimates and projections account for approximately 80 percent of annual emerging market and developing economies' output at purchasing-power-parity weights.  
3/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.  
4/ For India, data and forecasts are presented on a fiscal year basis, with FY 2021/2022 starting in April 2021. For the January 2022 WEO Update, India's growth projections are 8.7 percent in 2022 and 8.6 percent in 2023 based on calendar year. The impact of the Omicron variant is captured in the column for 2021 in the table.  
5/ Indonesia, Malaysia, Philippines, Thailand, Vietnam.  
6/ Simple average of growth rates for export and import volumes (goods and services).  
7/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average price of oil in US dollars a barrel was \$99.07 in 2021; the assumed price, based on futures markets (as of January 10, 2022), is \$77.31 in 2022 and \$71.28 in 2023.  
8/ The inflation rate for the euro area is 3.0% in 2022 and 1.7% in 2023, for Japan is 0.7% in 2022 and 2023, and for the United States is 5.6% in 2022 and 2.7% in 2023, respectively.  
9/ Excludes Venezuela.

(Source: [www.imf.org](http://www.imf.org))

## Indian Economy Overview

### Introduction

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

### Market size

India's real gross domestic product (GDP) at current prices stood at Rs. 195.86 lakh crore (US\$ 2.71 trillion) in FY21, as per the second advance estimates (SAE) for 2020-21.

India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have ~100 unicorns by 2025 and will create ~1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'.

India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.

India's foreign exchange reserves stood at US\$ 582.04 billion, as of March 12, 2021, according to data from RBI.

(Source: [www.ibef.org](http://www.ibef.org))

## OVERVIEW OF INDIAN E-COMMERCE INDUSTRY

E-commerce has transformed the way business is done in India. The Indian E-commerce market is expected to grow to US\$ 111.40 billion by 2025 from US\$ 46.2 billion as of 2020. By 2030, it is expected to reach US\$ 350 billion.

By 2021, total e-commerce sales are expected to reach US\$ 67-84 billion from the US\$ 52.57 billion recorded in 2020.

India's e-commerce market is expected to reach US\$ 111 billion by 2024 and US\$ 200 billion by 2026.

Much of the growth for the industry has been triggered by an increase in internet and smartphone penetration. As of July 2021, the number of internet connections in India significantly increased to 784.59 million, driven by the 'Digital India' programme. Out of the total internet connections, ~61% connections were in urban areas, of which 97% connections were wireless.

### Market Size

The Indian online grocery market is estimated to reach US\$ 18.2 billion in 2024 from US\$ 1.9 billion in 2019, expanding at a CAGR of 57%. India's e-commerce orders volume increased by 36% in the last quarter of 2020, with the personal care, beauty and wellness (PCB&W) segment being the largest beneficiary. India's consumer digital economy is expected to become a US\$ 800 billion market by 2030, growing from US\$ 537.5 billion in 2020, driven by strong adoption of online services such as e-commerce and edtech in the country.

According to Grant Thornton, e-commerce in India is expected to be worth US\$ 188 billion by 2025. With a turnover of \$50 billion in 2020, India became the eighth-largest market for e-commerce, trailing France and a position ahead of Canada.

According to NASSCOM, despite COVID-19 challenges/disruptions, India's e-commerce market continues to grow at 5%, with expected sales of US\$ 56.6 billion in 2021.

Propelled by rising smartphone penetration, launch of 4G network and increasing consumer wealth, the Indian E-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion in 2017. Online retail sales in India is expected to grow 31% to touch US\$ 32.70 billion in 2018, led by Flipkart, Amazon India and Paytm Mall.

After China and the US, India had the third-largest online shopper base of 140 million in 2020.

Indian consumers are increasingly adopting 5G smartphones even before roll out of the next-gen mobile broadband technology in the country. Smartphone shipments reached 150 million units and 5G smartphone shipments crossed 4 million in 2020, driven by high consumer demand post-lockdown. According to a report published by IAMAI and Kantar Research, India internet users are expected to reach 900 million by 2025 from ~622 million internet users in 2020, increasing at a CAGR of 45% until 2025.

In October 2021, the e-commerce sales reached US\$ 4.6 billion, supported by the festival season in India.

### Road Ahead

The E-commerce industry 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 industry 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 like digital payments, hyper-local logistics, analytics driven customer engagement and digital advertisements will likely support the growth in the sector. The growth in E-commerce sector will also boost employment, increase revenues from export, increase tax collection by exchequers, and provide better products and services to customers in the long-term. Rise in smartphone usage is expected to rise 84% to reach 859 million by 2022.

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

(Source: [www.ibef.org](http://www.ibef.org))

## OUR BUSINESS

Our Company was originally incorporated at New Delhi as “Yogya Enterprises Limited” on 16th September, 2010 under the provisions of the Companies Act, 1956. Subsequently, the name of our Company was changed to HKG Limited pursuant to special resolution passed at the Extra Ordinary General Meeting held on 30<sup>th</sup> September, 2019 and a fresh certificate of incorporation dated 16<sup>th</sup> October, 2019 issued by the Registrar of Companies, Delhi.

