

Dated 25th day of July, 2022

SHARE PURCHASE AGREEMENT

Between

HKG MONEY TECH PRIVATE LIMITED

And

UMESH VISHWANATH KATTI & ORS.

And

HKG LIMITED



महाराष्ट्र MAHARASHTRA

2022

BP 864626

प्रधान मुद्रांक कार्यालय, मुंबई
प.मू. क्र. 6000029
19 JUL 2022
सक्षम अधिकारी
श्रीम. एल. एस. सांगळे

SHARE PURCHASE AGREEMENT

This **SHARE PURCHASE AGREEMENT** is made at Mumbai on this 25th day of July, 2022:

BETWEEN:

HKG MONEY TECH PRIVATE LIMITED (PAN – AABCI8553Q) a private limited company incorporated and existing under the provisions of the Companies Act, 1956 and having its registered office at C Wing, Madhuban Building, Opp. Dev Nagar New Sai Baba Nagar, Kandivali West, Mumbai 400067 (Maharashtra), (hereinafter individually referred to as “**the Seller**” which expressions shall unless repugnant to the context or meaning thereof, mean and include its successors and permitted assigns) of the First Part;

AND

(i) **UMESH VISHWANATH KATTI (PAN- ABYPK7251L)**, son of Vishwanath Katti, residing at Bellad Bagewadi, #341 Bagewadi, Bellad Bagewadi, Belagavi -591 305 (Karnataka), and (ii) **LAVA RAMESH KATTI (PAN AZTPK3776B)**, son of Ramesh



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जोडपत्र - २ Annexure - II

दस्तावा प्रकार	4972
दस्त नोंदणी करणार आहेत का ?	YES/NO
मिळकतीचे वर्णन -	HKG MONEY TECH PRIVATE LIMITED
मुद्रांक विकत घेणाऱ्याचे नाव	C. Madhuban, Ground Floor,
दुसऱ्या पक्षकाराचे नाव	Opp. Day Nagar, New Saibaba Nagar,
हस्त असल्यास त्याचे नाव व पत्ता	Kandivall (W), Mumbai - 400 067.
मुद्रांक शुल्क रक्कम	0.000000
मुद्रांक रिकॉर्ड वही अनु. क्रमांक/दिनांक	.
मुद्रांक विकत घेणाऱ्याची सही	
मुद्रांक विक्रेत्याची सही	श्री गोविंद अशोक सहेजराव
परवाना क्रमांक :	6000029
मुद्रांक विक्रीचे ठिकाण/पत्ता :	बोरीवली अॅडव्होकेट्स बार असोसिएशन अॅडव्होकेट्स बार रूम बोरीवली कोर्ट लेन, बोरीवली कॉर्ट, बोरीवली (प) मुंबई - 400 092.
ज्या कारणासाठी ज्यांनी मुद्रांक खरेदी केला त्यांनी त्याच कारणासाठी मुद्रांक खरेदी केल्यापासून ६ महिन्यात वापरणे बंधनकारक आहे.	

21 JUL 2022

Vishwanath Katti, residing at Bellad Bagewadi, #341 Bagewadi, Bellad Bagewadi, Belagavi -591 305 (Karnataka), (hereinafter collectively referred to as “the Purchasers” which expressions shall unless repugnant to the subject or context be deemed to include its promoters / their family members, successors, assigns and nominees) of the Second Part;

AND

HKG LIMITED, a listed public limited company incorporated and existing under the provisions of the Companies Act, 1956 and having its registered office at C Wing, Madhuban Building, Opp. Dev Nagar New Sai Baba Nagar, Kandivali West, Mumbai 400067 (Maharashtra) (hereinafter referred to as the “Company” which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and/or assigns) of the Third Part.

In this Agreement, the “Seller”, the “Purchaser” and the “Company” shall individually be referred to as “Party” and collectively as the “Parties”.

WHEREAS:

- A. The Company is engaged in the Business (as hereinafter defined). The Company’s authorised share capital is Rs 14,00,00,000/- (Rupees fourteen crores) divided into 7,00,00,000 (Seven crore) equity shares of Rs 2/- (Rupees Two). The total issued, subscribed and paid up share capital of the Company is Rs. 10,50,00,000/- (Rupees Ten crores fifty lacs) comprising of 5,25,00,000 equity shares of Rs. 2/- (Rupees Two) each fully paid up. Further particulars of the Company are set forth in **Schedule 1**. The Equity Shares of the Company are listed on the BSE Limited, Mumbai.
- B. The Seller presently beneficially and legally own 25,50,000 (Twenty Five Lakhs Fifty Thousand only) equity shares of the Company representing 4.8571% of its Share Capital (as hereinafter defined).
- C. The Seller desire to sell the Sale Shares (as hereinafter defined) and morefully described in **Schedule 2** and the Purchaser desires to purchase and acquire from the Seller, the Sale Shares, together with all rights, title and interest therein, in terms of this Agreement;
- D. The Parties are now desirous of entering into this Agreement to set forth the terms and conditions agreed between them for the sale of the Sale Shares by the Seller and purchase of the Sale Shares by the Purchaser.

