



**H.K. Trade International Limited**

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**3<sup>rd</sup> ANNUAL REPORT**  
**2015-16**

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**CORPORATE INFORMATION****BOARD OF DIRECTORS**

- Mr. Mahesh Mehta                      Chairman & Managing Director
- Mrs. Megha Chandawalla            Non – Executive Director
- Mr. Santosh Sawant                  Non – Executive & Independent Director
- Mr. Kamlesh Kapadia                Non – Executive & Independent Director

**BANKERS**

HDFC Bank  
Yes Bank

**STATUTORY AUDITORS**

M/S. Nirmal Nahata & Associates

**SECRETARIAL AUDITORS**

M/s. R.M. Mimani & Associates, Company Secretaries

**REGISTRAR AND TRANSFER AGENTS****Sharex Dynamic (India) Private Limited**

Luthra Ind Premises,

Unit-1, Safeed Pool,

Andheri Kurla Road, Andheri East,

Mumbai - 400 072

**Contact No:** 022 - 28515606, 28515644

Email: sharexindia@vsnl.com, Website: <http://www.sharexindia.com>

**REGISTERED OFFICE**

Office No: 9, 2nd Floor, Bharat House

104 Mumbai Samachar Marg, Fort

Mumbai – 400001.

**Tel No** - 022-22676700

**E-mail id** - info@hktrade.in, **Website** – www.hktrade.in

**CIN No:** - U25203MH2013PLC244911

**LETTER TO THE SHAREHOLDERS**

Dear Shareholders,

It gives me immense pleasure to present the Annual Report for 2015-16 for **H. K. TRADE INTERNATIONAL LIMITED**.

While Your Company is in its 3<sup>rd</sup> year of operations, the outlook for 2016-17 is positive. I would like to thank all our stakeholders especially the Shareholders of the Company for their constant support and look forward to the same in the next fiscal year.

Thanking you,

**Mahesh Mehta**  
**Managing Director**

**NOTICE TO SHAREHOLDERS**

**NOTICE** is hereby given that the 3<sup>rd</sup> Annual General Meeting of the Members of **H. K. TRADE INTERNATIONAL LIMITED** will be held at the registered office of the Company at Room No 9, 2nd Floor, Bharat House, 104 Mumbai Samachar Marg, Fort, Mumbai – 400 001 on September 30, 2016 at 3.30 p.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2016 including audited Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Ms, Megha Chandawalla (Holding DIN 07118714), who retires by rotation and being eligible offered herself for re-appointment.
3. To appoint M/s. R T Jain & Co., Chartered Accounts as Statutory Auditors of the Company and to fix their remuneration;

*To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary resolution:*

“RESOLVED THAT pursuant to the provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, and the applicable rules made there under (including any statutory modification(s) for the time being in force), M/s R T Jain & Co., (ICAI Registration No. 103961W) be and is hereby appointed as Statutory Auditors of the Company in place of M/s. Nirmal Nahata & Associates, Chartered Accountants, who had expressed their unwillingness to continue as Statutory Auditors’ of the Company, to hold the office from the conclusion of this Annual General Meeting till the conclusion of the 8<sup>th</sup> Annual General Meeting of the Company to be held in the year 2021, subject to ratification in every subsequent year at the Annual General Meeting, on such terms and conditions (including remuneration and reimbursement of out-of pocket expenses) as may be determined by the Board of Directors of the Company from time to time.”

**SPECIAL BUSINESS:**

4. Re - Appointment of Mr. Mahesh Mehta (DIN : 00191524) as Managing Director and fix his remuneration in this regard

*To consider and if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:*

“RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 of the Companies Act, 2013 and other applicable provisions of the Act read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, other applicable rules and regulations, if any, to the extent notified for the time being in force including any statutory modification or re-enactments made thereof from time to time and Articles of Association of the Company and subject to the approval of the Central Government or such other competent authority, if required, approval of the Shareholders of the Company be and is hereby accorded to the re-

appointment of Mr. Mahesh Mehta as Managing Director and Key Managerial Personnel of the Company and fixing his remuneration for a further period of Five (5) years (not liable to retire by rotation) with effect from September 03, 2016 upon such terms and conditions as set out in the agreement as entered between the Company and Mr. Mahesh Mehta (DIN : 00191524) as detailed in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board of Directors (the “Board”) and Mr. Mahesh Mehta.

**RESOLVED FURTHER THAT** the Board (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

**By Order of the Board of Directors**

**Date:** September 03, 2016  
**Place:** Mumbai  
**Regd. Office:** 9<sup>th</sup>, 2<sup>nd</sup> Floor, Bharat House  
104 Mumbai Samachar Marg, Fort  
Mumbai – 400001

**Mahesh Mehta**  
**Managing Director**

**NOTES:**

1. The Register of Members and the Share Transfer books of the Company will remain closed from September 23, 2016 to September 30, 2016 (both days inclusive) for the purpose of the Annual General Meeting.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified true copy of the relevant Board of Directors resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
4. Details under as required under of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the Stock Exchange in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
5. Electronic copy of the Notice of the 3<sup>rd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 3<sup>rd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
6. Notice of 3<sup>rd</sup> Annual General Meeting and the Annual Report for 2016 will also be available on the Company's website [www.hktrade.in](http://www.hktrade.in) from their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investors email id: [info@hktrade.in](mailto:info@hktrade.in).
7. Mrs. Monika Kothari (M. S. Kothari & Associates) Practising Chartered Accountant (Membership No. 137777) and has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
8. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 3<sup>rd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
9. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of

the Company and make a Scrutinizer's Report of the votes cast in favour or against , if any, forthwith to the Chairman of the Company.

10. The Results declared along with the Scrutinizer's report shall be placed on the company's website [www.hktrade.in](http://www.hktrade.in) immediately after the declaration of result by Chairman of the Company and the same will be communicated to the BSE Limited.
11. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

## 12. Voting through electronic means:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 26, 2016 (9:00 am) and ends on September 29, 2016 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 23, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iv) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (v) Click on Shareholders.
- (vi) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (ix) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of</li> </ul>

	<p>the sequence number in the PAN Field.</p> <ul style="list-style-type: none"> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ol style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)</li> </ol>

- (x) After entering these details appropriately, click on “SUBMIT” tab.
- (xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for “H. K. Trade International Limited” on which you choose to vote.
- (xiv) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xvi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xix) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

**(xxi)** In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**By Order of the Board of Directors**

**Date:** September 03, 2016  
**Place:** Mumbai  
**Regd. Office:** 9th, 2nd Floor, Bharat House  
104 Mumbai Samachar Marg, Fort  
Mumbai – 400001

**Mahesh Mehta**  
**Managing Director**

**Item No 4 :**

Mr. Mahesh Mehta (DIN: 00191524), who has been appointed as the Managing Director of the Company and whose term has been expired, being proposed for re-appointment for a further period of 5 years as approved and recommended by the Board of Directors in consultation with Nomination and Remuneration Committee of the Board in compliance with Section 196, 197 and 203 of the Companies Act, 2013 and as per provisions of the Listing agreement.

The Board at its meeting held on September 03, 2016, has, on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members and the Central Government (if required), re-appointed Mr. Mahesh Mehta (DIN : 00191524) as the Managing Director of the Company, for a period of Five (5) years commencing from September 03, 2016. As per the requirement of section 196 and 197 of the Companies Act, 2013 read with Schedule V and the Companies (Appointment of Key Managerial Personnel) Rules, 2014, the above appointment shall be approved by the shareholders in their meeting.

A copy of the Agreement entered between Mr. Mahesh Mehta (DIN : 00191524) and the Company shall be kept open for inspection by the members of the Company at the Registered office of the Company during working hours from 10.a.m to 6.30.p.m. on Weekdays prior to the date of the Meeting and during the Meeting.

None of the Directors/ Key Managerial Personnel's of the Company/their relatives except Mr. Mahesh Mehta are in anyway, concerned or interested, financially or otherwise in the said appointment except to the extent of their shareholding in the Company.

Your Directors therefore recommends the said resolution and your approval is sought by passing of an Special resolution.

The principle terms and conditions of the appointed as entered into agreement between the Company and Mr. Mahesh Mehta are as follows:

1. Term of Appointment : 5 Years
2. Period : 3rd September, 2016 – 2nd September 2021
3. Remuneration :

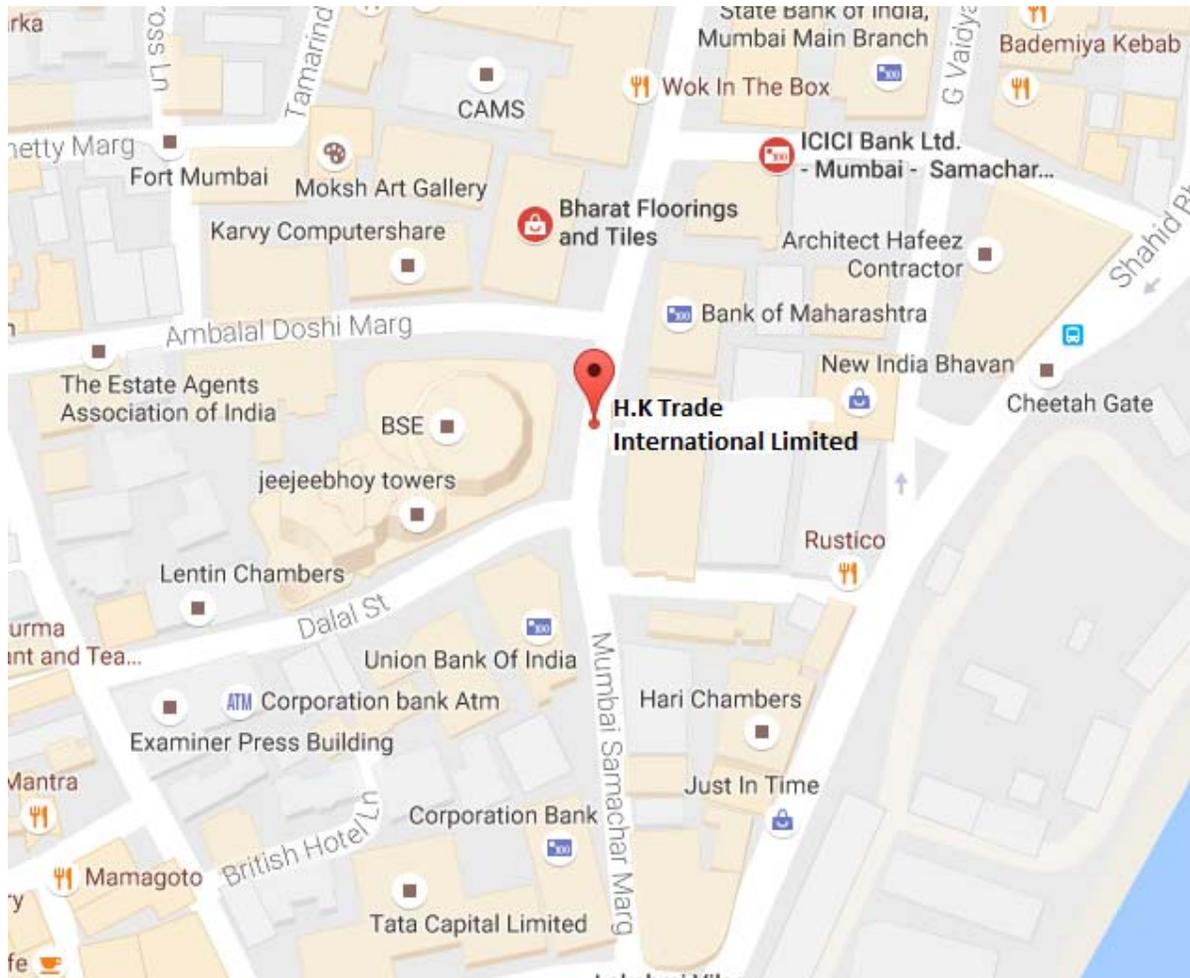
Sr. no	Description	Particulars
1	a. Annual Salary	Rs. 6,00,000/-
	b. Annual Bonus	Nil
2	Deduction of Tax at Source	Remuneration shall be subject to deduction of tax at source and other statutory deductions as applicable.