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).

HKG Limited is a growing business conglomerates in Mumbai, India. 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.

HKG Limited is helmed by Mr. Yatin Shah, a veteran who has more than 20 years of experience in Financial services, Consulting and Information Technology. Under his able leadership, we have been relentlessly on the progressive journey.

Our Company is engaged in the business of offering online platform with a wide range of customers Service. We have built technology and data-driven solutions for every area of the business which enables one company to increase efficiency. We have developed following websites in the area of real estate, Financial services, mobiles and many more.

- <https://www.myrera.in/>



- <http://www.merastyle.in/>

- <http://www.funkymobile.in/>

- <https://www.areaonline.in/>



- <https://hkgmoneytech.com/>

- <https://www.mylocker.co.in/>



**MyLocker**

- <http://expo.softwarencrm.com/>
- <https://www.hkgmoney.com/>
- <https://www.researchfactory.in/>

We provide dynamic pricing and route specific approach. Currently, our services cover Mumbai area. We are providing online solution for customers in the area of Lease property, Financial related problems, online exhibition of their products etc.

We work on the theme of “DIGITALISATING BHARAT”.

Our Company adheres to all necessary regulatory specifications. We firmly believe in maintaining our service quality against the highest standards, are unflinchingly customer centric, deeply people focused, and follow ethical business practices and corporate governance standards overall. We draw our strength from an age old tradition of quality services as the best strategy for sustained growth.

Our Promoters believe in the ideology of continuous improvement and development. Also, we believe role of a management team is equally important as to that of our employees for growth of a business, and accordingly we have placed an experienced management team to look after various facets of operations.

We endeavor to satisfy customers by continuous improvement through process innovation and quality maintenance. We focus on providing quality services to increase customer satisfaction and develop a positive brand image in the industry. We aim to grow our operations on PAN India basis and make our brand as a distinguished name in industry.

Our Company is engaged and providing following services:

**My RERA** is a one-stop first-of-a-kind Review & Rating platform for Real Estate industry. We have largest number of registered societies, agents and builders with genuine customers reviews that help in enhancing visibility and brand value. We envision to become India’s leading Review & Rating portal for real estate sector and transform it to make it transparent and digital. We encourage societies, agents and builders to capitalize on the review economy and gain from the ratings to build their value and brand.

**AREA ONLINE:** Indian retail industry is under transition today, bringing a lot of transformations from static to digital retailing business. The shoppers enjoy the privilege of Digital shopping of the goods and services required by them in a variety of formats to meet their expectations. Ecommerce business model generally consists of eight key components i.e. value proposition, market opportunity, revenue model, competitive environment, competitive advantage, market strategy, organizational development, and management team.

Area Online targets the middle class & upper class people who have hands on experience in technology but don’t have much time to do shopping from the physical outlets. Taking this into consideration Area Online has successfully positioned itself as a Glocal (Go global Act local) e-commerce giant where one can sell anything & get it delivered at any remote locations.

**My Notification:** Install, customize, and make it your own. From collecting data to converting information into insights, My Notification does it all. Automating your processes, giving your colleagues the access, they need, visualizing information through reports, and doing it all from anywhere. With this app, you can:

- Connect lenders and borrowers.
- Set return reminders.
- Instantly approve or reject requests.
- See it all on detailed dashboards.
- Collect product feedback.

**Virtual Exhibition:** A Virtual Event is a gathering of people sharing a common virtual environment on the web, rather than meeting in a physical location. Virtual Event provides a rich source of marketing data as every activity of a participant at Virtual Event can be tracked and evaluated. It helps create a virtual engagement index, which is a variable to measure interaction quantity and quality of participants. Using the versatility and scope of the online space to host a Digital Exhibition Fair, which allows exhibitors to fully view their items in rich content formats and allows visitors to access and explore these offers in the comfort of their homes. A world class web-based platform ensures you get to display all your products virtually as well speak to your customers as part of the conference sessions and through one-to-one audio/video calls. You also get the functionality to disseminate white papers, case studies, PPTs, brochures and any other informative material that you would normally share with your customers. So, sitting from the comfort of your office or even home, you get to reach out to your target audience seamlessly through your mobile device.

#### **Media Marketing:**

- Website Development
- E-Commerce Development
- Mobile App Development
- ERP Software Development
- Digital Marketing
- Graphics Designing

**Annual Report:** Annual Report Designing Is Our Core Specialization. Our experienced team has worked with the top annual report agencies in India and is well versed with the statutory importance of this document. We understand the communication treatment and possess the expertise of providing you fresh and solid approach for an effective impact on the stakeholder community.

