

DETAILED PUBLIC STATEMENT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION 3(1) AND REGULATION 4 READ WITH REGULATION 13(4), 14(3), 15(2) AND OTHER APPLICABLE REGULATIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AND SUBSEQUENT AMENDMENT THERETO, TO THE PUBLIC EQUITY SHAREHOLDERS OF

HKG LIMITED

CIN- L51909MH2010PLC340313

Registered Office: C Wing, Madhuban Building, Opp. Dev Nagar New Sai Baba Nagar, Kandivali West Mumbai-400067

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OPEN OFFER FOR ACQUISITION OF UPTO 1,36,50,000 (ONE CRORES THIRTY SIX LAKHS FIFTY THOUSAND ONLY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF INR 2/- ("EQUITY SHARES") EACH REPRESENTING 26% OF THE TOTAL EQUITY SHARE CAPITAL OF **HKG LIMITED** (HEREINAFTER REFERRED TO AS "**TARGET COMPANY**" OR "**HKG**" OR "**TC**") AT A PRICE OF INR 14.20/- (INDIAN RUPEES FOURTEEN AND PAISA TWENTY ONLY) PER EQUITY SHARE ("**OFFER PRICE**") FROM THE PUBLIC EQUITY SHAREHOLDERS (AS DEFINED BELOW) BY **MR. UMESH VISHWANATH KATTI ("ACQUIRER 1") & MR. LAVA RAMESH KATTI ("ACQUIRER 2")** (ACQUIRER 1 & ACQUIRER 2 HEREINAFTER COLLECTIVELY REFERRED TO AS THE "**ACQUIRERS**"), PURSUANT TO AND IN COMPLIANCE WITH THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATION, 2011, AS AMENDED ("SEBI (SAST) REGULATIONS") ("OFFER").

This Detailed Public Statement ("**DPS**") is being issued by Corporate CapitalVentures Private Limited, the Manager to the Open offer ("**Manager**"), for and on behalf of Acquirers to all the Public Equity Shareholders of the Target Company ("**Shareholders**") pursuant to and in compliance with Regulations 13(4), Regulation 14(3) & 15(2) and other applicable Regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto and pursuant to the Public Announcement ("**PA**") made on July 25, 2022 which was filed with BSE Limited ("BSE"), the Securities and Exchange Board of India ("**SEBI**") and the Target Company at its registered office, in terms of provisions of Regulation 3(1) & 4 of SEBI (SAST) Regulations, read with other applicable Regulations of SEBI (SAST) Regulations. The PA was sent to the SEBI, the BSE, and to the Target Company on Monday, July 25, 2022, in terms of Regulations 14 (1) and 14 (2) of the SEBI (SAST) Regulations.

For the purpose of this Detailed Public Statement, the following terms shall have the meanings assigned to them below:

| Term | Description |
|---|--|
| "Acquirers" | Means and includes Mr. Umesh Vishwanath Katti & Mr. Lava Ramesh Katti. |
| "Board of Directors" | It means the board of directors of the Target Company. |
| "Equity Shares" | The fully paid-up Equity Shares of face value of INR 2/- (Indian Rupees Two only) each of the Target Company. |
| "Identified Date" | It means the date falling on the 10 th (Tenth) Working Day prior to the commencement of the Tendering Period for the Offer, for the purpose of determining the Public Equity Shareholders to whom the letter of offer in relation to this Offer shall be sent. It is clarified that all the Public Shareholders (registered or unregistered) who own Equity Shares are eligible to participate in this Offer at any time before expiry of the Tendering Period. |
| "Paid-up Equity Share Capital" | It means INR 10,50,00,000 (Indian Rupees Ten Crores Fifty Lakhs Only) divided into 5,25,00,000 (Five Crores Twenty Five Lakhs Only) equity shares of INR 2/- (Indian Rupees Two Only) each. |
| "Public Equity Shareholders" or "Shareholders" | All the Equity Shareholders of the Target Company other than (i) the parties to the Share Purchase Agreement, and (ii) persons deemed to be acting in concert with parties at (i) in compliance with the provisions of Regulation 7(6) of the SEBI (SAST) Regulations. |
| "Offer Shares" | It means 1,36,50,000 (One Crores Thirty Six Lakhs Fifty Thousand Only) Equity Shares representing 26.00% of the Voting Share Capital of the Target Company. |
| "Selling Shareholder" or "Sellers" or "Promoter Seller" | Shall mean the seller belonging to the existing promoter group of the Target Company i.e. " HKG Money Tech Private Limited ". |
| "Share Purchase Agreement or SPA" | The Share Purchase Agreement entered on July 25, 2022 by the Acquirers to acquire 25,50,000 (Twenty Five Lakhs Fifty Thousand only) Equity Shares representing 4.8571% of the Paid-up Equity Share Capital of the Target Company from the Sellers at an agreed price of INR 12/- (Indian Rupees Twelve only) per Equity Share aggregating to INR 3,06,00,000 (Indian Rupees Three Crores Six Lakhs Only). |
| "Share Purchase Agreement Date or SPA Date" | "SPA Date" means the execution date of the SPA, i.e., Monday, July 25, 2022 |
| "Target Company/ HKG" | HKG Limited |
| "Tendering Period" | It has the meaning ascribed to it under Regulation 2(1)(za) of the SEBI (SAST) Regulations. |
| "Working Day" | It means same meaning to it under Regulation 2(1)(zf) of the SEBI (SAST) Regulations. |

I. DETAILS OF THE ACQUIRERS, SELLERS, TARGET COMPANY AND OFFER

A. INFORMATION ABOUT THE ACQUIRERS

- Mr. UMESH VISHWANATH KATTI (Acquirer 1):**
Mr. Umesh Vishwanath Katti is an Indian resident, age of 63, son of Vishwanath Katti, bearing Permanent Account Number ABYPK7251L under the Income Tax Act, 1961 residing at Bellad, Bagewadi, #341 Bagewadi, Bellad Bagewadi, Belagavi Karnataka -591305 with E-mail address being mlahukn@gmail.com and Director Identification Number bearing 01461050.
- Mr. Umesh Vishwanath Katti has done his Pre-University Course from K. L. E. Society's Lingaraj College, Belgaur and holds experience of 19 year in sugar industry. The expertise of Mr. Umesh Vishwanath Katti is in the sugar industry as well as in agriculture Industry. Presently Mr. Umesh Vishwanath Katti is Cabinet Minister for the State of Karnataka having portfolio of Minister of Food, Civil Supplies and Consumer Affairs.
- Mr. Umesh Vishwanath Katti is the founding Promoter of M/s. Vishwaraj Sugar Industries Limited. He is designated as Chairman & Non-Executive Director on the Board of the M/s. Vishwaraj Sugar Industries Limited.
- The net worth of Mr. Umesh Vishwanath Katti is INR 28.22, 18,783.07 (Indian Rupees Twenty Eight Crores Twenty Two Lakhs Eighteen Thousand Seven Hundred Eighty Three and Paise Seven Only) as on 30.06.2022 as certified by CA Praveen P Ghali, Chartered Accountants (Membership No.- 215756), of M/s P.G. Ghali & Co. (FRN no.- 011092S), having office at Flat No. 1, DRK Empire, 3rd Floor, Above Reliance Trends, Khanapur Road, Tilakwadi, Belgaur-590006 with contact details being Phone No. +91 831 4210470, Email: pgghalico@gmail.com, vide their certificate dated 21.07.2022 bearing Unique Document Identification Number: 22215756ANJSHF9752.