NOW, THEREFORE, in consideration of the Purchase Consideration and mutual agreements, covenants, representations and warranties set forth in this Agreement, and for other good and valuable consideration, the sufficiency of which is acknowledged by the Parties, the Parties hereby agree as follows:

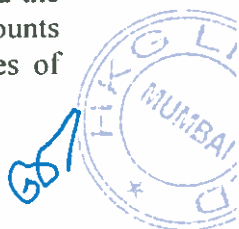
1. DEFINITIONS & INTERPRETATIONS

1.1 Definitions

In this Agreement, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; and (ii) the following terms shall have the following meanings assigned to them herein below:

“Act” means the Companies Act, 1956, as now enacted or as the same may from time to time be amended, re-enacted or replaced;

“Accounts” means the audited balance sheet and the accounts on the Accounts Date and the audited statements of profit and loss of the Company for the period ended as on the Accounts Date, copies of which are annexed hereto in and initialed by the Parties for purposes of identification



“**Accounts Date**” means (a) March 31, 2022 (Audited yearly results as published by the Company and shall be used for the purposes of representations in the Letter of Offer and Detailed Public Statement).

“**Assets**” means the assets of the Company as reflected in the Accounts.

“**Affiliate**” in relation to any Party shall mean in case of a natural Person, the Relative of such Person, and in case of a Person other than a natural Person, any Person, which Controls, is Controlled by, or is under the Common Control of that Person;

“**Agreement**” shall mean this Agreement along with all annexures and schedules attached hereto and all instruments supplemental to or in amendment or furtherance or confirmation of this Agreement, entered into in writing, in accordance with its terms;

“**Articles of Association**” means the articles of association of the Company;

“**Auditor**” means Mittal Agarwal & Co., Chartered Accountants, being the statutory auditor of the Company;

“**Board**” shall mean the board of directors of the Company;

“**Business**” means the business carried on by the company as described in the memorandum of association of the company;

“**Business Day**” shall mean a day on which the principal commercial banks located in Mumbai are open for business during normal banking hours, but excluding a Saturday or a Sunday;

“**Charter Documents**” means the Articles of Association and Memorandum of Association;

“**Claims**” shall mean and include claims, actions, losses, damages, cost, expenses, liabilities, penalties, prosecutions, proceedings and any other demands;

“**Company Warranties**” means the representations and warranties of the Company in this Agreement pursuant to Clause 8.3 and as more particularly set forth in **Schedule 7**.

“**Completion**” shall mean the completion of the Transaction by the Parties on the Completion Date, in accordance with the provisions of this Agreement, and in particular, the provisions of Clause 7;

“**Completion Date**” shall mean a date not exceeding fifteen days from the date of obtaining certificate of completion of takeover proceedings by the Merchant Banker;

“**Control**” shall bear the meaning assigned to the term in the Takeover Code. The terms “**Controls**” and “**Controlled by**” shall be construed accordingly.

“**Date of Change of Control**” shall mean a date being 21 working days after the date of Detailed Public Statement in terms Regulation 22(2) of Takeover Code.

“**Earnest Amount**” shall mean a sum of **Rs.76,50,000 /- (Rupees Seventy Six Lakhs Fifty Thousand Only)**, being amount of the Purchase Consideration being paid by the Purchaser as per Schedule 3 to the Seller on the Date of this Agreement.

“**Effective Date**” shall mean the date of execution of this Agreement.

“**Encumbrances**” shall mean (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, security interest or other encumbrance of any

kind securing or conferring any priority of payment in respect of, any obligation of any



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Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable law, (ii) any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person and (iii) any adverse claim as to title, possession or use;

“**Escrow Agent(s)**” means Escrow Agent(s)” means a scheduled commercial bank as notified by the Reserve Bank of India and appointed as such for the purpose of Escrow Agreement;

“**Escrow Agreement(s)**” shall mean the Escrow Agreement(s) of the date hereof entered between the Purchaser and the Escrow Agent(s) in respect of the escrow arrangements dealing with the Escrow Deposit and Escrow Documents in terms of this Agreement;

“**Escrow Deposit**” shall mean an amount being the consideration payable by the Purchaser in respect of acquisition of shares held by the public in terms of Takeover Code;

“**Government**” shall include the President of India, the Government of India, the Governor and the government of any state or any other political subdivision in India, any ministry or department of the same and any local or other authority exercising powers conferred by Law and shall include, without limitation, the Securities and Exchange Board of India and any recognised stock exchange, and the term “**Government Authority**” shall be construed accordingly;

“**Government Approvals**” means any consent, approval, authorisation, waiver, permit, grant, franchise, concession, agreement, license, certificate, exemption, order, registration, declaration, filing, report or notice of, with or to any Government;

“**Law**” includes all statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of the Government (or any sub-division thereof), statutory authority, tribunal, board, court, Securities and Exchange Board of India or recognised stock exchange;

“**Material Adverse Effect**” means any (a) event, occurrence, fact, condition, change, development or effect that is, or may reasonably be, materially adverse to the valuation, business, operations, condition (financial or otherwise), properties (including intangible properties), assets (including intangible assets) or liabilities of the Company or (b) material impairment of the ability of the Seller or the Company to perform their respective obligations hereunder;

“**Merchant Banker**” shall mean Corporate Capitalventures Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at B-1/E-13 Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110044.