**Details of Total Revenue, Expenses and Profitability for the last Three (3) years and for the period ended on 31<sup>st</sup> March, 2021 and Half year ended on 30<sup>th</sup> September, 2021 are as under:**

<b>Particulars</b>	<b>30<sup>th</sup> September, 2021</b>	<b>31.03.2021</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Revenue from Operations	192.88	663.22	90.96	785.07
Other Income	0.07	-	2.92	(64.28)
<b>Total Revenue</b>	<b>192.95</b>	<b>663.22</b>	<b>93.88</b>	<b>720.79</b>
<b>Total Expenses</b>	<b>108.99</b>	<b>576.90</b>	<b>282.10</b>	<b>812.14</b>
<b>Profit before tax</b>	<b>83.96</b>	<b>86.31</b>	<b>(188.46)</b>	<b>(91.35)</b>
<b>Profit (Loss) for the period</b>	<b>62.83</b>	<b>70.83</b>	<b>(188.85)</b>	<b>(90.40)</b>

#### **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 the 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 Information Memorandum, 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 date of this Information Memorandum, we had 7 full time employees. We are in the process to include more talent into our company.

### **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

### **Property**

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

S.No.	Details of the Property	Type of Occupancy and Vendor	Usage
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	Lease from Mrs. Varsha Kasmukh Mehta and Mr. Rushabh Hasmukh Mehta	Registered Office

### **INTELLECTUAL PROPERTIES**

Our Company has applied for below mentioned trademarks or logo registration as on the date of this Information Memorandum.

#### **1. HKG LIMITED**

App no - 5297783

Appl Dt - 24/01/2022

Description - Digital Marketing

## 2. AREA ONLINE

App no - 5338381

Appl Dt - 21/02/2022

Description - Advertising & Marketing

### **INSURANCE:**

We maintain insurance cover for our assets to cover all normal risks associated with operations of our business, including fire, accidents and other natural disasters. We typically maintain insurance policies, subject to specified limits, such as standard fire and special perils for our assets. Not all risks associated with our business and operations may be insurable, on commercially reasonable terms, or at all. Although we believe that the amount of insurance currently maintained by us represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage.

## HISTORY AND CORPORATE STRUCTURE

### HISTORY & BACKGROUND

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- <https://www.mylocker.co.in/>

**MyLocker**

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- <https://www.hkgmoney.com/>

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### **MAIN OBJECTS OF OUR COMPANY**

1. To carry on the business as traders, buyers, sellers, importers, exporters, distributor, Agents, brokers, factor, stockiest commission agents and dealers of:

a) All kinds of vehicles, Machinery. Food stuffs, Handicrafts, Garments and allied products. All kinds of machinery parts, plants, tools. jigs & fixtures, agricultural machinery, seeds, trawlers, vessels, automobiles and vehicles of all kinds.

b) All kinds of fabrics, textiles including decorative hand and machine-made readymade garments, carpets, durries, mats, rugs, namdas, blankets, shawls, tweeds, lines, flannels, beds spreads, quilts, scarfs, belts, tapestry and all other articles of silk, cotton, woolen and worsted materials and all sorts of apparels, dressing materials, mixed, Mended products. nylon, polyester, fibers, yam, hosiery and mixed fabrics. natural silk fabrics, and leather garments of all kinds including all kinds of commodities.

c) All kinds of instruments, apparatus and appliances, machinery and mill work and parts thereof, paper and stationery, sport goods, druggets in dressing materials, cosmetics, wigs, belting, cinematograph films exposed, gramophone records, rubber d plastic goods, starch, umbrellas, crown corks, batteries, surgical and musical instruments, marble, granite and hardware items and traditional calendars.

d) All kinds of books and manuscripts, electric and electronic items of all kinds, sanitary ware and fittings, woolen textiles, natural fibre products, celluloid products mixed blended products, fish and fish products, fodder bran, fruits, nuts, cashew nuts, kernels, grains, rice, pulses, flours, confectionery, provision, alcohol beverages, perfumed spirits, spices and tea, coffee, sugar and molasses, vegetables and vegetable products, processed foods and packed food products.

e) Goods made of brass, silver and gold electroplating, nickel, silver and aluminum, tobacco and liquor, traditional and non- traditional goods, antiques, brassware industrial mineral and agricultural commodities, handicrafts and household goods, building material, consumer goods, building material, consumer goods of all kind, electrical and electronic machines, spares and accessories, telecom products, engineering products and all types of softwares and computers.

2. To act as and Export House and to deal in all kinds of import and license subject to Banking Regulation Act, 1949 and Foreign Exchange Management Act, 1999 and any other law in connection with the business as referred to in subclause (1) above.

3. To carry on the business as agents and to buy, exchange purchase and interest in any immovable property such as houses, building, market, cinema halls, multiplexes, shopping malls, shops, townships, housing projects, Industrial sheds & lands.