2. Mr. LAVA RAMESH KATTI (Acquirer 2):

- Mr. Lava Ramesh Katti is an Indian resident, age of 35 years, son of Mr. Ramesh Vishwanath Katti, bearing Permanent Account Number AZTK37768 under the Income Tax Act, 1961 residing at Bellad, Bagewadi, #341 Bagewadi, Bellad Bagewadi, Belagavi Karnataka -591305 with E-mail address being prithvikatti27@gmail.com and Director Identification Number bearing 02777164.
- Mr. Lava Ramesh Katti has completed his MBA from Cardiff Metropolitan University.
- Mr. Lava Ramesh Katti is a Promoter and Whole-time Director of M/s. Vishwaraj Sugar Industries Limited since 2013. He has vast experience in functioning of distillery and co-generation units in Sugar Industry.
- The net worth of Mr. Lava Ramesh Katti is INR 27,46,99,592.31 (Rupees Twenty Seven Crores Forty Six Lakhs Ninety Nine Thousand Five Hundred Ninety Two and Paise Thirty One Only) as on 30.06.2022 as certified by CA Praveen P Ghali, Chartered Accountants (Membership No.- 215756), of M/s P.G. Ghali & Co. (FRN no.- 011092S), having office at Flat No. 1, DRK Empire, 3rd Floor, Above Reliance Trends, Khanapur Road, Tilakwadi, Belgaur-590006 with contact details being Phone No. +91 831 4210470, Email: pgghalico@gmail.com, vide their certificate dated 21.07.2022 bearing Unique Document Identification Number: 22215756ANJYLJ3282.

3. Additional Information about the Acquirers

- As on the date of this DPS, the Acquirers, have individually confirmed, warranted, and undertaken that:
- They do not hold any Equity Shares in the Target Company, except in pursuance to the execution of the SPA, the Acquirers propose to acquire Sale Shares, subsequently, pursuant to consummation of the SPA transaction, the Acquirers shall be classified and will become the Promoters of the Target Company, subject to the compliance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including subsequent amendments thereto ("**SEBI (LODR) Regulations**").
 - They do not belong to any group.
 - The Acquirers are not forming part of the present promoter and promoter group of the Target Company.
 - There are no directors representing the Acquirers on the board of the Target Company.
 - The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the Securities and Exchange Board of India Act, 1992, as amended ("**SEBI Act**") or under any other Regulation made under the SEBI Act.
 - The Acquirers have not been categorized nor are appearing in the "Willful Defaulter or Fraudulent Borrower" list issued by any bank, financial institution, or consortium thereof in accordance with the guidelines on willful defaulters or fraudulent borrowers issued by Reserve Bank of India.
 - The Acquirers are not declared as "Fugitive Economic Offenders" under Section 12 of the Fugitive Economic Offenders Act, 2018.
 - There is/are no persons acting in concert in relation to this Offer within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.
 - They will not sell the Equity Shares of the Target Company, held, and acquired, if any, during the Offer period in terms of Regulation 25(4) of the SEBI (SAST) Regulations.

B. INFORMATION ABOUT THE SELLER:

- The details of seller present holding are as follows:

| Sr. No. | Name & Pan of Seller/ Promoters | Nature of Entity | Promoter/ Promoter Group | Registered office | No. of fully paid-up equity share capital held | Percentage (%) to Capital |
|---------|--|------------------|--------------------------|---|--|---------------------------|
| 1. | HKG Money Tech Private Limited (Formerly Known as IG Financial Services India Private Limited) | Company | Promoter Group | C Wing, Madhuban Building, Opp. Dev Nagar New Sai Baba Nagar, Kandivali West, Mumbai 400067 | 25,50,000 | 4.8571 |
| | Permanent Account Number: AABC8553Q | | | | | |

- The HKG Money Tech Private Limited have agreed to transfer 25,50,000 (Twenty- Five Lakh Fifty Thousand Only) Equity Shares representing 4.8571% of the issued and paid-up equity share capital of the Target Company at a price of INR 12/- (Indian Rupees Twelve Only) per Equity Share of the Target Company to the Acquirers under the SPA.
- There is no lien, encumbrances or charge on the shares held by the Seller and these shares will be transferred free from all liens, encumbrances whatsoever.
- As on the date of this DPS, the Seller has not been prohibited by SEBI from dealing in the securities, in terms of direction issued under Section 11B of SEBI Act, 1992 as amended or under any other Regulations made under the SEBI Act.
- Selling Shareholder have irrevocably agreed to relinquish the management control of the Target Company in favor of the Acquirers.
- Upon completion of the Offer, the Promoter Seller shall not hold any Equity Shares of the Target Company, nor any management control, and shall cease to be promoter of the Target Company and the Acquirers shall be the new promoters of the Target Company, subject to compliance with conditions specified in Regulation 31A of the SEBI (LODR) Regulations.