“**Person**” shall mean any individual or other entity, whether a corporation, firm, company, joint venture, trust, association, organisation, partnership or proprietorship, including any governmental agency or regulatory body, and in each case, whether having a separate legal personality or not;

“**Public Offer**” shall mean the open offer for equity shares of the Company required to be made by the Purchaser under the Takeover Code following the execution of this Agreement;

“**Purchase Consideration**” shall mean the amount of **Rs 3,06,00,000/- (Rupees Three Crores Six Lakhs Only)** being paid as aggregate consideration for the purchase of the Sale Shares, at a price of Rs. 12/- (Rupees Twelve only) per Sale Share.



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“**Purchasers Directors**” means the nominees of Purchaser to be appointed on the Board of the Company on the Date of Change of Control.

“**Purchasers Warranties**” means the representations and warranties of the Purchaser in the Agreement pursuant to Clause 8.2 and as more particularly set forth in **Schedule 6**;

“**Relative**” shall bear the meaning assigned to the term in the Act;

“**Sale Shares**” shall mean 25,50,000 (Twenty Five Lakhs Fifty Thousand only) fully paid up equity shares of the Company of par value of Rs. 2 (Rupee two) each, constituting 4.8571% of the Share Capital on a fully diluted basis assuming conversion of all outstanding securities in the demat form and more particularly set out in **Schedule 2**;

“**SEBI**” shall mean the Securities and Exchange Board of India;

“**Seller Warranties**” shall mean the representations and warranties and covenants of the Seller in the Agreement, given jointly and severally, including but not limited to the representations and warranties pursuant to Clause 8.1 and as more particularly set forth in **Schedule 5**.

“**Share Capital**” means the total issued and paid-up equity share capital and voting rights of the Company;

“**Target Company Directors**” means Mr. Yatin Bhupendra Shah, Mr. Hardik Shah, Mr. Meet Paresh Shah, Mr. Hemant Vastani, Mr. Hemang Hasmukhrai Shah, and Mrs. Shikha Mukesh Shah, being the directors nominated to the Board of the Company;

“**Takeover Code**” shall mean the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, including any amendments, modifications, deletions, exemptions or clarifications thereto from time to time, made by Securities and Exchange Board of India or any other appropriate authority;

“**Transaction**” shall have meaning as set out in Clause 2.

1.2 Interpretation

In this Agreement, unless the context otherwise requires:

- (a) words of any gender are deemed to include the other gender;
- (b) words using the singular or plural number also include the plural or singular number, respectively;
- (c) the terms “hereof”, “herein”, “hereby”, “hereto” and derivative or similar words refer to this entire Agreement;
- (d) the term “Section” refers to the specified section of this Agreement;
- (e) heading, sub-heading and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- (f) any term or expression used but not defined herein shall have the same meaning attributable to it under applicable law;
- (g) references to the word “include” or “including” shall be construed without limitation; and



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- (h) time is of the essence in the performance of the parties' respective obligations. If any time period specified herein is extended, such extended time shall also be of the essence.

2. TRANSACTION AND PURCHASE CONSIDERATION

- 2.1 Subject to, and in accordance with, the terms of this Agreement (including but not limited to the satisfaction of the Conditions Precedent mentioned in Clause 5 below), on the Completion Date, the Purchasers shall purchase from the Seller and the Seller shall sell to the Purchasers, as legal and beneficial owners, the Sale Shares free from all Encumbrances and together with all rights, title, interest and benefits pertaining thereto (the "**Transaction**"), for the Purchase Consideration at a price of **Rs.12/- (Rupees Twelve only)** per Sale Share, to be paid to the respective Seller by the Purchasers in the manner and proportion set out in **Schedule 3** as per the terms of this Agreement and in accordance with the Escrow Agreement.
- 2.2 The Company owns/possesses the Assets as reflected in the Accounts as on March 31, 2022 as confirmed by the Seller and accepted by the Purchasers.
- 2.3 The liabilities as reflected in the Accounts as on March 31, 2022 as confirmed by the Seller and accepted by the Purchasers, shall be taken over by the Purchasers. All other liabilities, including all contingent or undisclosed, unascertained or disputed liabilities, pertaining to the period prior to the Date of Change of Control and consequences of all litigations, whether disclosed herein or not, shall be on account of the Seller.
- 2.4 The shareholding pattern of the Company before and on the Completion, Date is set out in **Schedule 4**.

3. EFFECTIVE DATE

On the Effective Date:

- (a) the Purchasers shall, and cause the Escrow Agent to enter into the Escrow Agreement.
- (b) the Purchasers shall hand over the Earnest Amount.

4. OBLIGATIONS FROM THE EFFECTIVE DATE

4.1 Conduct of Business:

The Company and the Seller shall ensure that from the Effective Date upto the Date of Change of Control, the Company shall carry on the business of the Company in the ordinary course of business; and so as to not breach any of the Warranties.

