



**H.K. Trade International Limited**

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**5<sup>th</sup> ANNUAL REPORT**  
**2017-18**

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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

**KEY MANAGERIAL PERSONNEL**

- Mr. Mahesh Mehta                    Managing Director
- Mr. Chintan Mehta                    Chief Financial Officer

**BOARD COMMITTEES**• **AUDIT COMMITTEE**

Mr. Kamlesh Kapadia- Chairman

Mr. Santosh Sawant- Member

Mr. Mahesh Mehta- Member

• **NOMINATION AND REMUNERATION COMMITTEE**

Mr. Santosh Sawant- Chairman

Mr. Kamlesh Kapadia- Member

Mrs. Megha Chandawalla- Member

• **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mr. Santosh Sawant- Chairman

Mr. Kamlesh Kapadia- Member

Mr. Mahesh Mehta- Member

**BANKERS**

HDFC Bank

Yes Bank

**STATUTORY AUDITORS**

M/s. R T Jain & Co. LLP Chartered Accountants

**SECRETARIAL AUDITORS**

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

**INTERNAL AUDITORS**

M/s. Mahesh Bairat & Associates, Chartered Accountants

**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](http://www.hktrade.in)

**CIN No:** - L25203MH2013PLC244911

**LETTER TO THE SHAREHOLDERS**

Dear Shareholders,

It gives me immense pleasure to present the Annual Report for 2017-18 for **H. K. TRADE INTERNATIONAL LIMITED**.

While Your Company is in its 5<sup>th</sup> year of operations, the outlook for 2018-19 is positive. I would like to take this opportunity to thank each and every employee as well as those who work with us across the value chain for their unstinting support and hard work in the service of our Company. I would also like to thank you, our shareholders, for your continued trust in the business and look forward to the same in the next fiscal year.

Best Regards

**Mahesh Mehta**  
**Chairman**

<b>NOTICE OF THE ANNUAL GENERAL MEETING</b>
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**NOTICE** is hereby given that the 5<sup>th</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 29, 2018 at 11.30 a.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, 2018 including audited Balance Sheet as at March 31, 2018 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 Mrs. Megha Chandawalla (Holding DIN 07118714), who retires by rotation and being eligible offered herself for re-appointment.**

**SPECIAL BUSINESS:**

3. **To Approve the Reclassification of Promoters and Promoter Group.**

**RESOLVED THAT** pursuant to Regulation 31A(5) and other relevant provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 and applicable provisions if any of the Companies act, 2013, the approval of the Shareholders be and is hereby accorded for reclassification of all the existing Promoter and Promoter Group who will cease to be the Promoters of the Company and Mr. Kirit Doshi to be reclassified as the New Promoter pursuant to the successful completion of the Open Offer.

**RESOLVED FURTHER THAT** the outgoing Promoter and Promoter Group post reclassification will not -

- Have any special rights through formal or informal agreements
- Hold more than 10% of the paid-up equity capital of the company
- Act as Key Managerial Personnel for a period of more than 3 years from the completion of Open Offer being in capacity of old promoters and their relatives.

**RESOLVED FURTHER THAT** pursuant to the fulfilment of the above 3 conditions as per Regulations 31A (5), the outgoing promoter and promoter group shall cease to be the promoters.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution.

**NOTES:**

1. **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.** Pursuant to Section 105 of the Companies Act, 2013, 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. Members holding more than ten percent of the total share capital of the

Company carrying voting rights may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the Proxy fails to do so, the first fifty proxies received by the Company shall be considered as valid. The instrument of Proxy, in order to be effective, should be deposited, either in person or through post, at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

2. 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.
3. The Register of Members and the Share Transfer books of the Company will remain closed from September 22, 2018 to September 29, 2018 (both days inclusive) for the purpose of the Annual General Meeting.
4. Details as required in Regulation 36(3) of the Listing Regulations, in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice. The Requisite declarations have been received from the Directors seeking appointment / re-appointment.
5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s). Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form, upon request.
6. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.
7. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means by Central Depository Services (India) Limited (CDSL).
8. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 22 September 2018, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting system from any place other than the venue of the meeting (remote e-voting).
9. The remote e-voting period will commence at 9 a.m. on 26<sup>th</sup> September, 2018 and will end at 5 p.m. on 28<sup>th</sup> September 2018. In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM.