C. INFORMATION ABOUT THE TARGET COMPANY:

- The Target Company was originally incorporated as "Yogya Enterprises Limited" bearing CIN No. U51909DL2010PLC20833 vide certificate of incorporation dated 16/09/2010 under the provisions of the Companies Act, 1956. Subsequently, the Target Company has changed its name from "Yogya Enterprises Limited" to "HKG Limited" and a fresh certificate of incorporation consequent upon change of name was issued by Registrar of Companies, New Delhi under the provisions of the Companies Act, 2013 on 16th day of October 2019.
- As on the date of this DPS, HKG Limited bearing its CIN L51909MH2010PLC340313 and having its registered office at C Wing, Madhuban Building, Opp. Dev Nagar New Sai Baba Nagar, Kandivali West, Mumbai 400067 with the contact details namely being, Email Address being info@hkglimited.com, contact number being 022-28068043 and website is <https://www.hkglimited.com/>.
- The Equity Share Capital of the Target Company is as follows:

| Sr. No. | Particulars | Number of Equity Shares | Aggregate amount of Equity Shares |
|---------|--|---|--|
| 1. | Authorized Equity Share Capital | 7,00,00,000 (Seven Crore) | INR 14,00,00,000 (Indian Rupees Fourteen Crore Only) |
| 2. | Issued, subscribed, and paid-up Equity Share Capital | 5,25,00,000 (Five Crore Twenty Five Lakh) | INR 10,50,00,000 (Indian Rupees Ten Crore Fifty Lakh Only) |

- The target company is engaged in the business of trading and investment in Capital Market, digital marketing and providing online application for retailers.
- As on date of PA, the Target Company does not have any partly paid-up equity shares. There are no outstanding warrants or options or similar instruments, convertible into equity shares at a later stage. No equity shares are subject to any lock-in obligations.
- The Entire present paid up Equity Share Capital of the Target Company is listed on the BSE Limited ("BSE") having a scrip code as HKG and the ISIN of equity shares of the Target company is INE904R01027. Based on the information available, on the website of BSE, the equity shares of HKG are frequently traded in BSE within the meaning of definition of "frequently traded shares" under Regulation 2(1)(j) of the SEBI (SAST) Regulations.

- The financial information of the Target Company as per the audited accounts for the last three financial years ended March 31, 2022, March 31, 2021, March 31, 2020 are as follows:

| Particulars | Year ended (Audited) | | |
|-----------------------------------|----------------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2020 |
| Total Revenue | 685.48 | 663.22 | 93.88 |
| Net Income (PAT) | 147.39 | 70.83 | (188.85) |
| Earnings Per share (EPS) (In INR) | 0.41 | 0.27 | (5.40) |
| Net worth/ Shareholders Funds | 1806.69 | 277.12 | 206.29 |

- The Present Board of Directors of the Target Company are as follows:-

| Sr. No. | Name | Date of Initial Appointment | Designation | DIN |
|---------|----------------------------|-----------------------------|------------------------|----------|
| 1. | Mr. Yatin Bhupendra Shah | 12/01/2022 | Managing Director | 02055422 |
| 2. | Mr. Hardik Manoj Shah | 14/02/2020 | Executive Director | 06843854 |
| 3. | Mr. Meet Paresh Shah | 05/08/2020 | Non-Executive Director | 08800947 |
| 4. | Mr. Hemang Hasmukhrai Shah | 29/06/2020 | Independent Director | 07953299 |
| 5. | Mr. Hemant Vastani | 12/01/2022 | Independent Director | 07065006 |
| 6. | Ms. Shikha Mukesh Shah | 29/10/2020 | Independent Director | 08940235 |