4.2 Without prejudice to the generality of the foregoing, from the Effective Date upto the Date of Change of Control, the Company shall not and the Seller shall ensure that the Company shall not, do or resolve, commit or agree to do any of the actions in this Clause 4.2, without the prior written consent of the Purchasers:

- i. Any decision which may result in impairment of any assets;
- ii. The creation of any option or right to subscribe for or acquire or convert any instrument into any Shares of the Company;
- iii. Reduction, sub-division, cancellation, purchase, reorganization, consolidation, conversion or redemption of the Share Capital of the Company;



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- iv. The allotment or issue by the Company debentures (whether secured or unsecured);
 - v. The approval or amendment of the Company's annual business plan or budget.
 - vi. Make any press release or any other public communication relating to this Agreement, except as may be required by Law.
- 4.3 The Seller shall, from the date of public announcement, obtain consent of the Purchasers before exercising voting rights in all meetings, whether General Meetings or Board Meetings, in respect of the Sale Shares in relation to points specified in clause 4.2 above.
- 4.4 The Seller and the Company shall promptly supplement or amend the information given in this Agreement with respect to any matter which comes to the knowledge of the Seller or the Company (i) which may arise hereafter and which, if existing or occurring at or prior to the Completion Date, would have been required to be set forth or described in this Agreement, or (ii) which makes it necessary to correct any information in this Agreement or in any Sellers' Warranties and/or Company Warranties, which may be rendered inaccurate thereby.
- 4.5 The Seller shall give the Purchasers prompt notice of any event, condition or circumstance set forth in Clause 4.2 occurring from the date hereof until the Date of Change of Control. The Seller shall give the Purchasers prompt notice of any event, condition or circumstance occurring from the date hereof until the Completion Date that would constitute a violation or breach of any of the Warranties if such warranty were made as of any date from the date hereof until the Completion Date, or would constitute a violation or breach of any terms and conditions contained in this Agreement.
- 4.6 The Seller shall not tender any of the Sale Shares for sale to the Purchasers in the Public Offer.
- 4.7 The Seller shall cause the Company to, and the Company shall, consent to the Public Offer by the Purchasers and shall render all assistance to the Purchasers in this regard.
- 4.8 The Purchasers do hereby undertake and shall announce the making of a public offer in accordance with the Takeover Code ("**Public Offer**") and shall proceed forthwith with the acquisition of minimum number of further shares of the Company (i.e. 26% of the issued share capital of the Company) as required under regulation 7(1) of the Takeover Regulations, pursuant to the Public Offer within the time period prescribed in the Takeover Code. The Merchant Banker shall also cause publication of public announcement to be made in newspapers as required under Takeover Code and shall file the draft Letter of Offer to SEBI for approval.
- 4.9 The Purchasers shall, prior to the announcement of the Public Offer, establish an escrow account and deposit Escrow Deposit with the Escrow Agent as required under the Takeover Code ("**Takeover Escrow**"). The Purchasers shall deposit 100% of the proceeds in the Escrow Amount which shall cover the entire amount payable to other shareholders of the Company under the Public Offer.
5. **CONDITIONS PRECEDENT TO COMPLETION**



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- 5.1 The obligation of the Purchasers to purchase the Sale Shares is subject to the fulfillment, prior to or simultaneously at Completion (or at the time specified below), of the following conditions (each, a “**Condition Precedent**”) and delivery and execution of any of the items as the Purchasers may require, any one or more of which may be waived in writing by the Purchasers:
- 5.1.1 the Company and the Seller having duly attended to and carried out all corporate procedures that are required under the Law in connection with this Agreement and the transactions contemplated thereby, including without limitation:
- 5.1.2 approval by the Seller of the execution, delivery and performance by the Seller of this Agreement and the other transactions contemplated by this Agreement;
- 5.1.3 the Seller Warranties and the Company Warranties having been true and correct on the date hereof and remaining true and correct on the Completion Date, in each case in all material respects, as provided in Clause 8;
- 5.1.4 the Company and the Seller having performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before Completion Date;
- 5.1.5 there having been no (i) Material Adverse Effect or event or circumstance that is reasonably likely to result in such a Material Adverse Effect; and (ii) no material change or announcement of a proposed material change in any relevant laws, regulations or policies in any of the jurisdictions in which the Company does business (whether coming into effect prior to, on or after the Completion Date) that, in the reasonable opinion of the Purchasers, materially and adversely affects or may materially and adversely affect the Company and the Seller and the Company having delivered to the Purchasers a written confirmation certifying that there has not occurred any Material Adverse Effect as on the Completion Date;
- 5.1.6 there shall not be in effect on the Completion Date any actual or threatened litigation, writ, judgment, injunction, decree, or similar order of any court restraining, enjoining, or otherwise or any statute or regulation preventing consummation of any of the transactions contemplated by this Agreement;
- 5.1.7 the Seller shall have marketable title and unfettered right to transfer the Sale Shares on the Completion Date to the Purchasers, free and clear of all Encumbrances;
- 5.1.8 the Public Offer having been completed and receipt of the certificate from the Merchant Banker under Takeover Code certifying fulfillment of all obligations by the Purchasers under the Public Offer.
- 5.2 Upon fulfilment and/or waiver of all or any of the Conditions Precedent, any Party may notify the other Parties of the Completion Date.
- 5.3 The Parties undertake to use their best possible endeavours to ensure satisfaction of their respective Conditions Precedent.
6. **DATE OF CHANGE OF CONTROL**
- 6.1 On the Date of Change of Control:
- The Purchasers shall deliver to the Company consent letters from each of the persons which the Purchasers may nominate as directors on the Board.
- 6.2 Within thirty days from the Board meeting, the Company shall file necessary DIR 12 with the Registrar of Companies.