4	Benefits/facilities: I. Housing: II. Car and Driver: III. Gas, Electricity & Water charges for the house: IV. Telephone: V. Club Membership: VI. Security and Gardener Maintenance at the house: VII. Satellite TV: VIII. Medical Reimbursement: IX. Gratuity:	NIL
5	End of Contract	The contract of employment may be terminated by either party upon notice of 12 months, to expire at the end of a calendar quarter

## ANNEXURE TO ITEM NO. 2 and ITEM NO 4 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General meeting

Name of Director	Ms. Megha Chandawalla	Mr. Mahesh Mehta
DIN	07118714	00191524
Date of Birth	13/01/1982	05/04/1955
Nationality	Indian	Indian
Date of First Appointment	March 11, 2015	September 1, 2013 (as Managing Director)
Qualifications	B. Com , MBA (Finance)	B.Com, M.B.A. (Finance) – Part I
Expertise in specific functional Areas	Her experience and qualification supports our Company in its growth strategies.	Over 3 decades of Experience in
No. of Shares held in the company	Nil	5,80,000
List of Directorships held in other Companies	Nil	1. MNM Composites Pvt Ltd 2. Knowell Enterprises Pvt Ltd 3. Himark Technologies Pvt Ltd
Chairman/Member in the Committee of Boards of Companies in which he is Director	1 (Member of Nomination and Remuneration Committee of H.K. Trade International Limited)	2 (Member of Audit Committee and Stakeholders Relationship Committee)
Terms and Conditions of Appointment/re appointment	As per Section 149 and 152 of Companies Act, 2013	As per Section 149 and 152 of Companies Act, 2013
Remuneration paid (Paid in the last year)	Nil	Rs. 6,00,000/-
Relationship with other Directors	Daughter of Managing Director i.e Mr. Mahesh Mehta	Father of : a. Ms. Megha Chandawalla, Director of the Company and b. Mr. Chintan Mehta, Chief Financial Officer of the Company
Number of Board Meetings attended during the F.Y. 2015-16	Thirteen Meetings (April 30, 2015, July 14, 2015, July 31, 2015, August 08, 2015, , August 12, 2015, August 18, 2015, September 08, 2015, September 12, 2015, October 31, 2015, November 12, 2015, December 7, 2015, February 13, 2016 and March 31, 2016)	Thirteen Meetings (April 30, 2015, July 14, 2015, July 31, 2015, August 08, 2015, , August 12, 2015, August 18, 2015, September 08, 2015, September 12, 2015, October 31, 2015, November 12, 2015, December 7, 2015, February 13, 2016 and March 31, 2016)

**ROUTE MAP TO THE AGM VENUE****Address:****H.K. Trade International Ltd**

Room No 9, 2nd Floor, Bharat House,  
104 Mumbai Samachar Marg,  
Fort, Mumbai-400 023

[Tel:+91-22-22676700](tel:+91-22-22676700)

**DIRECTOR'S REPORT**

**To,  
The Shareholders,  
H.K. Trade International Limited**

Your Directors have pleasure in presenting the 3rd Annual report on the business and operation of the Company together with the Audited Financial Statements for the year ended March 31, 2016.

**1. FINANCIAL SUMMARY OR HIGHLIGHTS / PERFORMANCE OF THE COMPANY:**

The Board's Report shall be prepared based on the stand alone financial statements of the Company.

Particulars	Year Ending March, 2016	Year Ending March, 2015
	Amt. in Rs.	Amt. in Rs.
<b>Total Income</b>	<b>5,05,67,495</b>	<b>4,22,63,851</b>
Less: Expenditure	4,87,11,754	4,03,38,056
Profit/(Loss) before Interest, Depreciation & Tax	18,55,742	19,25,795
Less: Interest	630	113
: Depreciation And Amortization Cost	3,53,225	3,43,485
<b>Profit/(Loss) before Tax</b>	<b>15,01,887</b>	<b>15,82,198</b>
Tax Expense	4,89,056	5,24,637
<b>Profit/(Loss) after Tax</b>	<b>10,12,831</b>	<b>10,57,561</b>

**2. BRIEF DESCRIPTION OF THE COMPANY'S OPERATIONS DURING THE YEAR / STATE OF COMPANY'S AFFAIR**

During the current period, your company has shown an increase in revenue to the extent of 19.65 % from Rs. 4.22 crores during F.Y. 2014-15 to Rs. 5.05 crores during F.Y. 2015-16. PAT has shown a decrease to the extent of 4.23% from Rs. 10.57 lakhs during F.Y. 2014-15 to Rs. 10.12 lakhs during F.Y. 2015-16.

**3. FINANCIAL YEAR**

The report of Directors along with its Annexure, Management Discussion and Analysis, Corporate Governance Report, Financial Statements along with their Notes are prepared for the period April 01, 2015 to March 31, 2016 (a period of 12 months). Pursuant to the provisions of Section 2(41) of the Companies Act, 2013, a 'financial year' in relation to the Company means the period ending on the 31st day of March every year, in respect whereof financial statements of the Company is made. Your Company is in compliance with the provisions of the Companies Act, 2013.

**4. DIVIDEND**

The company has decided to sustain the growth in line with the long term growth objective of the Company by retaining the profits and utilizing the same for opportunities in hand.

**5. SHARE CAPITAL**

The Paid up equity share capital as at March 31, 2016 stood at Rs. 2.632 crores. The Paid up Capital of your Company was Rs. 1.36 Crores at the beginning of the year i.e April 01, 2015 which was subsequently increased to Rs. 2.632 Crores by the end of the year i.e March 31, 2016 due to the maiden IPO of 26,32,000

Equity Shares of Face Value of Rs. 10.00/- each fully paid up at Rs. 18.00/- including premium of Rs. 8.00/. The Company got listed at BSE SME Platform on September 14, 2015.

**6. RESERVES**

No amount has been transferred by the Company to Reserves during the year.

**7. PUBLIC DEPOSITS**

The Company has neither invited nor accepted any public deposits during the period under review.

**8. SUBSIDIARY AND ASSOCIATE COMPANIES**

As on March 31, 2016, the Company has no subsidiary or Associate Company or Joint Venture Companies.

**9. CONSOLIDATED FINANCIAL STATEMENT**

The Company is not required to consolidate its financial statements in terms of provisions of Companies Act, 2013 and rules thereunder.

**10. DIRECTOR AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Section 152 Companies Act, 2013 read with applicable Rules, if any, Ms. Megha Chandawalla, retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for a re-appointment.

Mr. Kamlesh Kapadia and Mr. Santosh Sawant are Independent Directors of the Company. Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act 2013.

The Company has appointed Mr. Chintan Mehta as the Chief Financial officer of the Company and Mr. Mahesh Mehta as a Managing Director.

Mr. Dhaval Parekh was appointed as Company Secretary and Compliance Officer of the Company w.e.f March 11, 2015, and further he resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f July 31, 2015.

Further, Mr. Deep Shah was appointed as Company Secretary and Compliance Officer of the Company w.e.f August 01, 2015 and further he resigned from the post of Company Secretary and Compliance Officer w.e.f October 31, 2015.

**11. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Board of Directors of the Company state that —

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation and there are no material departures from the same;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year viz. March 31, 2016 and of the profit and loss of the company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis; and
- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and

- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **12. NUMBER OF MEETINGS OF THE BOARD**

In the Financial Year 2015-16 the Board met thirteen times. The meetings were held on April 30, 2015, July 14, 2015, July 31, 2015, August 08, 2015, August 12, 2015, August 18, 2015, September 08, 2015, September 12, 2015, October 31, 2015, November 12, 2015, December 7, 2015, February 13, 2016 and March 31, 2016.

Frequency and quorum at these meetings were in conformity with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the company with the Stock Exchanges. All the Board members and the senior management personnel have affirmed compliance with the Code of Conduct during the year ended on 31st March, 2016.

## **13. COMMITTEES OF THE BOARD**

1. Audit Committee
2. Remuneration and Nomination Committee
3. Stakeholders' Relationship Committee

Details of Committee and their meetings are detailed in Corporate Governance Report.

## **14. BOARD EVALUATION**

Pursuant to the provisions of Companies Act, 2013 and SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015, the board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee and Stakeholders Relation Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

## **15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 (if any) are given in the notes to the Financial Statements.

## **16. CONSERVATION OF ENERGY, TECHNICAL ABSORPTION, FOREIGN EXCHANGE EARNING:**

### **(A) Conservation of Energy**

Your company is continuously taking initiatives to ensure optimum utilization of energy available in day to day operations. Your company uses energy efficient lighting devices, light fittings to save energy, capacitor bank/devices to maintain power factor which are environment and power efficient.

### **(B) Technology Absorption**

Your company is doing its business by ensuring optimum utilisation of its available resources. Your company has not taken any research & development activity so far.

### **(C) Foreign Exchange Earnings and Outgo**

The Company has not incurred in foreign currency during the financial year 2015-16.

## **17. VIGIL MECHANISM AND WHISTLE BLOWER POLICY**

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company ([www.hktrade.in](http://www.hktrade.in)).

**18. REMUNERATION AND NOMINATION POLICY**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members.

**19. CORPORATE SOCIAL RESPONSIBILITY**

The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

**20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

**21. ADEQUACY OF INTERNAL CONTROL SYSTEM**

The Company has adequate internal control systems for the business processes in respect of all operations, financial reporting, compliance with laws and regulations etc. The management information system forms an effective and sound tool for monitoring and controlling all operating parameters. Regular internal audits ensure that responsibilities are executed effectively. The Audit Committee reviews the adequacy of internal controls on regular basis.

**22. CODE OF CONDUCT**

The Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company, which is available on website of the company. The Company has obtained confirmations for the compliance with the said code from all its Board members and senior management personnel for the year ended March, 31, 2016.

**23. DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS**

All the Independent Non-Executive Directors of the Company viz. Mr. Santosh Sawant, Mr. Kamlesh Kapadia have submitted the declaration of independence as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

**24. STATUTORY AUDITORS**

M/s. Nirmal Nahata & Associates, Chartered Accountants (ICAI Registration No. 116034W) who are the Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and expressed their unwillingness to continue as Statutory Auditors' of the Company.

M/s. R T Jain & Co., Chartered Accountants, (Firm Registration No. 103961W) has consented to act the Auditors' of the Company, are recommended for appointment for a period of five years to carry out the audit the accounts of the Company beginning from the financial year 2016-17.

As required in terms of the provisions of section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. R T Jain & Co.; that their appointment, if made, would be in conformity with the limits specified in the said Section.

**25. EXTRACT OF ANNUAL RETURN**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report as **Annexure I**.

**26. NOMINATION AND REMUNERATION COMMITTEE**

The Company follows a policy on “Nomination and Remuneration of Directors, Key managerial Personnel and Senior Management”. The policy is approved by the Nomination & Remuneration Committee and the Board. More details on the same are given in **Annexure II**.

**27. RELATED PARTY TRANSACTIONS**

Form AOC-2 as required under the Companies Act, 2013 for related party transaction is annexed as **Annexure III** to the Directors Report.

**28. SECRETARIAL AUDITORS**

The Board of Directors have appointed M/s. R. M. Mimani & Associates as Secretarial Auditors to conduct Secretarial Audit for the Financial Year 2015-16.

The Secretarial Audit Report issued by M/s. R. M. Mimani & Associates, Company Secretaries in Practice is self-explanatory and does not call for further comments. The Secretarial Audit Report and Management reply on the qualifications stated in the said Report forms a part of Directors Report in **Annexure IV**.

**29. AUDIT COMMITTEE**

The composition of Audit Committee is as follows:

<b>Name of Directors</b>	<b>Designation in Committee</b>	<b>Category</b>
Mr. Kamlesh Kapadia	Chairman	Non-Executive and Independent
Mr. Santosh Sawant	Member	Non-Executive Independent
Mr. Mahesh Mehta	Member	Chairman & Managing Director

During the Financial Year 2015-16, Audit Committee met 6 times on April 30, 2015, July 14, 2015, August 8, 2015, August 12, 2015, November 12, 2015, and February 13, 2016. All the recommendations made by the audit committee were accepted by the board.

Frequency and quorum at these meetings were in conformity with the provisions of the Companies Act, 2013, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the company with the Stock Exchanges.

**30. BUSINESS RISK MANAGEMENT**

The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company’s competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business. The Company has adopted risk management policy.