D. DETAILS OF THE OPEN OFFER:

- The Offer is a Triggered/ Mandatory offer in terms of Regulation 3(1) and Regulation 4 of SEBI (SAST) Regulations, 2011.
- The Acquirers have made this open offer to acquire up to 1,36,50,000 (One Crore Thirty Six Lakh Fifty Thousand Only) fully paid-up equity shares of face value of INR 2/- (Indian Rupees Two Only) each representing 26% of the Total Share Capital of the Target Company at a price of INR 14.20/- (Indian Rupees Fourteen and Paise Twenty Only) per fully paid-up equity share payable in cash, subject to the terms and conditions as set out in Public Announcement, this Detailed Public Statement and the Letter of Offer, that will be sent to all the Public Shareholders of the Target Company.
- This Offer is being made under SEBI (SAST) Regulations, to all the Public Shareholders of the Target Company as on Tuesday, September 6, 2022 ('Identified Date'), other than the parties to the SPA under the provisions of Regulation 7(6) of the SEBI (SAST) Regulations.
- All the Public Shareholders who will tender their Equity Shares in this Offer shall ensure that the Equity Shares are clear from all liens, charges and encumbrances. The Offer Shares will be acquired, subject to such Shares being validly tendered in this Offer, together with all the rights attached thereto, including all the rights to dividends, bonuses and right offers declared thereof, and the tendering Shareholders shall have obtained all necessary consents required by them to tender the Shares.
- Pursuant to an Open Offer, Acquirers will be classified into Promoter and Promoter group of the Target Company and all the Sellers will be classified into Public Category in pursuance with Regulation 31A of Securities Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015 (SEBI (LODR) Regulations).
- This Offer is not conditional on any minimum level of acceptance by the shareholders of the Target Company in terms of Regulation 19(1) of the SEBI (SAST) Regulations, 2011.
- The Manager to the open offer does not hold any Equity Shares in the Target Company as on the date of appointment as Manager to the Offer. The Manager hereby declares and undertakes that, it shall not deal in the Equity Shares of the Target Company during the period commencing from the date of their appointment as Manager until the expiry of 15 (Fifteen) Days from the date of closure of this Offer.
- This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of equity shares of the Target Company.
- This is not a competitive bid in terms of Regulation 20 of the SEBI (SAST) Regulations.
- Further, in case the delay occurs because of willful default by the Acquirers in obtaining any statutory approval in time, the amount lying in the escrow account shall be liable to be forfeited and dealt with in the manner provided in clause (e) of sub regulation (10) of Regulation 17 of the SEBI (SAST) Regulations.
- The Acquirers do not have any plan to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business of the Target Company. The Target Company future policy for disposal of its assets, if any, for two years from the completion of offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through Special Resolution passed by way of postal ballot in terms of Regulation 25(2) of SEBI (SAST) Regulations.
- Upon completion of the Offer, assuming full acceptances in the Open Offer, the Acquirers will hold 1,62,00,000 (One Crore Sixty Two Lakhs Only) equity shares of INR 2/- (Indian Rupees Two Only) each, representing 30.85714% of the Total Share Capital of the Target Company.
- If the Acquirers acquire Equity Shares of the Target Company during the period of 26 (twenty-six) weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirers shall pay the difference between the highest acquisition price and the Offer Price, to all Public Shareholders whose Offer Shares have been accepted in the Offer within 60 (sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to Securities and Exchange Board of India (Deisting of Equity Shares) Regulations, 2021, including subsequent amendments thereto, or open market purchases made in the ordinary course on the stock exchange, not being negotiated acquisition of Equity Shares of the Target Company in any form.
- The payment of consideration shall be made to all the Public Shareholders, who have tendered their Equity Shares in acceptance of the Offer within 10 (Ten) Working Days of the expiry of the Tendering Period. Credit for consideration will be paid to the Public Shareholders who have validly tendered Equity Shares in the Offer by crossed account payee cheques/ pay order/demand drafts/electronic transfer. It is desirable that Public Shareholders provide bank details in the Form of Acceptance cum Acknowledgement, so that the same can be incorporated in the cheques/demand draft/pay order.
- This DPS is being published in the following newspapers:

| Publication | Language | Edition |
|-------------------|----------|----------------|
| Financial Express | English | All Editions |
| Jansatta | Hindi | All Editions |
| Pratahkal | Marathi | Mumbai Edition |