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7. COMPLETION

- 7.1 The Completion of the Transaction contemplated in this Agreement shall take place on the Completion Date at the office of the Company or such other location as may be agreed by the Purchaser and the Seller at a time to be mutually agreed to between the Parties no later than 7 (seven) Business Days after the fulfillment of the Conditions Precedent and after fulfilment of all obligations by the Purchasers under the Takeover Code as certified by the Merchant Banker as mentioned in Clause 5 above. The date so agreed between the Purchasers and the Seller for the Completion shall hereinafter be referred to as the “**Completion Date**”.
- 7.2 However since Purchasers are depositing 100% of Open Offer Consideration in Escrow Account as mentioned in Regulation 22 (2) of Takeover Code, Within 7 (seven) Business Days of On the Completion Date of Change in Control, Date the Parties shall take the following action:
- 7.2.1 The Purchasers shall make payment of the balance Consideration Amount.
- 7.2.2 The Seller shall render all assistance and sign all other papers as may be necessary to get the Sale Shares in demat form duly transferred into the beneficial account of the Purchasers.
- 7.2.3 The Company shall hold a meeting of the Board at which meeting the Board shall conduct the following business:
- (a) take on record the resignation of Target Company Directors as directors of the Board, confirming that there is no claim outstanding against the Company from such directors for breach of contract, compensation for loss of office, termination of employment, redundancy, unfair dismissal or on any other ground;
 - (b) approve and record the transfer of the Sale Shares from the Seller to the Purchasers; and
 - (c) appropriate resolutions shall be passed to terminate any subsisting Powers of Attorney;
- 7.2.4 Each of the Parties shall do all such other acts and things and execute all other such documents as it, he or she is required to do under this Agreement.
- 7.3 Within thirty days from the Board meeting, the Company shall file necessary DIR12 with the Registrar of Companies.
- 7.4 The obligations of each of the Parties in this Clause 7 are interdependent on each other. Completion shall not occur unless all of the obligations specified in this Clause 7 are complied with and/or waived and are fully effective. Notwithstanding anything contained herein, all actions to be taken and all documents to be executed and delivered by the Parties at Completion and the coming into effect on the Completion Date of the agreements and/or deeds and/or documents mentioned under this Agreement shall be deemed to have been taken and executed and to have come into effect simultaneously and no actions shall be deemed to have been taken nor documents executed or delivered and no agreements and/or deeds and/or documents shall be deemed to have come into effect on the Completion Date until all such agreements/deeds/documents have been taken, executed, delivered and have come into effect.



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7.5 After Completion date, the Sellers along with existing Promoter and Promoter group of the company (Promoter and Promoter group as defined under Issue of Capital and Disclosure Requirements “ICDR” Regulations, 2018) shall cease to be the Promoters of Target Company and relinquish the management control of the Target Company in favour of the Acquirer. The Acquirer will acquire control of the Target Company, and shall be classified as new promoter of the Target Company. The reclassification shall also be carried out in accordance with compliance of the conditions specified in Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI LODR Regulations”).

8. REPRESENTATIONS AND WARRANTIES OF THE SELLER, THE PURCHASERS AND THE COMPANY

8.1 **Seller Warranties.** The Seller hereby jointly and severally, represent, warrant and undertake to the Purchasers in the terms set forth in **Schedule 5** and acknowledge that the Purchaser in entering into this Agreement is relying on such representations, warranties and undertakings (**Warranties**).

8.2 **Purchasers Warranties.** The Purchasers hereby represents, warrants and undertakes to the Company and each of the Seller in the terms set forth in **Schedule 6** and acknowledges that the Seller and the Company in entering into this Agreement are relying on such representations, warranties and undertakings.

8.3 **Company Warranties.** The Company hereby represents, warrants and undertakes to the Purchasers in the terms set forth in **Schedule 7** and acknowledges that the Purchaser in entering into this Agreement is relying on such representations, warranties and undertakings.

8.4 **Independent Warranties.** The Warranties set forth in each paragraph of **Schedules 5, 6 and 7** shall be separate and independent and save as expressly provided shall not be limited by reference to any other paragraph or anything in this Agreement.

8.5 **Completion Warranties.** The Warranties shall be deemed to be repeated as at Completion as if they were made on and as of the Completion Date and all references therein to the date of this Agreement were references to the Completion Date.

9. COVENANTS OF THE SELLER AND THE COMPANY

9.1 In the event of a breach of the Warranties and/or the Company Warranties, the Seller shall forthwith intimate the Purchasers of such breach or default.

9.2 The Seller will use their best efforts to implement the provisions of this Agreement, and for such purpose the Seller, at the request of the Purchasers, at or after the Completion Date, will, without further consideration, take all such actions as the Purchasers may reasonably deem necessary or desirable to implement any provision of this Agreement or to more effectively transfer, convey and assign to the Purchasers good and marketable title to the Sale Shares, free and clear of all Encumbrances. The Purchasers will use its best efforts to take all such other actions as the Seller may reasonably deem desirable to implement any provision of this Agreement.

Each Party shall use its best efforts to take, or cause to be taken by others, all necessary actions required to obtain or satisfy, at the earliest practicable date, all consents from any Person necessary to authorize, approve or transfer of the Sale Shares and to consummate and make effective the transactions contemplated by this Agreement and to facilitate the full and expeditious transfer of legal title to the Sale Shares.