4. To buy, sell, transfer, hypothecate, deal in and dispose of any shares, stocks, securities, bonds.
5. To carry on the business of trading at commodity & stock exchanges in agricultural products, metals including precious metals, precious stones, diamonds, petroleum, oils and energy products and all other commodities and securities, In spot markets and in futures and all kinds of derivatives of all the above commodities and securities.
6. To carry on the business of manufacturers, processors, importers, exporters of and traders/ dealers in zinc and all kinds of ferrous and non-ferrous materials, oils, metals and alloys including sheet metal, wires, wire products and sections and to carry on the business in cold or hot rolling, re-rolling, slitting, edge milling, sheeting stamping, pressing, extruding, forging, drawing, flattening, straightening, heat treatment of copper and all kinds of ferrous and non-ferrous materials, metals and alloys of any other kind of strips sheets, foils, tapes wires rods, plates and any other sections, shapes or forms.

#### **HOLDING COMPANY OF OUR COMPANY**

Our Company has no holding company as on the date of filing of the Information Memorandum.

#### **SUBSIDIARY OF OUR COMPANY**

Our Company has no Subsidiary company as on the date of filing of the Information Memorandum.

#### **SHAREHOLDERS AGREEMENTS**

Our Company has not entered into any shareholders agreement as on date of filing of the Information Memorandum.

#### **OTHER AGREEMENTS**

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business as on the date of filing of the Information Memorandum.

#### **COLLABORATION**

Our Company has not entered into any collaboration with any third party.

#### **STRATEGIC PARTNER**

Our Company does not have any strategic partner as on the date of filing of the Information Memorandum.

#### **FINANCIAL PARTNER**

Our Company does not have any financial partner as on the date of filing of the Information Memorandum.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS**

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Information Memorandum.

## MANAGEMENT

### 1. Board of Directors

2. Our Company currently has Six (6) Directors on Board. The following table sets forth current details regarding our Board of Directors:

Mr. Yatin Bhupendra Shah	
Father's Name	Mr. Bhupendra Mathurdas Shah
DIN	<u>02055422</u>
Age	49 Years
Designation	Managing Director
Status	Executive
Address	A-901, Gokul Society, Opp Dev Nagar, New Sai Baba Nagar Kandivali West Mumbai Maharashtra-400067.
Occupation	Business
Nationality	Indian
Terms of appointment	3 years w.e.f. 12 <sup>th</sup> January, 2022
Other Directorships	Mylocker Tech Private Limited Loko Securities Private Limited Freshilious Catering Private Limited Area Online Services India Private Limited Book Your Dealer Services Private Limited
Mr. Hardik Manoj Shah	
Father's Name	Mr. Manoj Bhupendra Shah
DIN	06843854
Age	31 Years
Designation	Whole Time Director
Status	Executive
Address	B-1003, Gokul Society, Opp. Dev Nagar, New Sai Baba Nagar, Kandivali West, Mumbai, Maharashtra - 400 067
Occupation	Financial Head
Nationality	Indian
Terms of appointment	Retire by rotation
Other Directorships	Book Your Dealer Services Private Limited
Mr. Meet Paresh Shah	
Father's Name	Mr. Paresh Pravinchandra Shah
DIN	<u>08800947</u>
Age	32 Years
Designation	Non-Executive Director
Status	Non-Executive
Address	Nagar Niwas Building, 5th Floor, Room No. 72, 6/8 Anantwadi, Near Adarsh Baug Hotel, Kalbadevi, Mumbai, Maharashtra - 400 002
Occupation	Business
Nationality	Indian
Term of Appointment	Retire by rotation
Other Directorships	Nil



<b>Mr. Hemang Hasmukhrai Shah</b>	
<b>Father's Name</b>	HasmukhRai Shah
<b>DIN</b>	<u>07953299</u>
<b>Age</b>	28 Years
<b>Designation</b>	Independent Director
<b>Status</b>	Non-Executive
<b>Address</b>	A-102, Jay Ganesh Krupa Co. Op. Housing Society, Anand Nagar, Near K.T. Vision, Vasai West, Thane - 401 202, Maharashtra, India
<b>Occupation</b>	Professional
<b>Nationality</b>	Indian
<b>Term of Appointment</b>	Five Years
<b>Other Directorships</b>	Nil
<b>Mr. Hemant Vastani</b>	
<b>Father's Name</b>	<u>Mr. Prabhudas Jagjivandas Vastani</u>
<b>DIN</b>	<u>07085006</u>
<b>Age</b>	61 Years
<b>Designation</b>	Independent Director
<b>Status</b>	Non-Executive
<b>Address</b>	C-507, RNA Royale Park, M. G. Road, Kandivali (west), Mumbai Maharashtra-400067
<b>Occupation</b>	Professional
<b>Nationality</b>	Indian
<b>Term of Appointment</b>	Five Years
<b>Other Directorships</b>	RKCA Advisors Limited
<b>Ms. Shikha Mukesh Shah</b>	
<b>Father's Name</b>	Ms. Shikha Shah
<b>DIN</b>	<u>08940235</u>
<b>Age</b>	28 Years
<b>Designation</b>	Independent Director
<b>Status</b>	Non-Executive
<b>Address</b>	D -6, Room No. 17, Bhadran Nagar, SV Road, Behind NL High School, Malad (West), Mumbai, Maharashtra - 400 064
<b>Occupation</b>	Professional
<b>Nationality</b>	Indian
<b>Term of Appointment</b>	Service
<b>Other Directorships</b>	Nil

As on the date of the Information Memorandum;

- A. None of the above mentioned Directors are on the RBI List of willful defaulters.
  