II. BACKGROUND TO THE OFFER

- The Offer is a Triggered/ Mandatory offer in terms of Regulation 3(1) and Regulation 4 of SEBI (SAST) Regulations.
- The Acquirers have entered into the SPA with the Selling shareholders to acquire 25,50,000 (Twenty-Five Lakhs Fifty Thousand only) Equity Shares representing 4.8571% of the issued and paid-up equity share capital of the Target Company of face value of INR 2/- (Indian Rupees Two Only) at a price of INR 12/- (Indian Rupees Twelve Only) per Equity Share aggregating to INR 3,06,00,000 (Indian Rupees Three Crores Six Lakhs Only) of the Target Company to the Acquirers under the SPA, which has triggered the requirement to make Open Offer under Regulation 3(1) and Regulation 4 of SEBI (SAST) Regulations.
- The Acquirers shall deposit 100% of the consideration in the Escrow Account and which covers the entire amount payable to equity shareholders of the Target Company under the Public Offer. The Acquirers shall acquire control over the target company after the expiry of 21 days from the date of the DPS in connection with the open offer.
- This Open Offer is for acquisition of 26% of the Total Share Capital of the Target Company.
- The Promoter Sellers have irrevocably agreed to relinquish the management control of the Target Company in favor of the Acquirers, subject to the receipt of all the necessary approvals and the Acquirers completing all the Offer formalities. The acquisition will result in the change in control and management of the Target Company. Upon completion of the Offer, the Promoter Sellers shall cease to be promoters of the Target Company and the Acquirers shall become the new promoters of the Target Company, subject to compliance with conditions stipulated in Regulation 31A of the SEBI (LODR) Regulations.
- The Acquirers have been looking for suitable growth opportunity by acquisition of business entity in terms of stakeholder's value and product diversification. Acquisition of the Target Company is the action towards that direction. The acquirers will focus on the segment of business which will either support the existing business segment of the group by way of backward or forward integration in the target company.
- The mode of payment of consideration for the acquisition of the Equity shares through SPA by the Acquirers are in Cash.
- The Acquirers propose to extend support to continue and expand the existing business activities through exercising effective management over the Target company. However, the Acquirer does not have any definite plan as on the date of this DPS.

III. SHAREHOLDING AND ACQUISITION DETAILS:

- The current and proposed shareholding of the Acquirers in the Target Company and the details of their acquisition are as follows:

| Details | Acquirer 1 | Acquirer 2 | Total | % of Equity Share Capital |
|--|------------|------------|-------------|---------------------------|
| Shareholding as on date of Public Announcement | Nil | Nil | Nil | Nil |
| Equity Shares acquired between the Public Announcement date and the Detailed Public Announcement date | Nil | Nil | Nil | Nil |
| Equity Shares acquired through Share Purchase Agreement | 12,75,000 | 12,75,000 | 25,50,000 | 4.8571 |
| Equity shares proposed to be acquired in the offer* | 68,25,000 | 68,25,000 | 1,36,50,000 | 26.00 |
| Post-offer shareholding on diluted basis on 10 th Working day after closing of Tendering Period | 81,00,000 | 81,00,000 | 1,62,00,000 | 30.8571 |

* Assuming full acceptance. Also, the number of Equity Shares to be acquired by Acquirers will be decided post completion of the Open Offer.