**31. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has always believed in providing a safe and harassment free workplace for every individual through various interventions and practices.

The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition

& Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed of during the year 2015-16:

- Number of complaints received: NIL
- Number of complaints disposed of: NIL

### **32. PARTICULARS OF EMPLOYEES**

Particulars of employees as required u/s 134 of the Companies Act, 2013 are not annexed since there are no employees drawing remuneration of more than Rs. 60,00,000/- per annum during the year under review, if employed for full year or more than Rs. 5,00,000/- per month, if employed for part of the year.

Further the information required pursuant to Section 197 of the Companies Act, 2013 (the Act) read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Compliance Officer in this regard.

### **33. MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report under requirements of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, forms part of this Annual Report for the year ended 31st March 2016.

### **34. CORPORATE GOVERNANCE**

With reference to the captioned subject and regulation 15(2) (b) of the said regulations the compliance with the corporate governance provisions as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation 46 and para C, D and E of the Schedule V shall not apply to those listed entity which has the specified securities on the SME Exchange.

Further, please note that H.K. Trade International Limited is listed on the SME Platform of BSE Limited. Hence Compliance with above mentioned provisions relating to Corporate Governance are not applicable and the Company is not required to file report on Corporate Governance Report on quarterly basis with the Stock Exchange

### **35. AUDITORS' REPORT**

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

### **36. VIGIL MECHANISM**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee. The Vigil Mechanism / Whistle Blower Policy has been uploaded on the Company's Website i.e. [www.hktrade.in](http://www.hktrade.in)

**37. CAUTIONARY STATEMENT**

Statements in this Report, Management Discussion and Analysis, Corporate Governance, Notice to the Shareholders or elsewhere in this Annual Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statement' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the Market conditions and circumstances.

**38. INTERNAL FINANCIALS CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses were observed.

**39. HUMAN RESOURCES**

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invest in attraction, retention and development of talent on an on-going basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

**40. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**41. DISCLOSURE ABOUT COST AUDIT**

As per the Cost Audit Orders, Cost Audit is not applicable to the Company.

**42. LISTING WITH STOCK EXCHANGES**

The Company was listed on BSE SME segment for the Financial Year 2015-16. The Company confirms that it has paid the Annual Listing Fees for the year 2016-2017 to BSE where the Company's Shares are listed.

**43. ACKNOWLEDGEMENTS**

The Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended by the Regulatory Authorities, Company's Bankers, Customers, Shareholders and other business constituents during the year under review.

The Directors also wish to place on record their appreciation for all round co-operation and contribution made by employees at all levels.

**For and on behalf of the Board  
H. K. Trade International Limited**

**Place: Mumbai  
Date: September 03, 2016**

**Sd/-  
Mahesh Mehta  
(Chairman & Managing Director)**

**Sd/-  
Megha Chandawalla  
(Director)**

## ANNEXURE I

## FORM NO. MGT 9

**EXTRACT OF ANNUAL RETURN**  
As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U25203MH2013PLC244911
2.	Registration Date	28-06-2013
3.	Name of the Company	<b>H. K. TRADE INTERNATONAL LIMITED</b>
4.	Category / Sub-category of the Company	Public Company Limited By Shares
5.	Address of the Registered Office and Contact details	Office No. 9, Bharat House, 2nd Floor, 104, Mumbai Samachar Marg, Fort ,Mumbai ,Maharashtra ,400001. Tel No. 022 22676700, Email:- info@hktrade.in Website:- <a href="http://www.hktrade.in">www.hktrade.in</a> CIN : U25203MH2013PLC244911
6.	Whether listed company	YES
7.	Name, Address & contact details of The Registrar & Transfer Agent, if any.	<b>Sharex Dynamic (India) Private Limited</b> Luthra Ind Premises, Unit-1, Safeed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400 072 <b>Contact No:</b> 022 - 28515606, 28515644 <b>Email:</b> sharexindia@vsnl.com, <b>Website:</b> http://www.sharexindia.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No	Name and Description of Product or Service	NIC Code of Product / Service	% of Total Turnover of the Company
1	Manufacture of other plastic products n.e.c.	22209	100 %

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr No	Name and Address of Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
-	-	-	-	-	-

## IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding

Category of Shareholders	No. Of Shares held at the beginning of the year (As on April 01 , 2015)				No. Of Shares held at the end of the year (As on March 31, 2016)				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual / HUF	11,57,500	-	11,57,500	85.11	11,57,500	-	11,57,500	43.98	-41.13
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	2,02,500	-	2,02,500	14.89	2,02,500	-	2,02,500	7.69	-7.2
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(1):-</b>	<b>13,60,000</b>	<b>-</b>	<b>13,60,000</b>	<b>100</b>	<b>13,60,000</b>	<b>-</b>	<b>13,60,000</b>	<b>51.67</b>	<b>-48.33</b>
<b>2) Foreign</b>									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-

e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others - Market Maker	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corp.									
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	-	-	-	-	3,04,000	-	3,04,000	11.55	-
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	-	-	-	-	2,08,000	-	2,08,000	7.90	-
c) Any Others	-	-	-	-	7,60,000	-	7,60,000	28.88	-
d) Others – HUF	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (2)</b>	-	-	-	-	<b>12,72,000</b>	-	<b>12,72,000</b>	<b>48.33</b>	-
<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	-	-	-	-	<b>12,72,000</b>	-	<b>12,72,000</b>	<b>48.33</b>	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>13,60,000</b>	-	<b>13,60,000</b>	<b>100</b>	<b>26,32,000</b>	-	<b>26,32,000</b>	<b>100</b>	-

**ii. Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e April 01, 2015			Shareholding at the end of the year i.e March 31, 2016			* % change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Jatin Kantilal Shah	2,00,000	14.71	0.00	2,00,000	7.60	0.00	-7.11
2	Reema Naresh Shah	5,000	0.37	0.00	5,000	0.19	0.00	-0.18
3	Mahesh Indulal Mehta	5,80,000	42.65	0.00	5,80,000	22.04	0.00	-20.61
4	Chintan Mahesh Mehta	55,000	4.04	0.00	55,000	2.09	0.00	-1.95
5	Daksha Mahesh Mehta	2,65,000	19.49	0.00	2,65,000	10.07	0.00	-9.42
6	Mahesh I Mehta HUF	52,500	3.86	0.00	52,500	1.99	0.00	-1.87
7	Knowell enterprises Pvt.	2,02,500	14.89	0.00	2,02,500	7.69	0.00	-7.20
	<b>TOTAL</b>	<b>13,60,000</b>	<b>100</b>	<b>0.00</b>	<b>13,60,000</b>	<b>51.67</b>	<b>0.00</b>	<b>-48.33</b>

\* The Company was listed on the BSE SME platform on September 14, 2015 and there were is no change in number of shares held by promoters as on April 01, 2015 and for year ended March 31, 2016.. However the aforesaid difference of % change in share holding during the year is due to allotment made to public shareholders due to Listing of the Company.

**iii. Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. no.	Name of the Promoter	Shareholding at the beginning of the year i.e. April 01, 2015		Cumulative Shareholding during the year i.e. March 31, 2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Jatin Kantilal Shah	2,00,000	14.71	2,00,000	7.60
2	Reema Naresh Shah	5,000	0.37	5,000	0.19
3	Mahesh Indulal Mehta	5,80,000	42.65	5,80,000	22.04
4	Chintan Mahesh Mehta	55,000	4.04	55,000	2.09
5	Daksha Mahesh Mehta	2,65,000	19.49	2,65,000	10.07
6	Mahesh I Mehta HUF	52,500	3.86	52,500	1.99
7	Knowell enterprises Pvt. Ltd.	2,02,500	14.89	2,02,500	7.69

**iv. \*\* Change in Top Ten Shareholders (Other than Directors, Promoters and Holders of ADRs and GDRs)**

Sr. no.	PARTICULARS	Shareholding at the beginning of the year i.e. April 01, 2015		Cumulative Shareholding during the year i.e. March 31, 2016	
		Name of Shareholder	No. of shares	% of total shares of the company	No. of shares
1.	Shatrunjaya Estates Private Limited	0	0	424000	16.11
2.	Sangam Advisors Limited	0	0	184000	6.99
3.	Sanjoyog Trade-Link Private Limited	0	0	136000	5.17
4.	Bharat B Mishra Huf Huf	0	0	56000	2.13
5.	Vijaykumar Mukhiya	0	0	32000	1.22
6.	Usha Bajaj	0	0	24000	0.91
7.	Yogesh Mahadev Bhojane	0	0	24000	0.91
8.	Vipul Gaurishankar Bajaj	0	0	24000	0.91
9.	Tanaji Namdev Kamble	0	0	24000	0.91
10.	Pratibha Jain	0	0	24000	0.91

**Note: \*\* The Company was listed on the BSE SME platform on September 14, 2015 and there were no public shareholders as on April 01, 2015.**

**v. Shareholding of Directors and Key Managerial Personnel**

Sr. no	Particulars For each of the Directors and KMP	Shareholding at the beginning of the year (April 01, 2015)		Cumulative Shareholding during the year (March 31, 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Mahesh Mehta	5,80,000	42.65	5,80,000	22.04
2.	Mr. Chintan Mehta	55,000	4.04	55,000	2.09

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

<b>Particulars</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not				
Total ( i + ii + iii )	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
- Addition - Reduction				
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
Total ( i + ii + iii )	-	-	-	-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-time Directors, Executive Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Mr. Mahesh Mehta - Managing Director	Total Amount
<b>1</b>	<b>Gross salary</b>	6,00,000	6,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
<b>2</b>	Stock Option	-	-
<b>3</b>	Sweat Equity	-	-
<b>4</b>	Commission - as % of profit - Others specify...	-	-
<b>5</b>	Others please specify	-	-
	<b>Total (A)</b>	6,00,000	6,00,000

**B. Remuneration to the directors:**

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount
		Mrs. Megha Chandawalla	Mr. Santosh Sawant (Independent Director)	Mr. Kamlesh Kapadia (Independent Director)	
<b>1</b>	Independent Directors				
	- Fee for attending board committee meetings	Nil	Nil	Nil	Nil
	- Commission	-	-	-	-
	- Others please specify	-	-	-	-
	<b>Total (1)</b>	Nil	Nil	Nil	Nil
<b>2</b>	Other Non-Executive Directors				
	· Fee for attending board committee meetings	N. A.	N. A.	-	-
	· Commission			-	-

	·Others,pleasespecify			-	
	<b>Total (2)</b>	-	-	Nil	
<b>3</b>	<b>Total (B) = ( 1 + 2 )</b>	Nil	Nil	Nil	Nil

### C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Executive Officer	Company Secretary	Chief Financial Officer	Total
1.	Gross salary (a)Salary as per provisions contained n section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2)Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3)Income-tax Act,1961	-	1,05,800*	6,50,000	7,55,800
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit -others specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	1,05,800	6,50,000	7,55,800

\* Mr. Dhaval Parekh was appointed as Company Secretary and Compliance Officer of the Company w.e.f March 11, 2015, and further he resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f July 31, 2015. Remuneration paid to him was Rs. 60,800/-

Further, Mr. Deep Shah was appointed as Company Secretary and Compliance Officer of the Company w.e.f August 01, 2015 and further he resigned from the post of Company Secretary and Compliance Officer w.e.f October 31, 2015. Remuneration paid to him was Rs. 45,000/-

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the companies Act	Brief description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
<b>A. Company</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. Directors</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. Other Officers In Default</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## ANNEXURE II

**NOMINATION AND REMUNERATION POLICY OF THE COMPANY**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The Board of Directors of **H. K. TRADE INTERNATIONAL LIMITED** ("the Company") re-constituted the "Nomination Committee" as "Nomination and Remuneration Committee" consisting of three (3) Independent Directors. The policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors. Objective and purpose of the Policy:

**OBJECTIVE:**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as may be amended from time to time). The Key Objectives of the Committee would be:

- I.** To guide the Board and lay down criteria in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- II.** To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- III.** To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- IV.** To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- V.** To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- VI.** To devise a policy on Board diversity,
- VII.** To develop a succession plan for the Board and to regularly review the plan.

The Nomination and Remuneration Policy has been formulated in order to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on March 11, 2015.