- B. None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
  
- C. None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is

debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

- D. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) up to the date of filling of this Information Memorandum.
- E. None of Promoters or Directors of our Company is fugitive economic offender.
- F. None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.
- G. In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.
- H. None of our Directors are/were director of any company which has been/were delisted from the stock exchange, during his/her tenure.

#### **Details of Directors:-**

**Mr. Yatin Bhupendra Shah:** He is a promoter of the Company. He is having experience of more than 15 years in the field of Real estate, Investments and Securities etc. He has been associated with various corporates in related with business strategies, Acquisitions and Investments in various capacities.

He possesses the expertise in Finance in the key areas of Project Appraisal, Real Assets Management; he has been key instrumental in developing the brand creation of the Company through his multifold expertise in various industries. He has been instrument routine operational activities of our Company and formulation of business policies, strategies etc.

He has only been the guiding factor in enhancing of brand image of the Company in various sectors including Real sector by using IT skill etc. in a dynamic ways.

He possesses product management skill, Leadership Skill and expertise in IT and Digital segment.

**Mr. Hardik Manoj Shah:** He 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 7 years while focusing on financial markets, management consultancy and corporate advisory. He joined our company on January 14, 2020.

**Mr. Meet Paresh Shah:** He is the Non Executive 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. Hemang Hasmukhrai Shah:** He 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.

**Mr. Hemant Vastani:** He is an Independent Director of our Company. He has a professional experience of more than 3 decades mixed in Practice and Industry.

Currently director in ECOVIS RKCA Advisors Ltd, leading Indirect Tax Professional in India specialized in Goods and Service Tax. Senior Visiting Faculty of Institute of Chartered Accountants of India , BSE Institute Ltd, Team member of Core Committee of ICAI-WIRC on GST and Eminent Faculty on the Panel of Confederation of Indian Industries (CII ) on GST.

He has authored books on GST, addressed 200 plus seminars and published more than 100 articles in leading tax journal on GST.

Pivotal in corporate structuring & fund raising for start-ups through structured banking products and PE/HNI funding. Enterprising leader with excellent communication.

**Ms. Shikha Mukesh Shah:** She 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 7 years of experience in the field of corporate compliance. She joined our company on October 29, 2020.

### **Corporate Governance**

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including the Listing Agreement executed with the Stock Exchange and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The 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.

We have a Board constituted in compliance with the Companies Act and the Listing Agreement in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically. Currently, our Board has Six (6) Directors. We have One (1) Managing director, One (1) Executive Director, and One (1) Non independent non-executive director and three (3) Non executive Independent Directors. The constitution of our Board is in compliance with the requirements of SEBI (Listing obligations and Disclosure Requirement) Regulations, 2015.

**The following committees have been formed in compliance with the corporate governance norms:**

- A. Audit Committee
- B. Stakeholders relationship Committee
- C. Nomination and Remuneration Committee

## AUDIT COMMITTEE

Our Company has constituted an audit committee ("**Audit Committee**"), as per the provisions of Section 177 of the Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirement) Regulations, 2015.

The terms of reference of Audit Committee complies with the requirements of Companies Act and SEBI LODR Regulations. The committee presently comprises following three (3) directors. Mr. Hemang shah is the Chairman of the Audit Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Hemant Vastani	Chairman	Independent Director
2.	Mr. Hemang Hasmukhrai shah	Member	Independent Director
3.	Ms. Shikha Mukesh Shah	Member	Independent Director

### Role of Audit Committee

The terms of reference of the Audit Committee are given below:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
6. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section (3) of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
9. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
10. 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.
11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

12. 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.
13. Discussion with internal auditors any significant findings and follow up there on.
14. 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.
15. 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.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
17. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
18. 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 & background, etc. of the candidate.
19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
20. Mandatorily reviews the following information:
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d. Internal audit reports relating to internal control weaknesses; and
  - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee
21. Review the Financial Statements of its subsidiary company, if any.
22. Review the composition of the Board of Directors of its Subsidiary Company, if any.
23. Review the Vigil mechanism (whistle blowing) policy.
24. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc.) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Our Company has constituted a Stakeholders relationship Committee to redress the complaints of the shareholders. The committee currently comprises of three (3) Directors. Mr. Meet Prakash Shah is the Chairperson of the committee.