10. The Company has appointed Mrs. Monika Kothari (M. S. Kothari & Associates) Practising Chartered Accountant (Membership No. 137777), to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.
11. Notice of 5<sup>th</sup> Annual General Meeting and the Annual Report 2018 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).
12. 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.
13. 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.
14. 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.

**15. Voting through electronic means:**

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 9 a.m. on 26<sup>th</sup> September, 2018 and will end at 5 p.m. on 28<sup>th</sup> September 2018. 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 22 September 2018, 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) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.

(viii) 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 the sequence number in the PAN Field.</li> <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>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>a) If both 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 (v).</p>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for “H. K. Trade International Limited” on which you choose to vote.
- (xiii) EVSN No is 180901037**
- (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**

Sd/-

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

**Date:** August 31, 2018  
**Place:** Mumbai  
**Regd. Office:** 9th, 2nd Floor, Bharat House  
104 Mumbai Samachar Marg, Fort  
Mumbai – 400001

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) AND 110 OF THE COMPANIES ACT, 2013

### Item No. 3

Mr. Kirit Doshi (Acquirer) have entered into a Share Purchase Agreement on March 21, 2018 with the Existing Promoters of the Company and proposed to acquire 13,60,000 (Thirteen Lakhs Sixty Thousand) (hereinafter referred to as “SPA Shares”) fully paid up equity shares of Rs. 10.00/- (Rupees Ten Only) each, representing 51.67% of the issued, subscribed, paid up and voting capital of the Company at a price of Rs. 20.00/- (Rupees Twenty Only) per share aggregating to Rs. 2,72,00,000 (Rupees Two Crore Seventy-Two Lakhs Only). This Transaction has triggered the Open Offer in terms of SEBI (SAST) Regulations, 2011 pursuant to which Mr. Kirit Doshi have made the Open Offer on March 21, 2018. Post completion of Open Offer the Board now approach the members of the company to reclassify Mr. Kirit Doshi as the new promoter of the Company.

The Pre Post Shareholding is as below:-

Shareholders' Category	Shareholding & voting rights prior to the agreement / acquisition & offer		Shares / voting rights agreed to be acquired which triggered off the Regulations		Shares/ voting rights to be acquired in open offer (assuming full acceptances)		Shareholding / voting rights after the acquisition and offer (assuming full acceptances) i.e. (A) + (B) + (C) = (D)	
	(A)		(B)		(C)		(D)	
	No	%	No	%	No	%	No	%
<b>(1) Promoter Group</b>								
<b>a. Parties to agreement, if any</b>								
Reema Naresh Shah	5000	0.19%	-	-	-	-	-	-
Mahesh Indulal Mehta	580000	22.04%	-	-	-	-	-	-
Chintan Mahesh Mehta	55000	2.09%	-	-	-	-	-	-
Daksha Mahesh Mehta	265000	10.07%	-	-	-	-	-	-
Mahesh I Mehta HUF	52500	1.99%	-	-	-	-	-	-
Jatin Kantilal Shah	200000	7.60%	-	-	-	-	-	-
Knowell Enterprises Private Limited	202500	7.69%						
<b>b. Promoters other than a. above</b>	-	-	-	-	-	-	-	-
<b>Total (1) (a+b)</b>	<b>1360000</b>	<b>51.67%</b>	-	-	-	-	-	-
<b>(2) Acquirer</b>								
Kirit Doshi	-	-	1360000	51.67%	684320	26.00%	2044320	77.67%
<b>Total (2)</b>	-	-	<b>1360000</b>	<b>51.67%</b>	<b>684320</b>	<b>26.00%</b>	<b>2044320</b>	<b>77.67%</b>
<b>(3) Parties to agreement other than (1) (a)&amp; (2)</b>	-	-	-	-	-	-	-	-
<b>Total (3)</b>	-	-	-	-	-	-	-	-
<b>(4) Public (other than parties to agreement, Acquirer)</b>								
a) FIs/MFs/FIIs/Banks	-	-	-	-	-	-	-	-
b) Body Corporate	-	-	-	-	-	-	587680	22.33%
c) Individual	1247946	47.41%	-	-	-	-		
d) Others	24054	0.91%	-	-	-	-		
<b>Total (4) (a+b+c+d)</b>	<b>1272000</b>	<b>48.33%</b>	-	-	-	-	<b>587680</b>	<b>22.33%</b>
<b>Grand Total (1+2+3+4)</b>	<b>2632000</b>	<b>100.00%</b>	-	-	-	-	<b>2632000</b>	<b>100.00%</b>