**DEFINITIONS:**

- I.** "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- II.** "Board" means Board of Directors of the Company.
- III.** "Directors" mean the Directors of the Company.
- IV.** "Key Managerial Personnel" (KMP) means:
  - Chief Executive Officer or the Managing Director or the Manager;
  - Whole-time director;
  - Chief Financial Officer;
  - Company Secretary; and
  - Such other officer as may be prescribed under the Act.

"Senior Management" mean personnel of the company who are members of its core management team

excluding the Board of Directors and KMPs, comprising of all members of management one level below the Executive Directors including Functional Heads.

#### **CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee comprises of following Directors:

<b>Name</b>	<b>Position</b>
Santosh Sawant	Chairman (Independent, Non-executive)
Kamlesh Kapadia	Member (Independent, Non-executive)
Megha Chandawalla	Member (Independent, Non-executive)

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

#### **APPLICABILITY**

The Policy is applicable to:

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

#### **ROLE OF COMMITTEE:**

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

#### ➤ **Appointment criteria and qualifications:**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment. Criteria for identifying persons who are qualified to be appointed as a Directors / KMP /Senior Management Personnel of the Company:

##### **a) Directors**

Section 164 of the Companies Act, 2013 states disqualifications for appointment of any person to become Director of any Company. Any person who in the opinion of the Board is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.

##### **b) Independent Directors**

For appointing any person as an Independent Director he/she should possess qualifications as mentioned in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014

**c) Senior Management Personnel and KMP**

The Company has an hierarchy structure displaying positions of Senior Management including KMP and other positions with the minimum qualifications and experience requirements for each positions which commensurate with the size of its business and the nature and complexity of its operations. Any new recruit in the Company is to match the requirements prescribed in the hierarchy structure of the Company.

A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

➤ **Term / Tenure**

**a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**b) Independent Director:**

The maximum tenure of Independent Directors shall be in accordance with the Companies Act, 2013 and clarifications/ circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

➤ **Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly)

**a) Criteria for evaluating Non-executive Board members:**

Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act states that the Independent Directors shall at its separate meeting review performance of non- independent directors and the Board as a whole and the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.

**b) Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel**

Criteria for evaluating performance of KMP and Senior Management Personnel shall be as per the HR Guideline on Performance Management System and Development Plan of the Company.

➤ **Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of

the said Act, rules and regulations.

➤ **Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

The remuneration to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

**SITTING FEES**

Board is empowered to fix the sitting fees for the Directors, however, the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time per meeting of the Board or Committee.

**COMMISSION**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the provisions of Section 197 the Companies Act, 2013.

**STOCK OPTIONS**

An Independent Director shall not be entitled to any stock option of the Company.

**MEMBERSHIP, FREQUENCY OF MEETINGS**

Chairperson of the Committee shall be an Independent Director. The Committee shall consist of a minimum 3 non-executive director. Membership of the Committee shall be disclosed in the Annual Report. Term of the Committee shall be continued unless terminated by the Board of Directors. The meeting of the Committee shall be held at such regular intervals as may be required.

**MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

**COMMUNICATION OF THIS POLICY**

For all Directors, a copy of this Policy shall be handed over within one month from the date of approval by the Board. This Policy shall also be posted on the web-site of the Company and in the Annual Report of the Company.

## **AMENDMENT**

Any change in the Policy shall, on recommendation of Nominations and Remuneration Committee, be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

## ANNEXURE III

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

- a. Name(s) of the related party and nature of relationship: Not Applicable
- b. Nature of contracts/arrangements/transactions: Not Applicable
- c. Duration of the contracts / arrangements/transactions: Not Applicable
- d. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable.
- e. Justification for entering into such contracts or arrangements or transactions: Not Applicable
- f. Date(s) of approval by the Board: Not Applicable
- g. Amount paid as advances, if any: Not Applicable
- h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

**2. Details of material contracts or arrangement or transactions at arm's length basis:****1. Knowell Corporation:**

- a. Name(s) of the related party and nature of relationship: Knowell Corporation, Mr. Mahesh Mehta, Proprietor of Knowell Corporation and Managing Director of H. K. Trade International Limited
- b. Nature of contracts/arrangements/transactions: Purchase of materials / goods at arm's length price and in ordinary course of business
- c. Duration of the contracts / arrangements/transactions: Not Applicable
- d. Salient terms of the contracts or arrangements or transactions including the value, if any: N. A.
- e. Date(s) of approval by the Board, if any : April 30, 2015
- f. Amount paid as advances, if any: N. A.

**2. MNM Composites Pvt. Ltd.:**

- a. Name(s) of the related party and nature of relationship: MNM Composites Pvt. Ltd., Mr. Mahesh Mehta, Director of MNM Composites Pvt. Ltd. and Managing Director of H. K. Trade International Limited
- b. Nature of contracts/arrangements/transactions: Purchase of goods at arms length price and in ordinary course of business
- g. Duration of the contracts / arrangements/transactions: Not Applicable
- h. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- i. Date(s) of approval by the Board, if any : April 30, 2015
- c. Amount paid as advances, if any: N. A.

**For and on behalf of the Board  
H. K. Trade International Limited**

**Place: Mumbai**

**Date: September 03, 2016**

**Sd/-**

**Mahesh Mehta**

**(Chairman & Managing Director)**

**Sd/-**

**Megha Chandawalla**

**(Director)**

**MR-3**  
**Secretarial Audit Report for the financial year ended on March 31, 2016**

[Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule 9 of the companies (Appointment and remuneration of managerial personnel) Rule, 2014]

**The Members**

**H.K. Trade International Limited**  
**Mumbai**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **H.K. Trade International Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the Rules made there-under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there-under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company;
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)Regulations, 2009;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Other law applicable specifically to the Company, as detailed below;
  - i. Water (Prevention & Control of Pollution) Act, 1974
  - ii. Air (Prevention & Control of Pollution) Act, 1981
  - iii. Trade Mark Act, 1999

We have also examined compliance with the applicable clauses of the following;

- i. Secretarial Standards issued by the Institute of Company Secretaries of India(ICSI)

- ii. The SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015
- iii. The listing agreement entered into by the Company with Stock Exchanges in India.

We report that, during the financial year under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines as mentioned above, subject to the following:

- i. *The Company has not complied with the provision of section 203 of the Companies Act 2013 and of regulation 6 of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015 of with regard to the appointment of Company Secretary and Compliance officer.*
- ii. *The Company has not complied with the regulation 33(1) (d) of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015.*

We further report that, there was no action/event in pursuance of;

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- c) The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company and test verification on random basis carried out for compliances under other applicable Acts, Laws and Regulations to the Company.

The compliance by the Company of the applicable direct tax laws, indirect tax laws and other financial laws has not been reviewed in this Audit, since the same have been subject to review by the other designated professionals and being relied on the reports given by such designated professionals.

We further report that, based on the information provided and representation made by the Company and also on the review of compliance reports taken on record by the Board of Directors of the Company, in our opinion adequate system and process exists in the company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable general laws like labour laws, competition law and environmental laws.

We further report that the Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally at least seven days in advance, and in view of the non-existence formal system, we are not in position to comment on existence of system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meeting duly recorded and signed by the Chairman, majority decision carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that during the financial year under review, the Company has undertaken following events / actions;

The Company has raised money through issue of shares to the public (IPO). The shares of the Company got listed on September 14, 2015 on SME segment of BSE Limited.

For **R M MIMANI & ASSOCIATES LLP**  
**[COMPANY SECRETARIES]**

**SD/-**

**RANJANA MIMANI**  
**(PARTNER)**  
FCS No: 6271  
CP No : 4234

**Place: Mumbai**  
**Dated: September 02, 2016**

**Note: This report is to be read with our letter of even date which is annexed as “Annexure A” and forms and integral part of this report.**

The Members  
**H.K. Trade International Limited**  
**Mumbai**

Our Secretarial Audit Report of even date is to be read along with this letter;

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.;
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **R M MIMANI & ASSOCIATES LLP**  
**[COMPANY SECRETARIES]**

**SD/-**

**RANJANA MIMANI**  
**(PARTNER)**  
FCS No: 6271  
CP No : 4234

**Place: Mumbai**  
**Dated: September 02, 2016**

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**MANAGEMENT REPLY FOR QUALIFICATIONS MENTIONED IN THE SECRETARIAL  
AUDITORS' REPORT**

Dear Members,

With Reference to the captioned subject matter, please find below the Management Reply to the qualifications mentioned in the Secretarial Auditors' Report.

1. The Company has not appointed Company Secretary as required in terms of the provision of section 203 of the Act.

**Management Reply:** Mr. Deep Shah resigned from the post of Company Secretary w.e.f October 31, 2015. To fill in the vacancy, the Company has given newspaper advertisement for requirement of Company Secretary in the Financial Year 2015-16. However the Company could not find suitable Candidate for the appointment. The Company is in process of appointing Company Secretary.

2. The Company has not complied with the regulation 33(1) (d) of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015.

**Management Reply:** In the opinion of the Board, it is a technical in nature, however on notice, the Board has taken the necessary steps and in process of complying the same.

**For and on behalf of the Board  
H. K. Trade International Limited**

**Place: Mumbai  
Date: September 03, 2016**

**Sd/-  
Mahesh Mehta  
(Chairman & Managing Director)**

**Sd/-  
Megha Chandawalla  
(Director)**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### **Industry Structure and Development**

The global adhesive and sealants market is primarily driven by consistent growth in its major end-use industry such as Construction, Automotive, Packaging, Assembly, Pressure Sensitive Tapes and other applications. According to a market report published by Transparency Market Research, the global market for adhesives was valued at \$22.70 billion in 2012 and is expected to reach \$31.64 billion by 2018, growing at a CAGR of 5.7% from 2012 to 2018. Your Company (H.K. Trade International Limited) is engaged in the business of manufacturing, converting and supplying of adhesive tapes and synthetic paper (teslin papers) from jumbo rolls of adhesive tapes and synthetic paper (teslin) respectively. Our Company operates an important intermediary in the packing material supply chains, whereby we purchase materials such as tapes, labels, papers, etc, in the roll form which is further cut and repacked into smaller rolls. Our company sells the products under the brand name – “AERO”. Going forward we plan to expand our presence geographically by increasing our reach.

### **Operational Performance**

During the current period, your company has shown an increase in revenue to the extent of 19.65 % from Rs. 4.22 crores during F.Y. 2014-15 to Rs. 5.05 crores during F.Y. 2015-16. PAT has shown a decrease to the extent of 4.23% from Rs. 10.57 lakhs during F.Y. 2014-15 to Rs. 10.12 lakhs during F.Y. 2015-16.

### **Outlook**

According to International Monetary Fund (IMF), growth in advanced economies is projected to rise by 0.2 percentage points in 2016 to 2.1 percent, and hold steady in 2017. Growth in emerging markets and developing economies is projected to increase from 4 percent in 2015 - the lowest since the 2008 - 09 financial crisis - to 4.3 and 4.7 percent in 2016 and 2017, respectively. India continues to remain a bright spot in an overall gloomy global economy. As per the World Economic outlook released by the IMF, India will be the fastest growing major economy in 2016-17 growing at 7.5%, ahead of China, at a time when global growth is facing increasing downside risks. India's growth is expected to continue to be driven by private consumption, which has benefited from lower energy prices and higher real incomes. With the revival of sentiment and pickup in industrial activity, a recovery of private investment is expected to further strengthen growth. Your company is well poised to benefit from the revival of industrial activity in the Indian economy.

**Risk & Concerns**

The Company is mainly exposed to market risks in the form of reduction in value of its investments and fall in returns due to dip in the investee company's performance. The Company is also exposed to the fluctuations of economy and industry cycles / downturns.

**Human Resource Development**

The Company recognises that its human resource is its strength in realizing its goals and objectives.

**Cautionary Statement**

The Statement in this Management Discussion and Analysis report, describing the Company's outlook, projections, estimates, expectations or predictions, maybe "Forward Looking Statements" within the meaning of applicable securities laws or regulations. Actual results could differ from those expressed or implied.