10. INDEMNITY

- 10.1 The Sellers acknowledges that the Acquirer have agreed to purchase the Sale Shares relying on the representations of the Sellers. In the event of any representation being found to be incorrect, the Sellers shall indemnify and shall save, keep harmless and indemnified the Acquirer from and against all actions, proceedings, demands, loss, claims, damages costs, charges and expenses, which the Acquirer may suffer or incur as a result of such incorrect representation.
- 10.2. In the event of there arising any undisclosed liabilities over and above the liabilities disclosed to the Acquirer or as disclosed in the accounts of the Company for the financial year (or period ended) ended 31.03.2022 and such liabilities including any penalties of any statutory authorities arise out of an act of commission or omission of the Sellers or the Company prior to the transfer date, the Sellers shall indemnify and shall save keep harmless and indemnified the Company as also the Acquirer or their associates from and against all actions, proceedings, demands, loss, claims, damages, costs, charges and expenses which the Company or the Acquirer may suffer or incur as a result of such liabilities.
- 10.3. The Sellers shall indemnify and save, keep harmless and indemnified the Acquirer of and from any action, proceeding, claim, demand, loss, damage, costs, charges and expenses which the Acquirer may suffer or incur as a result of breach of any undertaking or covenant given by the Sellers under this Agreement.
- 10.4. The indemnity provisions contained in this clause shall survive the termination of this Agreement.
- 10.5. The Acquirer acknowledge that the Sellers have agreed to sell the Sale Shares relying on the representations of the Acquirer. In the event of any representation being found to be incorrect, the Acquirer shall indemnify and shall save, keep harmless and indemnified the Sellers from and against all actions, proceedings, demands, loss, claims, damages costs, charges and expenses which the Sellers may suffer or incur as a result of such incorrect representation.

11. CONFIDENTIALITY

- 11.1 Each Party undertakes with each other Party that it shall treat as strictly confidential all information received or obtained by it or its directors, officers, managers, employees, agents or advisers as a result of entering into or performing this Agreement including information relating to the provisions of this Agreement, the negotiations leading up to this Agreement, the subject matter of this Agreement or the business or affairs of a Party or, the Company and subject to the provisions of this Clause 11 it will not at any time hereafter make use of or disclose or divulge to any Person any such information and shall use its best endeavours to prevent the publication or disclosure of any such information.
- 11.2 The restrictions contained in this Clause 11 shall not apply so as to prevent any Party from making any disclosure required by Law or from making any disclosure to any professional adviser for the purposes of obtaining advice (provided always that the provisions of this Clause 11 shall apply to and the disclosing Party shall procure that it applies to and is observed in relation to, the use or disclosure by such professional adviser of the information provided to him) nor shall the restrictions apply in respect of any information which comes into the public domain otherwise than by a breach of this Clause 11 by a Party.
- 11.3 The restrictions contained in this Clause 11 shall not apply so as to prevent any Party from disclosing all information received or obtained by it to its respective Affiliates provided always that the provisions of this Clause 11 shall apply to and the disclosing Party shall procure that it applies to and is observed in relation to, the use or disclosure by such Affiliate of the information provided to it.



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12. COMPLIANCE WITH THE TAKEOVER CODE

Notwithstanding anything contained in sub-regulation 22(1), subject to the Acquirers depositing in the escrow account under regulation 17, cash of an amount equal to the entire consideration payable under the open offer assuming full acceptance of the open offer, the parties to this agreement may after the expiry of twenty-one working days from the date of detailed public statement, act upon the agreement and the Acquirer may complete the acquisition of shares or voting rights in, or control over the Target Company.

13. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of India without reference to its conflict of laws principles.

14. ARBITRATION

14.1 **Arbitration.** All disputes arising out of or in connection with this Agreement shall be finally adjudicated and decided by three arbitrators – one to be appointed by the Seller, one to be appointed by the Purchasers and the two nominee arbitrators to appoint the third arbitrator who shall also act as the presiding arbitrator.

14.2 **Place and Language.** The arbitration proceedings shall be conducted in the English language and the place of arbitration shall be Mumbai.

14.3 **Final and Binding.** Any award made by the Arbitration Tribunal shall be final and binding.

14.4 **Continuing Obligation.** Neither the existence of any dispute nor the fact that any arbitration is pending hereunder shall relieve any of the Parties of their respective obligations under the Agreement. The pendency of dispute in any arbitration proceeding shall not affect the performance of the obligations under the Agreement.