IV. OFFER PRICE:

- The Equity Shares bearing ISIN "INE904R01027" and Scrip ID "HKG" of the Target Company are currently listed on BSE Limited ("BSE").
- The total trading turnover in the Equity Shares of the Target Company on the Stock Exchange based on trading volume during the twelve calendar months prior to the month of Public Announcement i.e July 01, 2021 to June 30, 2022 is as under:

| Name of the Stock Exchange | Total No. of Equity Shares traded during the Twelve Calendar months prior to the month of PA Date | Weighted Average No of total Equity Shares of the Target Company | Traded shares as a % to total shares |
|----------------------------|---|--|--------------------------------------|
| BSE Limited | 495,10,283 | 327.94,519* | 150.97 |

(Source: www.bseindia.com)

*Weighted Average No. of Total shares in terms of Regulation 2(1)(j) of SEBI Takeover Code has been computed.

- Based on the above information, Equity Shares of Target Company are frequently traded on the Stock Exchange within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations on BSE.
- The Offer Price of Rs 14.20/- (Rupees Fourteen and Paise Twenty only) per fully paid-up Equity Share is justified in terms of Regulation 8(2) of the SEBI Takeover Regulations, being highest of the following:

| | | |
|---|---|--------------------|
| 1 | The Highest Negotiated Price per equity share under the Share Purchase Agreement dated July 25, 2022 attracting the obligation to make a Public Announcement of an Open Offer. | INR 12/- per share |
| 2 | The Volume-weighted average price paid or payable for acquisition services by the Acquirer, during 52 weeks immediately preceding the date of PA | Not Applicable |
| 3 | The Highest price paid or payable for acquisitions by the Acquirers, during 26 weeks immediately preceding the date of PA | Not Applicable |
| 4 | The Volume-Weighted Average Market Price of Equity shares for a period of 60 (Sixty) trading days immediately preceding the date of the PA as traded on the BSE Limited, being the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period, as the shares are frequently traded. | 14.18 |
| 5 | Where the shares are not frequently traded, price determined by the Acquirers and the Manager to the offer taking into account valuation parameters including book value, comparable trading multiples and earnings per share. | Not Applicable |
| 6 | The per equity share value computed under Regulation 8(5) of the Takeover Regulations, if applicable. | Not Applicable |

- The Offer Price of INR 14.20 (Indian Rupee Fourteen and Paise Twenty Only) per offer share represents the highest of the above parameters mentioned in the SEBI (SAST) Regulations as confirmed by Mr. CA Praveen P. Ghali (Membership No. 215756), Partner, M/s. P. G. Ghali & Co., Chartered Accountants, (FRN: 011092S), vide their Certificate dated 25.07.2022 have confirmed the aforementioned computation of the Offer Price bearing unique identification number 22215756ANUCUE4061

- There will be no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. The Offer price may be adjusted in the event of any corporate actions like bonus, right issue, stock split, consolidation, dividend, demergers, reduction, etc. where the record date for effecting such corporate actions falls between the date of this DPS upto 3 (three) working days prior to the commencement of the Tendering Period of the Offer, in accordance with Regulation 8(9) of the SEBI (SAST) Regulations.
- In the event of further acquisition of Equity Shares of the Target Company by the Acquirers during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirers shall not acquire any Equity Shares after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period of this Offer.
- As on the date of this DPS, there is no revision in Offer Price or Offer Size. Any upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may also be done at any time prior to the commencement of 1 (one) working day before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of SEBI (SAST) Regulations, such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations. In the event of such revision, the Acquirers shall (i) make corresponding increase to the Escrow Account (ii) make Public Announcement in the same newspapers in which this DPS has been published and (iii) simultaneously

notify the Stock Exchanges, the SEBI and the Target Company at its registered office of the said revision in the Offer Price or Offer Size

- If the Acquirer acquires Equity Shares during the period of 26 (twenty-six) weeks after the tendering period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and Offer Price, to all shareholders whose shares have been accepted in the Open Offer within 60 (sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to the SEBI (Delisting of Equity Shares) Regulations, 2021, open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