**For and on behalf of the Board**  
**H. K. Trade International Limited**

**Place: Mumbai**  
**Date: September 03, 2016**

**Sd/-**  
**Mahesh Mehta**  
**(Chairman & Managing Director)**

**Sd/-**  
**Megha Chandawalla**  
**(Director)**

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is to achieve business excellence, enhance long term values for its stakeholders, maintaining excellent relations across all levels and proper compliance with all applicable legal and regulatory requirements. We believe that Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. In its endeavor to achieve the higher standards of governance by adopting the best emerging practices, the Company not only adheres to the prescribed corporate governance practices in terms of the regulatory requirements but is also committed to sound corporate governance principles and practices.

### 2. BOARD OF DIRECTORS

The Board of Directors along with its Committees provide leadership and guidance to the Company's management and direct, supervises and controls the performance of the Company. The present strength of Board of Directors is 4 (Four), whose composition and category is given below:

- One - Managing Director
- One - Non-Executive Director
- Two - Non- Executive and Independent Directors

#### A) The Constitution of the Board as on March 31, 2016

The Composition of the Board of Directors and also the number of other Board of Directors or Board Committees of which they are member/ Chairman are given below:

Sr. No.	Directors	Category	No. of Other Directorship		No. of Other Committee positions	
			Public	Private	Member	Chairman
1	Mr. Mahesh Mehta	Managing Director	0	3	1	0
2	Mrs. Megha Chandawalla	Non- Executive Director	0	0	2	0
3	Mr. Santosh Sawant	Non – Executive & Independent Director	0	0	2	1
4	Mr. Kamlesh Kapadia	Non – Executive & Independent Director	0	0	2	1

None of the Directors hold directorship in more than 20 Companies nor is a member in more than ten committees or acts as chairman of more than 5 committees across all the companies in which they are Directors.

**B) Attendance of Each Director at the Board Meetings and the Last Annual General Meeting:**

Sr. No.	Name of the Directors	Category of Directorship	No. of Board Meeting Attended	Attendance at the Last AGM held on 11.08.2015
1	Mr. Mahesh Mehta	Managing Director	13	Present
2	Mrs. Megha Chandawalla	Chairman and Independent Director	13	Present
3	Mr. Santosh Sawant	Executive Director	13	Present
4	Mr. Kamlesh Kapadia	Non - Executive Director	13	Present

During the Financial Year 2015-16, thirteen meetings of the Board of Directors were held on the following dates: April 30, 2015, July 14, 2015, July 31, 2015, August 08, 2015, , August 12, 2015, August 18, 2015, September 08, 2015, September 12, 2015, October 31, 2015, November 12, 2015, December 7, 2015, February 13, 2016 and March 31, 2016.

**C) Board Procedure**

The Companies Act, 2013 read with the relevant rules made there under, now facilitates the participation of a Director in Board / Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors except in respect of such Meetings/Items which are not permitted to be transacted through video conferencing.

**D) Board Training and Familiarization Program**

At the time of appointing a Director, a formal letter of appointment is given. The Directors are familiarized with the History, Vision and Mission of the Company and also explained in details the compliances required from them under Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other relevant regulations. The Managing Director also has a one-to-one discussion with the newly appointed Director. The above initiative helps the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips them to effectively fulfill his role as a Director of the Company.

**E) Reappointment of Directors:**

Mrs. Megha Chandawalla retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment at the ensuing Annual General Meeting.

**3. COMMITTEES OF THE BOARD****a) Audit Committee**

The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of SEBI (LODR) Regulations, 2015. The Audit Committee of the Company

acts as a supervisor to the Accounting system of the Company which it reports to the Board of Directors of the Company. Members of the committee at present are:

The composition of Audit Committee is as follows:

Name of Directors	Designation in Committee	Category
Mr. Kamlesh Kapadia	Chairman	Non-Executive and Independent
Mr. Santosh Sawant	Member	Non-Executive Independent
Mr. Mahesh Mehta	Member	Managing Director

During the Financial Year 2015-16, Audit Committee met 6 times on April 30, 2015, July 14, 2015, August 8, 2015, August 12, 2015, November 12, 2015, and February 13, 2016. All the recommendations made by the audit committee were accepted by the Board.

Frequency and quorum at these meetings were in conformity with the provisions of the Companies Act, 2013, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the company with the Stock Exchanges.

**Terms of reference of the audit committee are broadly defined as under:**

The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of SEBI (LODR) Regulations, 2015.

**b) Nomination & Remuneration Committee**

As per Section 178 (1) of the Companies Act, 2013, Our Company has constituted a Nomination & Remuneration Committee. The members of the said committee are:

Name of Director	Designation in Committee	Nature of Directorship
Mr. Santosh Sawant	Chairman	Non-Executive & Independent
Mr. Kamlesh Kapadia	Member	Non-Executive & Independent
Mrs. Megha Chandawalla	Member	Non- Executive

**Terms of reference of the Nomination & Remuneration Committees are broadly defined as under:**

The Committee's terms of reference powers, role and functions are as stipulated under Section 178 of The Companies Act, 2013 and Regulation 19 of the Listing Regulation, which are as followed:

- I. To guide the Board and lay down criteria in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- II. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- III. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- IV. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- V. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- VI. To devise a policy on Board diversity,
- VII. To develop a succession plan for the Board and to regularly review the plan.

During the Year ended March 31, 2016, 3 Committee Meeting were held on July 14, 2015, July 31, 2015 and December 07, 2015.

**c) Stakeholders Relationship Committee – (Constituted as Shareholders / Investors’ Grievances & Share Transfer Committee)**

The Stakeholders Relationship Committee is entrusted with the responsibility of addressing the shareholders’/ investors’ complaints with respect to transfer of shares, non-receipt of Annual Report, non-receipt of dividend etc Members of the committee at present are:

Name of Director	Designation in Committee	Nature of Directorship
Mr. Santosh Sawant	Chairman	Non-Executive & Independent
Mr. Kamlesh kapadia	Member	Non-Executive & Independent
Mr. Mahesh Mehta	Member	Managing Director

During the Year ended March 31, 2016, 3 Committee Meeting were held on July 14, 2015, July 31, 2015 and December 07, 2015.

**Terms of reference of the Stakeholders Relationship Committee are broadly defined as under:**

To resolve the complaints and grievances of the investors/stakeholders and to function in an efficient manner that all issues / concerns of stakeholders are addressed / resolved promptly.

**Name, Designation and address of the Compliance Officer:**

**Compliance Officer**

**Mahesh Mehta**

**H. K. Trade International Limited**

7, 2nd Floor, Shayam Sadan Bldg.

85 F Road, Marine Drive

Mumbai 400002 Maharashtra

Email: info@hktrade.in, Website: www.hktrade.in

**Status of Complaints received, resolved and pending as on 31st March, 2016**

Number of Shareholders’ Complaints received during the year	Nil
Number of Shareholders’ Complaints resolved during the year	Nil
Number of Shareholders’ Complaints Pending at the end of the year	Nil

**d) Risk Management Committee**

Forming Risk Management Committee is not applicable to our Company.

**e) Policy on material subsidiary**

Company does not have a material subsidiary and hence the Company is not required to formulate policy on material subsidiary.

**f) Policy on Related party transactions**

The details of the policy have been disclosed on company's website.

**g) Independent Directors' Meeting**

During the year under review, the Independent Directors met on March 31, 2016, inter alia, to discuss and review:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

**4. POLICY ON DISCLOSURE AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

Mr. Mahesh Mehta, Managing Director and Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

**5. ANNUAL GENERAL MEETINGS:**

The details of date, time and location of annual general meetings of last year are as under:

Year	Date of AGM	Day	Time	Venue	Special resolution
2014-15	11.08.2015	Tuesday	11:00 AM	Office No. 9, 2nd Floor, Bharat House, 104 Mumbai Samachar Marg, Fort, Mumbai 400001	No

**6. POSTAL BALLOT**

No resolution was passed through the postal ballot during F. Y. 2015-16.

**7. DISCLOSURES:****a) Related Party Transaction:**

Details are as mentioned in Form AOC 2 which forms part of Directors Report.

**b) Statutory Compliance, Penalties and Strictures :**

The Company has complied with all the requirements of the SEBI (LODR) Regulations, 2015 with the stock exchanges as well as regulations and guidelines of SEBI. No penalties have been imposed or stricture has been issued by SEBI, stock exchanges or any Statutory Authorities on matters relating to capital markets during the last year.

The Company has followed all relevant accounting standards notified by the Companies Accounting Standards Rules, 2006 and relevant provisions of the Companies Act, 2013 while preparing its financial statements.

**c) Whistle Blower Policy:**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

**d) Reconciliation of Share Capital Audit:**

In line with the requirements stipulated by Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

**e) Compliance with the mandatory requirements of Corporate Governance as per SEBI (LODR) Regulations, 2015**

With reference to the captioned subject and regulation 15(2) (b) of the said regulations the compliance with the corporate governance provisions as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation 46 and para C, D and E of the Schedule V shall not apply to those listed entity which has the specified securities on the SME Exchange.

Further, please note that H.K. Trade International Limited is listed on the SME Platform of BSE Limited. Hence Compliance with above mentioned provisions relating to Corporate Governance are not applicable and the Company is not required to file report on Corporate Governance Report on quarterly basis with the Stock Exchange

**f) CEO / CFO CERTIFICATE:**

Appropriate certification as required under Regulation 17(8) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 has been made to the Board of Directors by the CEO/CFO which has been taken note of by the Board.

**g) Means Of Communication**

For the Financial Year 2015-16, the Company was listed on SME Platform of BSE Limited and hence it was not required to publish notice of Board Meeting and Financial Results in the newspapers. These financial results are posted on our official Website [www.hktrade.in](http://www.hktrade.in). Our means of communication are transparent and timely. In addition to the financial results, we publish the other information too, as required to be published under the Companies Act, 2013 or the SEBI (LODR) Regulations, 2015 or any other laws applicable or as may be required in the public interest. We provide and update from time to time various information about our Company at our official website [www.hktrade.in](http://www.hktrade.in) related with investors, customers, etc. and all other person dealing with your Company.

**h) Further the company adopted the following discretionary requirements under Regulation 27 (1) of SEBI (LODR), Regulations, 2015**

**i. The Board:**

No separate office for the Chairman is maintained, and hence no reimbursement is made towards the same.

**ii. Nomination and Remuneration Committee:**

Details regarding Nomination and Remuneration Committee are provided and forms part of this report.

**iii. Shareholders' Right:**

The Company has posted its half yearly and annual financial results on its website i.e. [www.hktrade.in](http://www.hktrade.in)

**iv. Audit Qualification:**

There are no audit qualifications in the financial statements for the financial year 2015-16

**v. . Reporting of Internal Auditors**

The Internal Auditors directly reported to the Audit Committee

**8. GENERAL SHAREHOLDERS INFORMATION:**

**(i) Annual General Meeting:**

Date and Time	30 <sup>th</sup> September, 2016 at 3.30 p.m.
Venue	Office No. 9, 2nd Floor, Bharat House, 104 Mumbai Samachar Marg, Fort, Mumbai 400001

**(ii) Other Details:**

Financial Year	The Financial Year of the Company is from 1st April to 31st March of the following year.
Book Closure Date	September 23, 2016 to September 30, 2016
Listing on stock exchange	BSE Limited
Scrip Code / Symbol	539337/HKT
NSDL/CDSL - ISIN	INE725P01012
CIN Number	U25203MH2013PLC244911
Registrar and Share Transfer Agent	Sharex Dynamic (India) Private Limited Unit-1, Luthra Ind Premises, 1st Floor, 44 E, M Vasanti Marg, Andheri Kurla Road, Safeed Pool, Andheri East, Mumbai, Maharashtra 400072