**By Order of the Board of Directors**

**Sd/-**

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

**Date:** August 31, 2018

**Place:** Mumbai

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

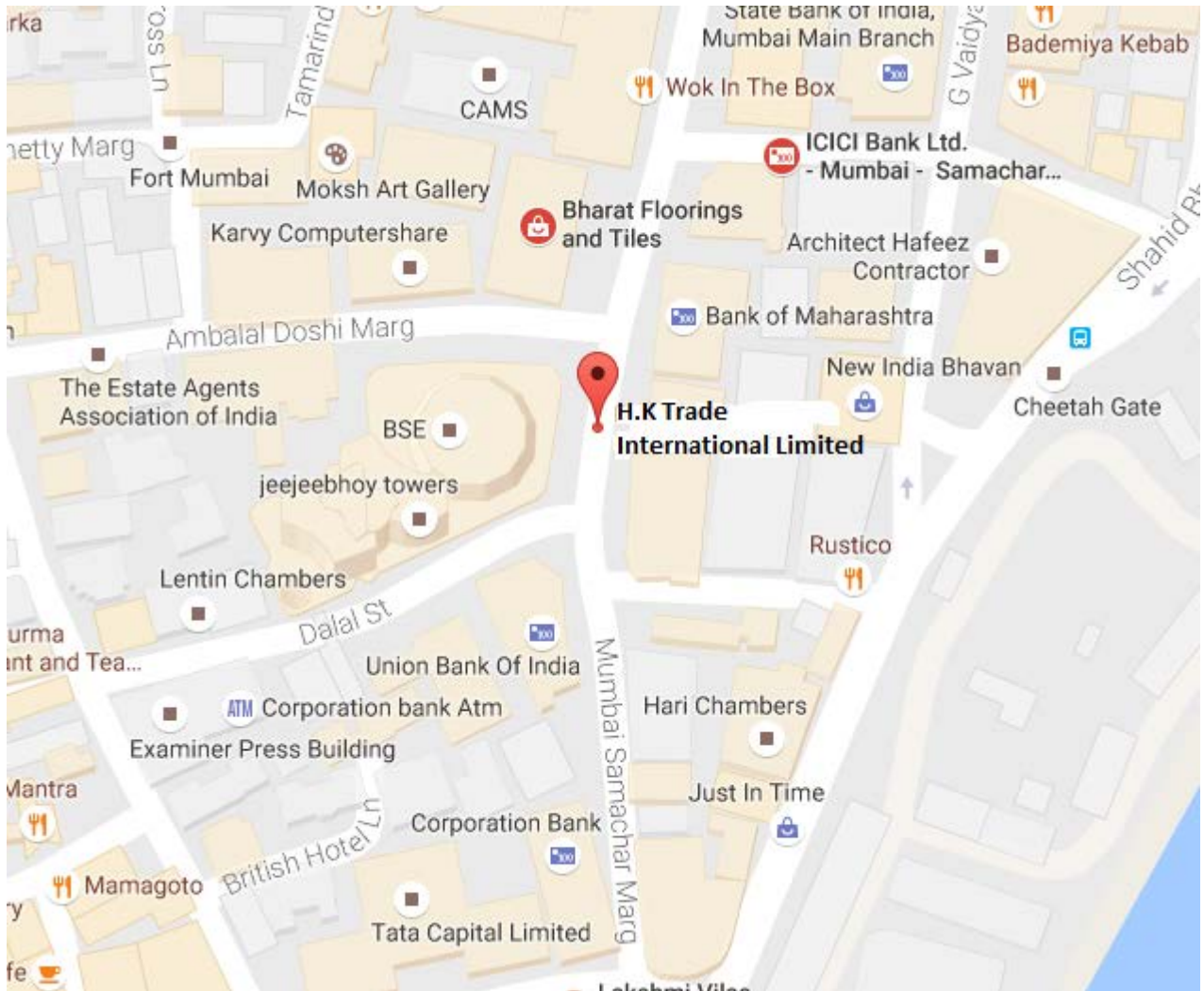
**PROFILE OF DIRECTOR**  
(Seeking Appointment / Re-appointment)

