



To,

Shri Umesh Vishwanath Katti

'Sneha' Building

At & Post: Bellad Bagewadi

Dist: Belgavi- 591305

Karnataka

Shri Lava Ramesh Katti

S/o Ramesh,

#341, Katti oni, Bagewadi,

Belgaum, Bellad Bagewadi

Karnataka-591305

Dear Sir/Madam,

Subject: Proposal for providing professional services for proposed Open Offer to the shareholders of HKG Limited

PREFACE

We refer to our recent discussions with you (hereinafter collectively called as "Acquirer") in connection with the proposed Open Offer to the shareholders of **HKG Limited** (hereinafter referred to as "Target Company" or "HKG") to acquire control and substantial stake in the Target Company under Regulations 3 and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (hereinafter referred to as the "Takeover Code") in the Target Company.

ABOUT MERCHANT BANKER

Corporate Capital Ventures Private Limited is a Company incorporated in 2009 under the provisions of Companies Act, 1956 and is a SEBI Registered Category I Merchant Banker providing the following services to its esteemed clients:-

- Issue Management and related advisory services including placement of equity.
- Takeover of Listed Companies in compliance with SEBI Regulations.



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- Buyback of Shares/ Securities in compliance with SEBI/ Central Government Rules and Regulations.
- Delisting of Equity Shares from the Stock Exchanges.
- Draft and formulating ESOP Schemes.
- Syndication of Debt and Private Equity - Domestic and Overseas.
- Advisory services for Joint Venture/ Foreign Collaboration/ Technical Tie-ups.
- Advisory Services & due diligence for merger/amalgamation and takeover.

APPOINTMENT

We, Corporate Capital Ventures Private Limited, ("hereinafter referred to as **CCV**") are pleased to offer our professional services to manage "the Offer" inclusive of compliance of legal obligations as prescribed by Securities and Exchange Board of India ("SEBI")/ Stock Exchange(s) or other regulatory authorities ("Transaction").

TERMS OF MANDATE

This letter ("Mandate Letter") sets out our scope of services, suggested compensation structure and other standard terms and conditions upon which the Acquirer may appoint CCV as transaction advisor in relation to the transaction (the Engagement). This Mandate Letter reflects our broad understanding of the nature of services that Acquirer requires. The said Mandate Letter, if accepted, may be signed by the Acquire in duplicate to form a binding agreement.

SCOPE OF SERVICES

These areas outline the scope of CCV's services under the Engagement.

- 1.1 Structuring of the Offer in conformity with the prevailing framework of law and the guidelines issued by Securities and Exchange Board of India (SEBI) and the Stock Exchanges with regard to the Takeover and undertaking due diligence activities and

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CIN: U74140DL2009PTC194657

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- preparing the documents for filing with SEBI ensuring compliance with stipulated requirement and formalities.
- 1.2 Assistance in selection and appointment of various intermediaries like Registrar to Offer and Escrow Banker etc.
 - 1.3 Drafting of Public Announcement(s) and Detailed Public Statements to be published in the newspapers.
 - 1.4 Drafting of Letter of Offer to be sent to the SEBI and Stock Exchange(s) of the Target Company.
 - 1.5 Preparation of all the required and relevant papers and documents along with their submission with the SEBI & Stock Exchange authorities.
 - 1.6 Liaisoning with SEBI and/or Stock Exchange(s) regarding the Open Offer being made pursuant to the Takeover Code.
 - 1.7 Liaisoning with the bankers for the purpose of opening the escrow account.
 - 1.8 Liaisoning with the Registrar to the Offer in regard with the securities account to be opened under the Open Offer.

COMPENSATION STRUCTURE

For rendering the aforementioned services, we shall charge a fee of Rs. 9.00 (Rupees Nine Lakh only) as per the following schedule.

- 2.1 At the time of initiation: Rs. 2.50 Lakh
- 2.2 At the time of Detailed Public Announcement: Rs. 2.50 Lakh
- 2.3 At the time of filing Letter of Offer to SEBI: Rs. 2.50 Lakh
- 2.4 At the time of Clearance of Letter of Offer from SEBI: Rs. 1.50 Lakh

The stated fee is exclusive service taxes/ cess/ levies or any such Government charges as may be required to be paid under laws in force, as applicable at the time and shall be paid by the Acquirer additionally.