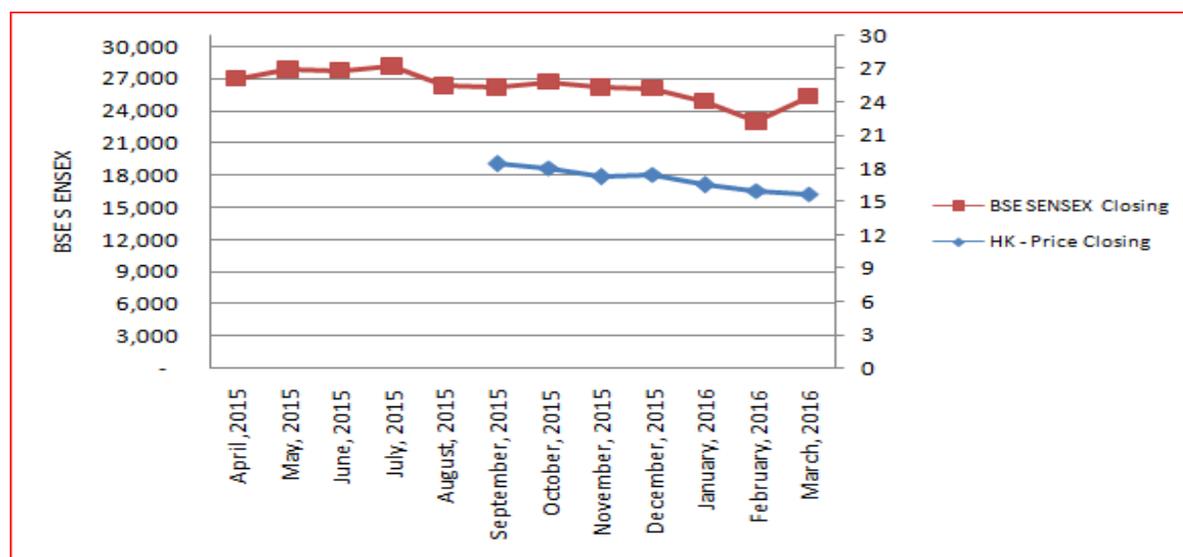
**(iii) Stock Market Data:**

Month**	The Month High and Low Prices during the year at Bombay Stock Exchange	
	High (In Rs.)	Low (In Rs.)
September, 2015	18.45	18.00

October, 2015	18.60	18.05
November, 2015	17.25	17.20
December, 2015	17.50	16.80
January, 2016	16.55	16.55
February, 2016	16.30	16.05
March, 2016	15.75	15.75

**\*\* Company was listed in the Month of September therefore the price data is available from that Month**

**(iv) H. K. Trade International Limited share price versus the BSE Sensex:**



\*Source BSE

\*When the last date of month is holiday or the stock is not traded, prices of the previous day have been considered.

\*When the share trading has not been happen in any month, previous month's closing price has been considered for that month's closing price.

**(v) Share holding pattern of the Company as on 31.03.2016:**

Sr.	Category	No. of Shares	% (Percentage)
1.	Promoters (Including Promoters Body Corporate)	13,60,000	51.67
2.	Body Corporate (Public)	7,04,000	26.75
3.	Resident Individuals and HUF (Public)	5,68,000	21.58
	<b>TOTAL</b>	<b>26,32,000</b>	<b>100</b>

**(vi) Distribution of Shareholding as on 31.03.2016:**

No. of Shares held	No. of Shareholders	%	No. of Shares	% of Total Capital
1 to 10000	27	54	2,13,000	8.09%
10001 to 20000	7	14	1,12,000	4.26%

20001 to 40000	6	12	1,52,000	5.78%
40001 to 80000	3	6	1,63,500	6.21%
80001 to 160000	1	2	1,36,000	5.17%
160001 to 200000	2	4	3,84,000	14.59%
200001 onwards	4	8	14,71,500	55.91%
<b>Total</b>	<b>50</b>	<b>100%</b>	<b>26,32,000</b>	<b>100%</b>

**(vii) Share Transfer System:**

Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by the Securities & Exchange Board of India (SEBI). Sharex Dynamic (India) Private Limited Handles both Demat and Physical Shares Transfers.

The Share Transfers which are received in physical form are processed and the share certificates are returned within 21 days from the date of receipt, subject to Documents being valid and complete in all respects.

**(viii) Dematerialisation of Shares:**

As on 31st March, 2016, a total of 26,32,000 Equity shares are in dematerialized form representing 100 % of total issued, subscribed and paid - up share capital of the Company.

**(ix) Outstanding GDRs/ ADRs/ Warrants or any convertible instruments:**

Nil

**(x) Plant Locations:**

Unit no.101, Plot no. 55, Silvassa Industrial. Co. Op. Society Ltd., Amli, Silvassa (Dadra & N.H.)  
396230, India

**9. ADDRESS FOR CORRESPONDENCE:-****H. K. TRADE INTERNATIONAL LIMITED**

Office No. 9, 2nd Floor, Bharat House, 104,

Mumbai Samachar Marg, Fort,

Mumbai – 400 001, Maharashtra, India

**Email:** - info@hktrade.in

**Website:** - www.hktrade.in

**REGISTRAR AND SHARE TRANSFER AGENT:**

Sharex Dynamic (India) Private Limited

Unit-1, Luthra Ind Premises,

1st Floor, 44 E, M Vasanti Marg, Andheri Kurla Road,

Safeed Pool, Andheri East,

Mumbai, Maharashtra 400072

**CEO / CFO CERTIFICATION**

To,  
**The Board of Directors,**  
**H. K. Trade International Limited**

**CEO / CFO certification for Preparation of Financial Statements on Standalone Basis**  
**[Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]**

We, Mahesh Mehta, Managing Director and Mr, Chintan Mehta, Chief Financial Officer of the Company, hereby certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement prepared for the financial year ended on 31st March, 2016 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee that
- (i) There are no significant changes in internal control over financial reporting during the year;
  - (ii) There are no changes in accounting policies during the year requiring disclosure in the notes to financial statements; and
  - (iii) There are no instances of significant fraud in the company's internal control system over financial reporting.

**For and on behalf of the Board**  
**H. K. Trade International Limited**

**Place: Mumbai**  
**Date: May 23, 2016**

**Sd/-**  
**Mahesh Mehta**  
**(Chairman & Managing Director)**

**Sd/-**  
**Chintan Mehta**  
**(Chief Financial Officer)**

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
**The Members of**  
**H. K. Trade International Limited**

We have examined the compliance of conditions of corporate governance by **H. K. Trade International Limited**, for the year ended on March 31, 2016, as stipulated in SEBI (LODR), Regulations 2015 and in terms of requirement of the Listing Agreement of the said Company with Stock Exchange in India. (As Company was listed on SME Platform of BSE Limited for the Financial Year 2015-16)

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified under the applicable regulations of SEBI (LODR), Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Nirmal Nahata & Associates**  
**(Chartered Accountants)**  
**Firm Reg. No. : -116034W**

Sd/-

**(Nirmal Nahata)**  
**Proprietor**  
**M. No. 100489**

**Place: Mumbai**  
**Date: May 23, 2016**

**INDEPENDENT AUDITORS' REPORT****To the Members of M/S H. K. TRADE INTERNATIONAL LTD****Report on the Financial Statements**

We have audited the accompanying financial statements of H. K. Trade International Ltd, (The Company) which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent

2. As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of sub-section (2) of section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Separate Report in "**Annexure B**"

**For Nirmal Nahata & Associates**  
**(Chartered Accountants)**  
**Firm Reg. No. : -116034W**

Sd/-

**(Nirmal Nahata)**  
**Proprietor**  
**M. No. 100489**

**Place: Mumbai**  
**Date: May 23, 2016**

## ANNEXURE A

**Referred to in paragraph 1 under the heading, “Report on Other Legal and Regulatory Requirements” of our report on even date****(i) In Respect of Fixed Assets:**

1. The company has maintained proper records showing full particulars, including quantitative details and Situation of the fixed assets.
2. As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

**(ii) In Respect of Stock:**

1. The Company has carried out physical verification at reasonable intervals.
2. The Procedure of physical verification of stock followed by management is reasonable and adequate in relation to its size and nature of business.
3. The Company is dealing in stock & securities. The company has maintained proper record of its shares, stock and investment.

**(iii)** In Respect of loans secured or unsecured, granted or taken by the company to or from companies, firms or other parties covered in the register maintained u/s 189 of the Act, According to the information and explanation given to us, the company has not granted or taken any secured or unsecured loans from or to companies, Firms, and other parties listed in the register. Consequently the requirement of clauses (iii) (a) to (iii) (b) of the order is not applicable.

**(iv)** In our opinion and explanation given to us, there is generally adequate internal control procedure commensurate with the size of the company and the nature of its business, and for the purchase of stock, securities and assets and for the sale of goods/services.

**(v)** In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public within the meaning of section 73 to 76 of the Act & directives issued by the Reserve Bank of India.

**(vi)** Since the company is in service sector therefore the provision of clause (vi) of maintenance of cost record paragraph 4 of the order are not applicable to the company.

**(vii)** The company is regular in depositing of undisputed statutory dues. As informed to us there is no arrears of outstanding statutory dues as at the last day of the financial year concerned for the period of more than six months from the date they become payable. Further it is explained to us Provident Fund, Investor Education and Protection Fund, Employee’s State Insurance, Sales tax, Wealth tax, Custom Duty, Excise Duty, cess are not applicable to the company during the year.

There is no overdue balance of the amount, which is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

**(viii)** The company does not have accumulated losses of more than 50% of its Net Worth at the end of the financial year; The Company has not incurred cash losses in the current as well as in the previous financial year.

- (ix) Based on our audit and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institution, Banks.
- (x) According to information and explanations given to us, the company has not given guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) During the course of our examination of the books of account and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

**For Nirmal Nahata & Associates  
(Chartered Accountants)  
Firm Reg. No. : -116034W**

Sd/-

**(Nirmal Nahata)  
Proprietor  
M. No. 100489**

**Place: Mumbai  
Date: May 23, 2016**

**Annexure B: Referred to in paragraph 2 (f) of the Independent Auditors' Report of even date to the members on the financial statements of HK Trade International Limited as of 31.03.2016.**

### **Report on the Internal Financial Controls**

**Under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of HK Trade International Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that, (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Nirmal Nahata & Associates**  
**(Chartered Accountants)**  
**Firm Reg. No. : -116034W**

**Sd/-**

**Place: Mumbai**  
**Date: May 23, 2016**

**(Nirmal Nahata)**  
**Proprietor**  
**M. No. 100489**

**H.K. TRADE INTERNATIONAL LTD**  
**CIN : U25203MH2013PLC244911**  
**BALANCE SHEET AS AT 31st March, 2016**

Particulars	Notes No.	Figures as at the end of 31.03.16	Figures as at the end of 31.03.15
		Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>(1) Shareholder's Funds</u></b>			
(a) Share Capital	3	2,63,20,000	1,36,00,000
(b) Reserves and Surplus	4	1,21,89,322	21,36,716
<b>Shareholder's Fund</b>		<b>3,85,09,322</b>	<b>1,57,36,716</b>
<b><u>(2) Current Liabilities</u></b>			
(a) Trade Payable	6	62,97,203	48,36,887
(b) Other Current Liabilities	7	1,32,509	5,40,799
(c) Short-Term Provisions	8	4,92,807	5,94,625
<b>Current Liabilities</b>		<b>69,22,519</b>	<b>59,72,310</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>4,54,31,841</b>	<b>2,17,09,026</b>
<b>II.ASSETS</b>			
<b><u>(1) Non-Current Assets</u></b>			
(a) Fixed Assets			
(i) Tangible Assets	8	18,82,737	16,40,316
(b) Deferred Tax Assets (Net)	9	62,041	61,890
(b) Other Non Current	10	3,15,474	86,514
<b>Non - Current Assets</b>		<b>22,60,252</b>	<b>17,88,720</b>
<b><u>(2) Current Assets</u></b>			
(a) Stock In Trade	11	62,18,809	49,20,300
(b) Trade Receivables	12	1,49,02,564	63,32,920
(c) Cash and cash equivalents	13	2,16,32,020	79,74,515
(d) Short-term loans and advances	14	4,06,293	6,73,370
(e) Other Current Assets	15	11,903	19,201
<b>Current Assets</b>		<b>4,31,71,589</b>	<b>1,99,20,306</b>
<b>Total - Assets</b>		<b>4,54,31,841</b>	<b>2,17,09,026</b>
<b>NOTES TO ACCOUNTS</b>	18		
<i>Schedules referred to above and notes attached there to form an integral part of Balance Sheet This is the Balance Sheet referred to in our Report of even date.</i>			
For Nirmal Nahata & Associates Chartered Accountants (Reg No. 116034W)		For and on Behalf of The Board Sd/- Chintan Mehta (Chief Financial Officer)	
Sd/- Nirmal Kumar Nahata Proprietor Membership No. : 100489 Place : Mumbai Date:23.05.2016	Sd/- Mahesh Mehta (Managing Director) (DIN-00191524)	Sd/- Megha Chandawalla (Director) (DIN- 07118714)	