<b>Sr.No.</b>	<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
1.	Mr. Meet Prakash Shah	Chairman	Non-Executive Director
2.	Mr. Hemang Hasmukhrai Shah	Member	Independent Director
3.	Mr. Hardik Manoj Shah	Member	Executive Director

#### **Role of stakeholder Relationship committee**

The Stakeholder Relationship Committee of our Board looks into:

- The Redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

#### **NOMINATION AND REMUNERATION COMMITTEE**

Section 178(1) of the Companies Act, 2013 requires every listed company to constitute a Nomination and Remuneration Committee". Accordingly, during the year under review, Our Company has constituted a Nomination and Remuneration committee. The Composition of the Nomination and Remuneration Committee has been as under:

<b>Sr.No.</b>	<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
1.	Mr. Hemang Hasmukhrai Shah	Chairman	Independent Director
2.	Mr. Meet Prakash Shah	Member	Non-Executive Director
3.	Mr. Hemant Vastani	Member	Independent Director

The Company Secretary of our Company shall act as the Secretary to the Nomination and Remuneration Committee.

The terms of reference of the Nomination and Remuneration Committee are as follows:

- The remuneration committee recommends to the board the compensation terms of the executive directors.
- The committee to carry out evolution of every director's performance and recommend to the board his/her appointment and removal based on the performance.
- The committee to identify persons who may be appointed in senior management in accordance with the criteria laid down.
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders.

## PROMOTERS

### OUR PROMOTERS

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

The details of our Promoters are as follows:

#### 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 conceptualizing 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.

He is a promoter of the Company. He has been associated with various corporates in related with business strategies, Acquisitions and Investments in various capacities.

He has been instrument routine operational activities of our Company and formulation of business policies, strategies etc. He has only been the guiding factor in enhancing of brand image of the Company in various sectors including Real sector by using IT skill etc. in a dynamic ways.

#### 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 of Director	DIN	Designation
1	Manoj Bhupendra Shah	01928687	Director
2	Rajesh Bhupendra Shah	02057050	Director

## **SECTION V**

### **REGULATIONS AND POLICIES IN INDIA**

The regulations and policies set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India that are applicable to our Company. The statements below are based on the provisions of Indian law in force, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

#### **THE COMPANIES ACT**

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder. The Companies Act, 1956 is still applicable to the extent not replaced. The Companies Act primarily regulates the formation, financing, functioning and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

#### **SEBI REGULATIONS:**

Securities And Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from other rules and regulations, listed entities are mainly regulated by SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Information Technology Act, 2000 and Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011.**

Since our Company is involved in the business of web hosting, software development, providing real time solutions at the place of the Clients and development of tailor-made systems at the clients' place at their specifications using computer or computerized system. During the course of development of such products, we interchange sensitive information, data, records, functions, security procedures and like and hence our working is governed by Information Technology Act, 2000. This act governs and provides legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as –electronic commerce. It also gives legal recognition to Digital Signatures and facilitates storage of data. The Act is applicable to any offence or contravention committed outside India as well. If the conduct of person constituting the offence involves a computer or a computerized system or network located in India, then irrespective of his/her nationality, the person is punishable under the Act.

**Maharashtra State Tax on Profession, Trades, Callings and Employment Rules, 1975**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the



incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

#### **The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”):**

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

#### **The Indian Contract Act, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as ‘void’ or ‘voidable’. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

#### **Registration Act, 1908**

The Registration Act, 1908 (“Registration Act”) was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

#### **Competition Act, 2002**

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act, 2002. The provisions of the Competition Act relating to combinations were notified on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act.

#### **Negotiable Instruments Act, 1881 (“NI Act”)**

The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honored by their bankers and returned unpaid.

## **Consumer Protection Act, 2019**

Few of the provisions of The Consumer Protection Act, 2019 ("COPRA") have been notified vide notification No. S.O. 2421(E), dated 23rd July 2020 thus repealing the respective provisions of Consumer Protection Act, 1986. However the provisions of Consumer Protection Act, 1986, are still valid to the extent COPRA being not notified. The Consumer Protection Act provides a mechanism for the consumer to file a complaint against a service provider in cases of unfair trade practices, restrictive trade practices, deficiency in services, price charged being unlawful and food served being hazardous to life. It also places product liability on a manufacturer or product service provider or product seller, to compensate for injury or damage caused by defective product or deficiency in services. It provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of the redressal commissions attracts criminal penalties. The COPRA has brought e-commerce entities and their customers under its purview including providers of technologies or processes for advertising or selling, online market place or online auction sites. The COPRA also provides for mediation cells for early settlement of the disputes between the parties.

## **Shops and Establishments Legislations**

Establishments are required to be registered under the provisions of local shops and establishments' legislations applicable in the states where such establishments are set up. Such legislations regulate the working and employment conditions of workers employed in such shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Shops and establishments have to be registered under the shops and establishments legislations of the respective states where they are located.