V. FINANCIAL ARRANGEMENTS

- The total funds required for implementation of the Offer (assuming full acceptance), i.e., for the acquisition of upto 1,36,50,000 (One Crore Thirty Six Lakhs Fifty Thousand Only) Equity Shares at a price of INR 14.20/- (Indian Rupees Fourteen And Paise Twenty Only) per fully paid-up equity share of Target Company is INR 19,38,30,000/- (Indian Rupees Nineteen Crores Thirty Eight Lakhs Thirty thousand Only) ("**Maximum Consideration**").
- In terms of Regulation 25(1) of the SEBI (SAST) Regulations, the Acquirers have adequate financial resources and have made firm financial arrangements for the implementation of the Offer in full, out of their own sources and no borrowings from any Bank and/or Financial Institutions are envisaged. Mr. CA Praveen P. Ghali (Membership No. 215756) Partner of M/s P.G. Ghali & Co., Chartered Accountants, having office at Flat No. 1, DRK Empire, 3rd Floor, Above Reliance Trends, Khanapur Road, Tilakwadi, Belgaur-590006 Tel. No.: +91 831 4210470, Email Id: pgghalico@gmail.com, has certified, vide certificate dated July 26, 2022 that sufficient resources are available with the Acquirers for fulfilling the obligations under this Offer in full.
- In accordance with Regulation 17 read with Regulation 22(2) and First Proviso of Reg 24(1) of the SEBI (SAST) Regulations, the Acquirers have opened an Escrow Account in the name and style of "**HKG OPEN OFFER ESCROW ACCOUNT**" with Yes Bank Limited having its branch office at Vatika Business Park Block 2, Unit No. 5, Sohna Road, Badshapur, Gurugram, Haryana-122011(hereinafter referred to as the "Escrow Banker") and the Acquirers have deposited therein an amount of INR 19,40,00,000/- (Indian Rupees Nineteen Crores Forty Lakhs Only) in cash being more than 100% of offer size in an Escrow Account.
- The Manager to the Offer is authorized to operate the above-mentioned Escrow Account and has been duly empowered to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.
- Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirers to implement the Offer in accordance with the SEBI (SAST) Regulations. Further, the Manager to the Offer confirms that firm arrangement for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.
- In case of upward revision of the Offer Price and/or the Offer Size, the Acquirers would deposit appropriate additional amount into an Escrow Account to ensure compliance with Regulation 18(5) of the SEBI (SAST) Regulations, prior to effecting such revision

VI. STATUTORY AND OTHER APPROVALS

- To the best of the knowledge of the Acquirers, no statutory or other approvals are required to acquire shares under Open Offer as on the date of this DPS. If, however, any statutory or other approval becomes applicable prior to completion of such acquisitions, the Offer would also be subject to such other statutory or other approval(s) being obtained. Acquirers will not proceed with the Offer in the event such statutory approvals that are required are refused, in terms of Regulation 23(1)(a) of SEBI (SAST) Regulations. This Offer is subject to all other statutory approvals that may become applicable at the later date (which are not applicable on the date of DPS) but before the completion of the Open Offer.
- In the event of withdrawal, the Acquirers (through the Manager), shall within 2 (two) Working Days of such withdrawal, make an announcement stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, in the same newspapers in which the DPS was published, and such announcement will also be sent to SEBI, BSE, and the Target Company at its registered office.
- The Acquirers do not require any approval from financial institutions/banks in India or overseas for the Offer.
- If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI, the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in this Offer.
- The NRIs and OCBs holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to the Offer and submit such approvals to the Manager to the Offer and Registrar to the Offer and other documents required to accept the Offer.
- Subject to the receipt of statutory and other approvals, if any, the Acquirers shall complete all requirements relating to this Offer including payment to the shareholders who have accepted the Open Offer within 10 working days from the date of Closure of the Tendering Period.
- In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to the Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations.
- In terms of the provisions of Regulation 18(11A) of SEBI (SAST) Regulations, if the Acquirers would not be able to make payment to shareholders on account of reasons other than delay in receipt of any statutory approval, then the Acquirers shall pay interest for the period of delay to all such shareholders whose shares have been accepted in the open offer, at the rate of 10% per annum, however, if the situation warrants, waiver may be granted by SEBI for payment of interest on the Offer Price.

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