## H.K. TRADE INTERNATIONAL LTD

CIN : U25203MH2013PLC244911

## PROFIT &amp; LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Sr. No	Particulars	Note No.	Figures as at the end of 31.03.16	Figures as at the end of 31.03.15
			Rs.	Rs.
	Revenue from operations	16	4,94,90,523	4,20,10,581
	Other Income	17	10,76,972	2,53,270
<b>I</b>	<b>Total Revenue</b>	<b>(I)</b>	<b>5,05,67,495</b>	<b>4,22,63,851</b>
	<b>Expenses:</b>			
	Cost of Material Consumed	18	4,59,85,173	3,97,58,012
	Change in Inventories	19	(12,98,508)	(27,55,249)
	Employee Benefit Expense	20	24,99,800	20,04,682
	Depreciation and Amortization Expense	21	3,53,225	3,43,485
	Finance Cost	22	630	113
	Other Expenses	23	15,25,288	13,30,611
<b>II</b>	<b>Total Expenses</b>	<b>(II)</b>	<b>4,90,65,608</b>	<b>4,06,81,654</b>
<b>III</b>	<b>Profit before exceptional and extraordinary items and tax</b>	<b>(I-II)</b>	<b>15,01,887</b>	<b>15,82,198</b>
<b>IV</b>	<b>Tax expense:</b>			
	(1) Current tax		4,89,207	5,92,825
	(2) Deferred tax		(151)	(68,188)
<b>V</b>	<b>Profit / (Loss) for the period</b>	<b>(III- IV)</b>	<b>10,12,831</b>	<b>10,57,561</b>
<b>VI</b>	Earning per equity share:			
	(1) Basic		0.38	0.78
	(2) Diluted		0.38	0.78
<p><i>Notes referred to above and notes attached there to form an integral part of Profit &amp; Loss Statement</i></p> <p><i>This is the Profit &amp; Loss Statement referred to in our Report of even date.</i></p>				
<p>For Nirmal Nahata &amp; Associates Chartered Accountants (Reg No. 116034W)</p>		<p>For and on Behalf of The Board Sd/- Chintan Mehta (Chief Financial Officer)</p>		
<p>Sd/- Nirmal Kumar Nahata Proprietor Membership No. : 100489 Place : Mumbai Date:23.05.2016</p>		<p>Sd/- Mahesh Mehta (Managing Director) (DIN-00191524)</p>	<p>Sd/- Megha Chandawalla (Director) (DIN- 07118714)</p>	

H.K. TRADE INTERNATIONAL LTD				
CIN : U25203MH2013PLC244911				
Office No:9, 2nd Floor, Bharat House ,104 Mumbai Samachar Marg Mumbai - 400 001				
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2016				
PARTICULARS	2015-2016		2014-2015	
	Amount	Amount	Amount	Amount
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax and Extra-ordinary items		15,01,887		15,82,198
Adjustments for:				
Depreciation	3,53,225		3,43,485	
Interest Income	-10,42,058		-2,19,624	
Financial Cost	630		113	
Operating Profit before Working Capital Changes		8,13,684		17,06,171
Adjustments for (Increase) / Decrease in Operating Assets				
(Increase) / Decrease in Trade & other Receivables	-85,69,644		64,86,210	
(Increase) / Decrease in Stock In Hand	-12,98,508		-27,55,249	
(Increase) / Decrease in Other Current Assets	-2,21,662		6,94,877	
(Increase) / Decrease in Loans & Advances	2,67,077	-98,22,738	-4,73,370	39,52,468
Adjustments for (Increase) / Decrease in Operating Liabilities				
Increase / (Decrease) in other Current Liabilities	-4,08,290		-8,08,264	
Increase / (Decrease) in Short Term Provisions	-1,01,818		4,34,650	
Increase / (Decrease) in Trade Payables & other Liabilities	14,60,316	9,50,209	19,90,460	16,16,846
Cash from Operating activities		-80,58,846		72,75,486
Less: Income Tax		4,89,207		5,92,825
Less: Income Tax of last year (short provided)		0		10,673
Net Cash from Operating Activities		-85,48,053		66,71,988
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital Expenditure on Purchase of Assets	-5,95,646		-2,42,526	
Interest Income	10,42,058		2,19,624	
Cash Flow used in investing activities		4,46,412		-22,902
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Share Capital Raised	2,28,96,000		0	
IPO Expenses	-11,36,224		-6,31,294	
Finance Cost	-630		-113	
Net Cash from Financing Activities		2,17,59,146		-6,31,406
Net Increase in Cash & cash equivalents		1,36,57,506		60,17,680
Cash & cash equivalents as on beginning		79,74,515		19,56,836
Cash & cash equivalents as on end		2,16,32,021		79,74,515
<b>FOR NIRMAL NAHATA &amp; ASSOCIATES</b>	<b>FOR H.K TRADE INTERNATIONAL LTD</b>			
<b>CHARTERED ACCOUNTANTS</b>	Sd/-			
<b>FIRM REG NO. :- 116034W</b>	<b>CHINTAN MEHTA</b>			
	<b>(Chief Financial Officer)</b>			
	Sd/-		Sd/-	
<b>NIRMAL KUMAR NAHATA</b>	<b>MAHESH MEHTA</b>		<b>MEGHA CHANDAWALLA</b>	
<b>(PROPRIETOR)</b>	<b>(DIRECTOR)</b>		<b>(DIRECTOR)</b>	
<b>M.NO. : 100489</b>	<b>DIN: 00191524</b>		<b>DIN: 07118714</b>	
<b>DATE: 23/05/2016</b>				
<b>PLACE :- MUMBAI</b>				

**Notes forming part of the financial statements****NOTE:****1. Corporate Information**

M/S. H.K Trade International Ltd is engaged in the business of Buying, Selling, Trade, Manufacture, and Broking of Adhesive Tapes.

**2. Significant Accounting Policies (Illustrative)****2.1 Basis of accounting and preparation of financial statements**

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principle and the provision of the companies Act, 2013. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis except elsewhere stated. The preparation of financial statements in conformity with Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period.

**2.2 Inventories**

The opening stock and closing stock of Share Stock are valued at cost price or market price whichever is less.

**2.3 Fixed Assets & Depreciation**

I. All fixed assets are stated at historical cost of acquisition/Construction cost less depreciation.

II. Depreciation on fixed assets has been provided on the WDV Method as per the rates prescribed in schedule II to the Companies Act, 2013.

**2.4 Revenue recognition**

The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except stated elsewhere.

**2.5 Deposits**

Deposits are carried at cost less provision, if any, for decline in value which is other than temporary. Interests on deposits are accounted on accrued basis.

**2.6 Taxes on income**

Taxation expenses comprise Current tax and deferred tax charge or credit. Provision for income tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.

Deferred tax resulting from timing differences between book and tax profit Is accounted for under the liability method at the current rate of income tax to the extent that the timing differences are expected to crystallize as deferred tax charge/benefit in the profit and loss account and as deferred tax assets/liability in the balance sheet.

**2.7 Provisions and contingencies**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. No liability of contingent nature debited to the profit & loss A/c. During the course of audit no liability in the nature of contingent was noticed. We have been reported by directors that there are no contingent liabilities as on 31.03.2016.

**2.8 Previous Year Figures**

Previous year figures have been regrouped, rearranged wherever considered necessary.

**2.9 Earnings per Share**

Sr. No.	Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
1	Profit for the period attributable to Equity Shareholder (in RS)	1012831	1057561
2	No of weighted Average Equity Share Outstanding During the year	2632000	1360000
3	Nominal Value of Equity Share (in Rs)	10	10
	<b>Basic and Diluted Earnings Per Share (in Rs)</b>	<b>0.38</b>	<b>0.78</b>

**2.10 Related Party Transactions:****a) Details of Related Parties**

Description of Relationship	Name of Related Party
Key Management Personnel (KMP)	Mahesh Mehta
Key Management Personnel (KMP)	Megha Chandawalla
Key Management Personnel (KMP)	Chintan Mehta
Relative of Director	Daksha M. Mehta
Relative of Director	Mahesh Mehta HUF
Relative of Director	Jatin Shah
Associate Concerns	Knowell Converter
Associate Concerns	Knowell Graphics
Associate Concerns	Knowell enterprises Pvt. Ltd.
Associate Concerns	MNM Composites Pvt. Ltd.

**b) Details of Related party transactions during the year ended 31st March, 2016:**

Type of Related Party/ Nature of Business	F Y 2015-16			
	Enterprises owned by Director/Major Shareholders	Key Management Personnel	Relatives of Key Mgmt Personnel	No. of Parties Involved
Interest Received or Paid	Nil	Nil	Nil	Nil
Rent Paid	1,80,000	Nil	3,60,000	2
Salary/ Director Remuneration	Nil	12,50,000	Nil	2
Purchase/Sales of Materials	3,32,54,019	Nil	Nil	1
Balance Outstanding :				
a) Unsecured Loan	Nil	Nil	Nil	Nil
b) Sundry Creditors	Nil	Nil	Nil	Nil

c) Other liabilities	Nil	Nil	Nil	Nil
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**2.11 Payment to Auditors:**

a) As Auditor	Rs. 29500/-
b) As Advisor in any other Capacity	NIL
c) In any Other Manner	NIL

**2.12**

In the opinion of the Board of director, the current assets are not less than the value stated if realized in ordinary course of business.

**For NIRMAL NAHATA & ASSOCIATES  
(CHARTERED ACCOUNTANTS)  
FIRM REG. NO. : - 116034 W**

**FOR H. K. TRADE INTERNATIONAL LIMITED**

**NIRMAL KUMAR NAHATA  
(PROPRIETOR)  
M. NO. 100489  
Date: 23.05.2016  
Place: Mumbai**

Sd/-  
(MANAGING DIRECTOR)  
MAHESH MEHTA  
(DIN – 00191524)

Sd/-  
(DIRECTOR)  
MEGHA CHANDAWALLA  
(DIN – 07118714)

## H.K. TRADE INTERNATIONAL LTD

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2016

### Note 3 : Share Capital

		₹	₹
Sr. No	Particulars	Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
1	<b>AUTHORIZED CAPITAL</b> 2750000 Equity shares of Rs.10/- each (Previous Year 2750000 Equity shares of Rs.10/- each)	27,500,000	27,500,000
		<b>27,500,000</b>	<b>27,500,000</b>
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b> (2632000 Equity shares of Rs.10/-each fully paid up) (Previous Year 1360000 Equity shares of Rs.10/-each fully paid up)	26,320,000	13,600,000
	<b>Total in ₹</b>	<b>26,320,000</b>	<b>13,600,000</b>

### 3A- Reconciliation of the no. of shares outstanding as under:-

SHARE CAPITAL	31.03.2016		31.03.2015	
	IN SHARES	IN Rs.	IN SHARES	IN Rs.
Authorised Share Capital	27,50,000	2,75,00,000	27,50,000	2,75,00,000
Issued At The Beginning Of The Year	13,60,000	1,36,00,000	-	-
Unissued Shares At Beginning Of Year	13,90,000	1,39,00,000	-	-
Issued Share Capital At End Of Year	26,32,000	2,63,20,000	13,60,000	1,36,00,000
<b>Unissued Share Capital At Year End (1-4)</b>	<b>1,18,000</b>	<b>11,80,000</b>	<b>13,90,000</b>	<b>1,39,00,000</b>

### 3B - Name of Share holders holding more than 5% of Shares

Name of Share Holder	F.Y.2015-16	
	NO. OF SHARES	% OF SHARES
Shatrunjaya Estates Private Limited	424000	16.11
Sangam Advisors Limited	184000	6.99
Sanjoyog Trade-Link Private Limited	136000	5.17

3C – Aggregate no. of bonus shares issued for consideration other than cash during the period of five years immediately preceding the reporting Date by capitalising of Share Premium account.