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All reasonable expenses incurred in relation to the Open Offer, which will be billed separately as incurred would have to be borne by the Acquirer on actual basis. Generally, these expenses include, outstation travel, boarding and lodging outside the city of domicile, if required with prior discussions. etc. Actual expenses incurred in connection with the Open Offer will be reimbursed by the acquirer in all events of the termination of the transaction/ abandonment of the transaction by the Acquirer/Advisor/Manager to the Offer in any circumstances whatsoever.

GENERAL TERMS AND CONDITIONS

1. Indemnity

The Company agree to fully and effectually indemnify CCV and hold it harmless against any and all losses, claims, expenses and liabilities which CCV may at any time incur as a result of or in connection with the provision of the services relying upon the information given by you as correct. Both parties herein shall keep each other fully indemnified in respect of any liability/claims/damages whatsoever as may arise as a result of and by their acts and conducts or by acts and conducts of their officials or personnel either by commission or through omission and shall hold each other harmless against any consequential loss/losses, claims, expenses or liabilities of any manner whatsoever arising as a reason thereof or due to professional misconduct or negligence on part of the officials and men of both the parties.

2. Compliance

The Acquirer agrees to comply with all applicable legal and regulatory requirements of the country in which the assignment is being carried out. The Acquirer also warrants that execution of this Agreement is not subject to any further approvals or ratification in order to become a binding obligation for the Acquirer.



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3. Exclusivity

CCV shall be irrevocably appointed as the sole Consultant/ Advisor for advising on the matter specifically related to this Open Offer fee for which is part of the compensation as referred above.

4. Information

The Acquirer agrees to provide CCV all financial and other information requested for the purpose of the engagement (or as may be required by any competent governmental, judicial or regulatory authority). In performing the services hereunder, CCV shall be entitled to rely upon and assume, without independent verification, the accuracy and completeness of all information that is publicly available and of all information that has been furnished to CCV by the Acquirer (or their affiliates or subsidiaries) or their other advisors or otherwise reviewed by them and CCV shall have no obligation to verify the accuracy or completeness of any such information or to conduct any appraisal or valuation of any assets or liabilities and shall not assume any responsibility nor have any liability therefore.

5. Termination/ Force Majeure

The Agreement can be terminated by either party by giving an advance written notice of seven days to the other party.

No termination of engagement will affect:

- CCV rights to receive fees accrued at a juncture prior to such termination, and
- To receive reimbursement of reasonable out-of-pocket expenses incurred prior to such - termination as set forth above.

6. Public Announcement

In the event that any announcement is made in respect of the transaction (i.e. press, regulatory, advertisements, or otherwise), the form and content of the announcement shall

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be approved by CCV prior to the publication. Furthermore, the Acquirer agrees, if so requested by CCV, to include reference to their role, in any public announcement relating to the assignment.

The Acquirer further agrees that CCV may mention and refer about this engagement in the normal course of business. The Acquirer will accept full responsibility for the content of any announcement or any information contained in any document relating to the assignment which the Acquirer as the case may be request CCV to issue or approve.

7. Arbitration/ Jurisdiction

In the event of any dispute or difference or claim arising between Acquirer and CCV at any time hereafter, in respect of the construction or interpretation of any term or provision hereof and/or as regards the responsibility and/or obligation and/or otherwise in any manner arising out of, relating to, concerning Offer Letter, the same shall be referred to arbitration under the provisions of the Indian Arbitration and Conciliation Act, 1996 and any modifications or statutory re-enactments thereto. The venue of arbitration shall be New Delhi, Delhi, India. All costs and expenses in relation to such arbitration, if any, shall be borne by both the parties equally.

If the foregoing correctly sets forth the agreement between the Company and CCV, please sign and return the enclosed copy of this Offer Letter, whereupon it shall become our binding agreement. Further acceptance of offer shall provide right to CCV to use the name of the Company or its Brand in the name of client list.

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Hope to listen from you very soon in this regard.


For Merchant Banker


For Corporate Capital Ventures Pvt. Ltd.




Kulbhushan Parashar
Director

Acquirer


Shri Umesh Vishwanath Katti


Shri Lava Ramesh Katti

Date: 25th July 2022

Place: New Delhi