## **LABOUR LAWS**

We are required to comply with certain labour and industrial laws, which includes the Factories Act, 1948, Industries (Development and Regulation) Act, 1951, Industrial Disputes Act, 1947, the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972, Contract Labour (Regulation and Abolition) Act, 1970, the Payment of Wages Act, 1948 and the amongst others.

## **INTELLECTUAL PROPERTY LAWS**

Intellectual property in India enjoys protection under both common law and statute. The following laws relating to intellectual property also applies to our Company:

### **The Trade Marks Act, 1999 ("Trademark Act")**

The Trade Marks Act which came into force on December 30, 1999 governs the law pertaining to trade marks in India. A trade mark is essentially any mark capable of being represented graphically and distinguishing goods or services of one person from those of others and includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or combination thereof. In India, trademarks enjoy protection under both statutory and common law. Indian trademarks law permits the registration of trademarks for goods and services. Certification trademarks and collective marks can also be registered under the Trademark Act. The Registrar of Trademarks is the authority responsible for registration of the trademarks, settling opposition proceedings and rectification of the register of trademarks. The Trademark (Amendment) Act 2010 has been enacted to cover Indian nationals as well as foreign nationals to secure simultaneous protection of trademarks in other countries. Registration of a

trademark grants the owner a right to exclusively use the trademark as a mark of goods and services and prevents the fraudulent use of deceptively similar marks by any third party.

### **Indian Copyright Act, 1957 (“Copyright Act”)**

The Copyright Act provides for registration of copyrights, transfer of ownership and licensing of copyrights, and infringement of copyrights and remedies available in that respect. The Copyright Act affords copyright protection to original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Once registered, copyright protection lasts for 60 years from the death of the author, subsequent to which the work falls in the public domain and any act of reproduction of the work by any person other than the author would not amount to infringement. The remedies available in the event of infringement of copyright include civil proceedings for damages, account of profits, injunction and the delivery of infringing copies to the copyright owner, as well as criminal remedies, including imprisonment of the accused and imposition of fines and seizure of infringing copies. While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favouring ownership of the copyright by the registered owner.

### **The Patents Act, 1970 (“Patents Act”)**

The Patents Act governs the patent regime in India. India is a signatory to the Trade Related Agreement on Intellectual Property Rights (“TRIPS”); India recognizes both product as well as process patents. The new regime provides for:

- Patent protection period of 20 years;
- Recognition of product patents in respect of food, medicine and drugs;
- Patent protections allowed on imported products; and
- Under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer. An application for a patent can be filed in any of the 4 patent offices in India.

### **The Design Act, 2000 (“Design Act”)**

The Design Act came into force in May 2001 to consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, in two or three dimensional or both forms. In order to register a design, it must be new and original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registered. A registered design is valid for a period of ten years after which can be renewed for a second period of five years, before the expiration of the original period of ten years. After such period the design is made available to the public by placing it in the public domain.

In addition to the domestic laws, India is a party to several international intellectual property related instruments including the Patent Co-operation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, and as a member of the World Trade Organisation, India is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights, 1995. Our Company’s intellectual property rights primarily include patents and trademarks for its various products and process. Our Company spends considerable time and effort on developing new products and rely upon various forms of intellectual property legislation to protect the process as well as the products.

## **TAXATION LAWS**

### **Income-tax Act, 1961 (“IT Act”)**

The Income-tax Act, 1961 (“IT Act”) is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made there under depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, and Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

### **Goods and Services Tax (GST)**

Goods and Service Tax (GST) is one of the most significant tax reforms introduced in the history of the Indian fiscal evolution. With a singular impact on the economic growth of the country and the way business is done in India, it is expected to achieve the following:

Convert India into one market by seamless flow of tax credits

- Multiple taxes replaced by singular tax making compliance easier
- Number of tax rates reduced substantially
- Compliance process become uniform due to singular IT portal where business and government agencies interact and bring transparency in operations
- Electronic filing and online credit matching substantially reduces non-compliance and tax frauds
- Dual GST structure - The central and state governments will levy GST simultaneously, on a common taxable value, on the supply of goods and services.

IGST - An Indian innovation

However, in the case of imports and inter- State supplies, an Integrated IGST (GST) shall be levied by the central government, proceeds of which will be shared by the central and the recipient state government. IGST is an Indian innovation which would help tax move along with goods/services, across states and therefore reduce refund situations at state borders.

### **Other Laws**

In addition to the above, the Company is required to comply with the provisions of the Companies Act, and other applicable statutes imposed by the Centre or the State for its day-to-day operations.