Particular	No of Shares				
	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
Bonus Shares	-	-	-	-	-
Equity Share Issued for consideration other than cash	-	-	-	-	-

**3D - Terms/Rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of **Rs.10/-** per equity share. Each equity shareholder is entitled to one vote per share

**Note 4 : Reserve & Surplus**

Sr. No	Particulars	₹	₹
		Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
1	Securities Premium Account	968,706	1,600,000
	Add:	10,176,000	
	Less :- IPO Expenses	-1136224	-631294
		<b>10,008,482</b>	<b>968,706</b>
2	Surplus (Profit & Loss Account)		
	Balance brought forward from previous year	1,168,010	121,122
	Add: Profit for the period	1,012,830	1,057,561
	Less :- Short Provision of Partnership firm tax	-	(10,673)
	Closing Balance	<b>2,180,840</b>	<b>1,168,010</b>
	<b>Total in ₹</b>	<b>12,189,322</b>	<b>2,136,716</b>

**Note 5 : Trades Payables**

Sr. No	Particulars	₹	₹
		Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
1	Sundry Creditors	6,297,203	4,836,887
	<b>Total in ₹</b>	<b>6,297,203</b>	<b>4,836,887</b>

**Note 6: Other Current Liabilities**

Sr. No	Particulars	₹	₹
		Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
1	<b>Statutory Liabilities :-</b>		
	Statutory Liabilities	24,661	64,184
1	<b>Other Current Liability for Expenses :-</b>		
	Provision for Expenses	107,848	476,615
	<b>Total in ₹</b>	<b>132,509</b>	<b>540,799</b>

**Note 7 : Short Term Provisions**

Sr. No	Particulars	₹	₹
		Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
1	Provision For Income Tax	489,207	592,825
2	Provision For ROC Fees	3,600	1,800
	<b>Total in ₹</b>	<b>492,807</b>	<b>594,625</b>

H.K. TRADE INTERNATIONAL LTD

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2016

Note :8 Fixed Asset

Sr. No	Particulars	Gross Block				Depreciation				Transfer to Reserve & Surplus	Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end		WDV as on 31.03.2016	WDV as on 31.03.2015
	<b>Tangible Assets</b>											
1	Air Conditioner	10,234	-	-	10,234	5,580	3,645	-	9,225		1,009	4,654
2	Furniture & Fixtures	16,410	-	-	16,410	3,392	9,808	-	13,200		3,210	13,018
3	Electrical Instalation	7,131	-	-	7,131	1,070	2,559	-	3,629		3,502	6,062
4	Machinery	1,999,377	595,646	-	2,595,023	439,661	322,934	-	762,595	-	1,832,428	1,559,716
5	Office Equipments	6,980	-	-	6,980	1,326	5,008	-	6,334		646	5,654
6	Factory Loft	52,918	-	-	52,918	1,706	9,271	-	10,977	-	41,941	51,212
	<b>TOTAL</b>	<b>2,093,050</b>	<b>595,646</b>	<b>-</b>	<b>2,688,696</b>	<b>452,734</b>	<b>353,225</b>	<b>-</b>	<b>805,959</b>	<b>-</b>	<b>1,882,737</b>	<b>1,640,316</b>

**Note 9 : Deffered Tax Assets**

Sr. No	Particulars	₹	₹
		Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
1	<b>Provision For Deferred Tax</b>		
	Depreciation as per Company Act, 2013	353,225	343,485
	Depreciation as per Income Tax Act, 1961	301,616	276,173
	Difference In Current Years Depreciation	51,609	67,313
	Opening Deferred Tax Liability/Asset	(61,890)	6,298
	Deferred Tax Assets on Depreciation	(15,947)	(20,800)
	Deferred Tax Laibility on Preliminary Expenses	15,796	(47,388)
	<b>Total in ₹</b>	<b>(62,041)</b>	<b>(61,890)</b>

**Note 10 : Other Non Current Assets**

Sr. No	Particulars	₹	₹
		Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
1	Bank Guarantee Sales Tax	5,000	5,000
2	Electricity Silvassa	43,650	43,650
3	Fixed Deposit to VAT & Sales Tax Authorities	29,089	29,089
4	MSEB	975	975
5	MTNL Telephone	6,000	6,000
6	RIL Telephone Deposit	1,800	1,800
7	BSE LTD -Deposit	228,960	-
	<b>Total in ₹</b>	<b>315,474</b>	<b>86,514</b>

**Note 11 : Inventories**

Sr. No	Particulars	₹	₹
		Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
1	Stock-in-Trade	6,218,809	4,920,300
	<b>Total in ₹</b>	<b>6,218,809</b>	<b>4,920,300</b>

**Note 12: Trade Receivables**

Sr. No	Particulars	₹	₹
		Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
1	<b>Outstanding for more than six months</b>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	1,782,433	1,249,049
	c) Doubtful	-	-
2	<b>Others</b>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	13,120,131	5,083,870
	c) Doubtful	-	-
	<b>Total in ₹</b>	<b>14,902,564</b>	<b>6,332,920</b>

**Note 13 : Cash & Cash Equivalent**

		₹	₹
Sr. No	Particulars	Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
1	<b>Cash-in-Hand</b> Cash Balance	482146	361,839
2	<b>Bank Balance</b> HDFC 01432320003716 YES Bank HDFC 50200002104731 HDFC 50200008800561 Fixed Deposits with HDFC Bank	359847 8481122 6976978 664992 4666935	138,230  1,536,113 1,742,834 4,195,500
<b>Total in ₹</b>		<b>21,632,020</b>	<b>7,974,515</b>

**Note 14 : Short Terms Loans and Advances**

		₹	₹
Sr. No	Particulars	Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
1	Balance With Revenue Authorities		
a	Advance Tax (AY 2016-17)	200,000	-
b	Income Tx Refund (A Y 2014-15)	-	150,875
c	TDS Receivables (A Y 15-16)	-	21,722
d	Advance Tax (AY 2015-16)	-	400,000
e	TDS Receivables (A Y 16-17)	106,365	
2	Other Short Term Advances	99,928	100,773
<b>Total in ₹</b>		<b>406,293</b>	<b>673,370</b>

**Note 15 : Other Current Assets**

		₹	₹
Sr. No	Particulars	Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
1	Pre-Paid Insurance	11,903	11,801
2	Pre-paid Professional Tax	-	7,400
<b>Total in ₹</b>		<b>11,903</b>	<b>19,201</b>

**Note : 16 Revenue from Operations**

Sr. No	Particulars	₹	₹
		Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
1	Sales	49,490,523	42,010,581
	<b>Total in ₹</b>	<b>49,490,523</b>	<b>42,010,581</b>

**Note : 17 Other Income**

Sr. No	Particulars	₹	₹
		Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
1	Discount	27,459	33,646
2	Interest on FDR	1,042,058	219,624
3	Interest on IT Refund	7,455	-
	<b>Total in ₹</b>	<b>1,076,972</b>	<b>253,270</b>

**Schedule : 18 Cost of Material Consumed**

Sr. No	Particulars	₹	₹
		Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
a)	<b><u>PURCHASES OF RAW MATERIALS AND STORES</u></b>		
1	Purchase	41,780,359	35,797,811
2	Packing Material	3,184,546	2,904,075
	<b>Sub-total (a)</b>	<b>44,964,905</b>	<b>38,701,886</b>
b)	<b><u>DIRECT/PRODUCTIONS EXPENSES</u></b>		
	Electricity Expenses	60,140	61,040
	Repairs & Maintenance	136,171	170,553
	Wages	823,957	824,532
	<b>Sub-total (b)</b>	<b>1,020,268</b>	<b>1,056,125</b>
	<b>Total in ₹</b>	<b>45,985,173</b>	<b>39,758,012</b>

**Schedule : 19 Change in Inventories**

Sr. No	Particulars	₹	₹
		Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
1	Opening Stock	4,920,301	2,165,052
2	Closing Stock	6,218,809	4,920,300
	<b>Total in ₹</b>	<b>(1,298,508)</b>	<b>(2,755,249)</b>

**Note : 20 Employment Benefit Expenses**

Sr. No	Particulars	₹	₹
		Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
1	Salary, Bonus and Incentives	2,499,800	2,004,682
	<b>Total in ₹</b>	<b>2,499,800</b>	<b>2,004,682</b>

**Note : 21 Depreciation & Amortised Cost**

Sr. No	Particulars	₹	₹
		Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
1	Depreciation	353,225	343,485
	<b>Total in ₹</b>	<b>353,225</b>	<b>343,485</b>

**Note : 22 Financial Expenses**

Sr. No	Particulars	₹	₹
		Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
1	Bank Charges	630	113
	<b>Total in ₹</b>	<b>630</b>	<b>113</b>

**Note : 23 Other Administrative Expenses**

Sr. No	Particulars	₹	₹
		Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
1	Audit Fees	29,500	29,500
2	Computer Expenses	2,500	800
3	Courier Expense	53,747	15,099
4	Donation	-	25,000
5	Factory Rent	360,000	360,000
6	Insurance Expenses	33,508	20,281
7	Interest on Profession Tax	-	750
8	Interest on TDS & Prior Period Items	40,036	22,593
9	Legal & Professional Fees	98,501	36,618
10	Professional Fees	100,000	-
11	Commission	90,000	-
10	Licence Fees	-	36,440
11	Loading & Forwarding	270,500	157,885
12	Preliminary Expenses W/F	-	204,480
13	Printing & Stationery	3,623	5,250
14	Profession Tax	2,500	2,500
15	Rent	180,000	45,000
16	ROC Fees	18,400	80,850
17	Security Charges	192,000	192,000
18	Staff Welfare Expense	6,000	-
19	Stamp Duty Charges	-	15,000
20	Telephone Expenses	37,031	68,205
21	Website Expenses	7,443	12,360
	<b>Total in ₹</b>	<b>1,525,288</b>	<b>1,330,611</b>

**H. K. TRADE INTERNATIONAL LIMITED**

**Registered office:** Office No. 9, 2nd Floor, Bharat House, 104, Mumbai Samachar Marg, Fort, Mumbai – 400 001, Maharashtra, India

**Email :** [info@hktrade.in](mailto:info@hktrade.in) **Website:** [www.hktrade.in](http://www.hktrade.in)

**ATTENDANCE SLIP**

(Please fill the attendance slip and hand it over at the entrance of the meeting hall)

Regd. Folio No.\*\*.....

DP ID.....

No. of Shares held .....

Client ID .....

Name(s) and address of the shareholder in full

.....

.....

I/we hereby record my/our presence at the 3rd Annual General meeting of the Company held on Friday September 30, 2016 at 11.00 a.m. at Office No. 9, 2nd Floor, Bharat House, 104, Mumbai Samachar Marg, Fort, Mumbai – 400 001, Maharashtra, India.

\_\_\_\_\_  
Signature of Shareholder /Proxy

\*\*Applicable for investor holding shares in physical form

**Proxy form****Form No. MGT-11**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)  
of the Companies (Management and Administration) Rules, 2014]*

**CIN:** U25203MH2013PLC244911

**Name of the company:** H. K. TRADE I NTERNATIONL LIMITED

**Registered office:** Office No. 9, 2nd Floor, Bharat House, 104, Mumbai Samachar Marg, Fort, Mumbai – 400 001, Maharashtra, India.

Name of the Shareholder (s)

Registered Address

Email Id

Folio No./ Client Id

DP Id

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name: .....

Address:

E-mail Id:

Signature:....., or failing him

2. Name: .....

Address:

E-mail Id:

Signature:....., or failing him

3. Name: .....

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 3<sup>rd</sup> Annual General Meeting of the members of the company, to be held on the September 30, 2016 at 3.30 pm at the registered office of the Company at Office No. 9, 2nd Floor, Bharat House, 104, Mumbai Samachar Marg, Fort, Mumbai – 400 001, and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2016 including audited Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a director in place of Ms, Megha Chandawalla (Holding DIN 07118714), who retires by rotation and being eligible offered herself for re-appointment.
3. To appoint M/s. R T Jain & Co., Chartered Accounts as Statutory Auditors of the Company and to fix their remuneration;
4. Re - Appointment of Mr. Mahesh Mehta (DIN : 00191524) as Managing Director and fix his remuneration in this regard

Signed this..... day of..... 2016

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

Affix Revenue Stamp
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**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting**

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**If undelivered,**  
**Please return to:**

**H. K. TRADE I NTERNATIONL LIMITED**  
Office No. 9, 2nd Floor, Bharat House, 104,  
Mumbai Samachar Marg,  
Fort, Mumbai – 400 001,  
Maharashtra, India.