15. NOTICES

15.1. Any notice provided for in the Agreement shall be in writing and shall be (i) first transmitted by facsimile/Email transmission, and then confirmed by postage, prepaid registered post with acknowledgement due or by internationally recognised courier service or (ii) sent by postage, prepaid registered post with acknowledgement due or by internationally recognised courier service:

A. In the case of notices to the Company:

Address : HKG Limited,
C Wing, Madhuban Building, New Sai Baba Nagar, Opp Dev Nagar,
Kandivali (West), Mumbai, Maharashtra, 400067

Facsimile : 022 28068043
Attention : Mr. Yatin Bhupendra Shah

B. In the case of notices to the Seller:

Address : HKG Money Tech Private Limited,
C Wing, Madhuban Building, New Sai Baba Nagar, Opp Dev Nagar,
Kandivali (West), Mumbai, Maharashtra, 400067

Facsimile : 022 28068043
Attention : Mr. Manoj Bhupendra Shah



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C. In the case of notices to the Purchaser (or any of them):

Address : Bellad Bagewadi, #341 Bagewadi, Bellad Bagewadi, Belagavi -591
305 (Karnataka)
Facsimile : 08333 - 267043
Attention : Mr. Umesh Vishwanath Katti / Mr. Lava Ramesh Katti

- 15.2 All notices shall be deemed to have been validly given on (i) the Business Day immediately after the date of transmission with confirmed answer back, if transmitted by facsimile transmission, or (ii) in case (i) does not apply, the expiry of 7 (seven) Business Days after posting, if sent by post.
- 15.3 Any Party may, from time to time, change its address or representative for receipt of notices provided for in this Agreement by giving to all the other Party not less than 10 (ten) days prior written notice.

16. MISCELLANEOUS

16.1 Further Assurances

The Parties to the Agreement shall from time to time execute and deliver all such further documents and do all acts and things as the other Party may reasonably require to effectively carry on the full intent and meaning of this Agreement and the Escrow Agreement and to the complete the transactions contemplated hereunder.

16.2 Amendments and Waiver

No modification or amendment to the Agreement or the Escrow Agreement and no waiver of any of the terms or conditions hereof shall be valid or binding unless made in writing and duly executed by or on behalf of the Parties. No waiver of any breach of any provision of the Agreement shall be effective or binding unless made in writing and signed by the Party purporting to give the same and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

16.3 Cost and Expenses

Each of the Parties hereto shall pay its own costs and expenses relating to the negotiation, preparation and execution of this Agreement and all other documents related to the Transaction. The Seller shall bear the stamp duty on this Agreement as well as all costs, charges and expenses in relation to the sale and transfer of the Sale Shares. The Purchasers shall not be liable for any taxes on the transactions contemplated herein save and except for stamp duty/securities transaction tax, if any, directly relating to the purchase of the Sale Shares.

16.4 Entire Agreement

This Agreement along with the Escrow Agreement constitutes the entire agreement of the Parties relating to the subject matter hereof and supercedes any and all prior agreements, including letters of intent and term sheets, either oral or in writing, between the Parties hereto with respect to the subject matter herein.

16.5 Public Notices

All public notices to a third party and all other publicity concerning the transactions contemplated by this Agreement shall be jointly planned and coordinated by the Seller and the Purchasers and no Party shall act unilaterally in this regard without the prior approval of the other Parties, (which approval shall not be unreasonably withheld), except where required to do so by Law in circumstances where prior consultation with the other Parties is not practicable.



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SCHEDULE 1
PARTICULARS OF THE COMPANY

Name of the Company	HKG Limited
Date of Incorporation	September 16, 2010
Registration Number	340313 of 2010.
CIN	L51909MH2010PLC340313
Authorised share capital of the Company	Rs 14,00,00,000/- (Rupees fourteen crores) divided into 7,00,00,000 (Seven crore) equity shares of Rs 2/- (Rupees Two)
Issued Share Capital	Rs. 10,50,00,000/- (Rupees Ten crores fifty lacs) comprising of 5,25,00,000 equity shares of Rs. 2/- (Rupees Two) each
Subscribed Share Capital	
Fully paid-up share Capital	
Name of the Exchange on which the shares of the Company are Listed	BSE Limited
Group	B
Scrip Code	539097
ISIN No.	INE904R01027
Address of the Registered office of the Company	C Wing, Madhuban Building, Opp. Dev Nagar New Sai Baba Nagar, Kandivali West, Mumbai 400067 (Maharashtra)
Names of the existing directors of the Company	<ul style="list-style-type: none"> • Mr. Yatin Bhupendra Shah • Mr. Hardik Shah • Mr. Meet Paresh Shah • Mr. Hemant Vastani • Mr. Hemang Hasmukhrai Shah, and • Mrs. Shikha Mukesh Shah
Name of the Company Secretary	Ms. Ankita Gupta



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SCHEDULE 2

DETAILS OF SALE SHARES IN DEMAT FORM

Name	Address	Number of Sale Shares (% of Share Capital)	DP Details & Account Details
HKG Money Tech Private Limited	C Wing, Madhuban Building, Opp. Dev Nagar New Sai Baba Nagar, Kandivali West, Mumbai 400067 (Maharashtra)	2550000 (4.8571)	1205810000000560



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SCHEDULE 3

**PAYMENT OF CONSIDERATION TO THE SHAREHOLDERS
ON ACCOUNT OF SALE SHARES**

Name of the Acquirer	Name of the Selling Share holder	No. of Sale Shares (in No)	Purchase Consideration (Rs.) payable at the rate of Rs. 12/- per Sale Share	Earnest Payment(in Rs)	Final Payment (in Rs)
Mr.Umesh Vishwanath Katti	HKG Money Tech Private Limited	12,75,000	1,53,00,000	38,25,000	1,14,75,000
Mr. Lava Ramesh Katti		12,75,000	1,53,00,000	38,25,000	1,14,75,000



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SCHEDULE 4

SHAREHOLDING PATTERN BEFORE AND AFTER COMPLETION

(PART A) ON EFFECTIVE DATE:

Particulars	No. of Shares	Percentage
Promoters	2550000	4.85714
Non Promoters	49950000	95.1429
	52500000	100.00

(PART B) ON COMPLETION DATE :

Particulars	No. of Shares	Percentage
Promoters	16200000	30.85714
Non Promoters	36300000	69.14286
	52500000	100.00

* Assuming full acceptance of the 1,36,50,000 Equity shares being 26% of the Equity capital for which Public Offer will be made.