## SECTION VI: FINANCIAL INFORMATION

### FINANCIAL INDEBTEDNESS

Our Company has following financial indebtedness as on 30<sup>th</sup> September, 2021:

#### Borrowing

S.No	Nature of Borrowings	Amount in Rs. Lakhs
1.	Secured Borrowing	-
2.	Unsecured Borrowing	11.37
	<b>Total</b>	<b>11.37</b>

### STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Company's shares are listed on SME Platform of BSE since 15<sup>th</sup> April, 2015 under Symbol "HKG". The high and low closing prices recorded on BSE since listing and the number of shares traded on the days the high and low prices were recorded are stated below:

Year	High (Rs.)	High Date	Volume	Low (Rs.)	Low Date	Volume	Total Volume for the Year
2019	42.40	31 <sup>st</sup> December, 2019	20000	20.00	18 <sup>th</sup> February, 2019	80000	3988000
2020	144.95	2 <sup>nd</sup> September, 2020	44000	27.90	9 <sup>th</sup> September, 2020	100000	6833000
2021	69.10	2 <sup>nd</sup> July, 2021	27500	23.25	29 <sup>th</sup> December, 2021	44000	23979500

The details of the share prices on the BSE during last 6 months are as follows:

Month	High (Rs.)	Date of High	Volume	Low (Rs.)	Date of Low	Volume	Total Volume in the Month
February, 2022	30.55	7 <sup>th</sup> February, 2022	44000	19.05	28 <sup>th</sup> February, 2022	42000	1048000
January, 2022	31.65	18 <sup>th</sup> January, 2022	76000	25.15	7 <sup>th</sup> January, 2022	76000	4280000
December, 2021	28.75	31 <sup>st</sup> December, 2021	156000	23.25	29 <sup>th</sup> December, 2021	44000	1456000
November, 2021	49.50	1 <sup>st</sup> November, 2021	75000	28.00	12 <sup>th</sup> November, 2021	52000	2298500
October, 2021	53.80	7 <sup>th</sup> October, 2021	10000	47.15	28 <sup>th</sup> October, 2021	102500	1600000
September, 2021	55.00	6 <sup>th</sup> October, 2021	22500	48.50	23 <sup>rd</sup> September, 2021	2500	505000

#### Note:

1. The Face Value of a Equity Shares was sub divided from Rs. 10 per equity share to into face value of Rs. 2 per share w.e.f. 4<sup>th</sup> September, 2020.

## SECTION VII - LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

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

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

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

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

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

#### A. Pending Litigations Relating to the Company

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

#### B. Pending Litigation Relating to the Promoters of the Company

- a) Criminal Case against the promoters: Nil
- b) Civil Cases Against the Promoters:  
Civil Litigations related to Mr. Yatin Bhupendra Shah:-

SEBI vide order no. WTM/AB/IVD/ID2/7988/2020-21 dated 23 June 2020, in the matter of Pyramid Saimira Theater Limited, debarred Mr. Yatin B. Shah, Promoter of our Company, inter-alia, from dealing in securities and accessing the capital market for a period of 2 years. However, the Hon'ble Securities Appellate Tribunal has on appeal filed by Mr. Yatin Shah (Appeal No. 227 of 2020) stayed the order till the next date of hearing. The next date of hearing in the said matter is 24<sup>th</sup> March, 2022 as mentioned in the SAT order dated 14<sup>th</sup> February, 2022.

Civil Litigations related to HKG Money Tech Private Limited:- Nil

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

#### **C. Pending Litigations Relating to the Directors of the Company**

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

#### **Material Developments since the Last Balance Sheet**

Except as disclosed in the information memorandum, there have been no material developments.

#### **MATERIAL DEVELOPMENTS**

There have not arisen, since the date of the last financial statements disclosed in this Information Memorandum, any circumstances which materially and adversely affect or are likely to affect the performance and prospects of the Company in any manner.

## **SECTION VII - MATERIAL DOCUMENTS FOR INSPECTION**

The copies of the following documents will be available for inspection at the Registered Office of the Company from 11.00 am to 3.00 pm on Working Days i.e. Monday to Friday except public holidays.

- Certificate of Incorporation and Fresh Certificate of Incorporation of the Company.
- Memorandum and Articles of Association of the Company as amended from time to time.
- Copy of resolution passed by Shareholders of company through Postal Ballot results on 13<sup>th</sup> February, 2022 for Migration of the Company to Main Board of BSE.
- Copy of Board resolution appointing Mr. Yatin Bhupendra Shah as the Managing Director and appointing Mr. Hardik Manoj Shah as the Executive Director;
- Copies of Annual Report of our Company i.e. for the financial year 2018-2019, 2019-20 and 2020-21;
- Copies of Agreement entered with CDSL and NSDL.



## **SECTION IX**

### **DECLARATION**

All relevant provisions of the Companies Act, 2013, and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, applicable, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or regulations issued, as the case may be. We further certify that all the statements in this Information Memorandum are true and correct.

**On behalf of our Board of Directors**

**Name: Hardik Manoj Shah**  
**Designation: executive Director**

**Date: 15.03.2022**  
**Place: Mumbai**