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SCHEDULE 5

REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller hereby represents and warrants to the Purchasers that:

- (a) **Organisation and Authority:** It is the legal and beneficial owner of the Sale Shares and has good and valid title to all of them;
- (b) **Authorization and validity:** The Sale Shares have been duly authorized and validly issued and are fully paid-up and the execution, delivery and performance by the Seller of this Agreement has been duly authorised by all requisite corporate action and this Agreement constitutes a valid and binding agreement or obligation of the Seller, enforceable in accordance with its terms;
- (c) **Free from Encumbrances:** The Sale Shares are free of all Encumbrances and the Seller are not prohibited or restricted in any manner whatsoever by any contract or law to sell the Sale Shares to the Purchasers;
- (d) **No Conflicts:** The execution and delivery of this Agreement does not, and the consummation of the transactions contemplated hereby, will not (i) violate or result in a breach under any agreement, statute, regulation, rule, order, judgement, decree or other legal requirement applicable to the Seller; or (ii) constitute a default under any agreement to which the Seller are parties or by which it is bound or give any third party a right to terminate or modify, or result in the creation of any encumbrances under, any agreement, license or other instrument; or results in a violation or breach of a default under any law;
- (e) The Seller shall ensure all assistances, Papers, documents required by the Purchasers to comply with the provisions of the SEBI Takeover Regulations and shall not conceal any facts pertaining to the Target Company.



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SCHEDULE 6

REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS

- 1) **Authority:** Purchasers are duly organised and validly existing under the law and has full power and authority necessary to enter into and perform its obligations under this Agreement and to consummate the transactions contemplated hereby;
- 2) **Authorization and validity:** The execution, delivery and performance by the Purchasers of this Agreement has been duly authorised by all requisite action under this Agreement constitutes a valid and binding agreement or obligation of the Purchaser, enforceable in accordance with its terms;
- 3) **No Conflicts:** The execution and delivery of this Agreement does not, and the consummation of the transactions contemplated hereby, will not (i) violate or result in a breach under any agreement, statute, regulation, rule, order, judgement, decree or other legal requirement applicable to the Purchaser; or (ii) constitute a default under any agreement to which the Purchaser is a party or by which it is bound or give any third party a rights to terminate or modify, or result in the creation of any encumbrances under, any agreement, license or other instrument; or results in a violation or breach of a default under any law.



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SCHEDULE 7

COMPANY WARRANTIES

1. The Company is a company duly incorporated and organised and existing under the laws of India.
2. The Company has the full power, authority and legal right to own assets and carry on its business. The Company is not in receivership or liquidation and has taken no steps to enter into liquidation, and no petition has been presented for the winding-up of the Company. There are no grounds on which a petition or application could be based for the winding-up or appointment of a receiver of the Company.
3. The execution, delivery and performance of this Agreement by the Company will not:
 - (a) violate any provision of the Charter Documents;
 - (b) conflict with or result in any material breach or violation of any of the terms and conditions of, or constitute (or with notice or lapse of time or both constitute) a default under, any agreement to which the Company is a party or by which the Company is bound;
 - (c) violate any court order, judgement, injunction, award, decree or writ against, or binding upon, the Company or upon its securities, properties or business;
 - (d) violate any law or regulation of India or any other jurisdiction in which the Company maintains a business presence.
4. The Company has the full power and authority to enter into, execute and deliver this Agreement and to perform the transactions contemplated hereby. The execution and delivery by the Company of this Agreement and the performance by the Company of the transactions contemplated hereby have been duly authorised by all necessary corporate or other action of the Company. Assuming the due authorisation, execution and delivery hereof by the other parties hereto, this Agreement constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganisation, moratorium or similar laws affecting creditors' rights generally.










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IN WITNESS WHEREOF, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE DULY EXECUTED AND DELIVERED BY THEIR DULY AUTHORIZED REPRESENTATIVES AS OF THE DAY AND YEAR HEREINABOVE WRITTEN.

SIGNED AND DELIVERED BY SELLERS:	
By: For HKG Money Tech Private Limited Mr. Manoj Bhupendra Shah (Director)	 
SIGNED AND DELIVERED BY ACQUIRERS:	
By: Mr. Umesh Vishwanath Katti	
By: Mr. Lava Ramesh Katti	
SIGNED AND DELIVERED BY COMPANY:	
By: For HKG Limited Mr. Yatin Bhupendra Shah (Managing Director)	 

Witness	
Mr. <u>VISHAL DEDHIA</u> Address:- <u>25/14 ANURAJ SHAWAN,</u> <u>RAK ROAD, WADALA (W),</u> <u>MUMBAI - 400031</u>	
Mr. <u>Nikhil A Shah</u> Address:- <u>B1801 Gokul High</u> <u>matra eas Road</u> <u>Kandivalli (W)</u>	