**ANNEXURE TO ITEM NO. 2 OF THE NOTICE**

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

<b>Name of Director</b>	Mrs. Megha Chandawalla
<b>DIN</b>	07118714
<b>Date of Birth</b>	13/01/1982
<b>Nationality</b>	Indian
<b>Date of First Appointment</b>	March 11, 2015
<b>Qualifications</b>	B. Com , MBA (Finance)
<b>Expertise in specific functional Areas</b>	Her experience and qualification supports our Company in its growth strategies.
<b>No. of Shares held in the company</b>	Nil
<b>List of Directorships held in other Companies</b>	Nil
<b>Chairman/Member in the Committee of Boards of Companies in which he is Director</b>	She is Member of Nomination and Remuneration Committee of H.K. Trade International Limited
<b>Terms and Conditions of Appointment/re appointment</b>	As per Section 149 and 152 of Companies Act, 2013
<b>Remuneration paid (Paid in the last year)</b>	Nil
<b>Relationship with other Directors</b>	Daughter of Managing Director i.e Mr. Mahesh Mehta
<b>Number of Board Meetings attended during the F.Y. 2017-18</b>	Four Board Meeting were attended by Mrs. Megha Chandawalla as mentioned below:- <ol style="list-style-type: none"> <li>1. May 13, 2017</li> <li>2. September 04, 2017</li> <li>3. November 14, 2017</li> <li>4. January 17, 2018</li> </ol>

**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 AND MANAGEMENT DISCUSSION AND ANALYSIS**

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

Your Directors are pleased to present the 5<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

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

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

Particulars	Year Ending March, 2018	Year Ending March, 2017
	Amt. in Rs.	Amt. in Rs.
<b>Total Income</b>	<b>6,85,24,011</b>	<b>4,81,23,012</b>
Less: Expenditure	6,73,00,596	4,61,65,686
Profit/(Loss) before Interest, Depreciation & Tax	12,23,415	19,57,326
Less: Interest	64,203	21,878
: Depreciation and Amortization Cost	2,59,332	3,53,653
<b>Profit/(Loss) before Tax</b>	<b>8,99,879</b>	<b>15,81,795</b>
Less: Tax Expense	3,55,722	5,15,630
<b>Profit/(Loss) after Tax</b>	<b>544,157</b>	<b>10,66,165</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 increase in revenue to the extent of 42.39 % from Rs. 4.81 crores during F.Y. 2016-17 to Rs. 6.85 crores during F.Y. 2017-18. PAT has shown a decrease from Rs. 0.11 crores during F.Y. 2016-17 to Rs. 0.05 crores during F.Y. 2017-18.

**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, 2017 to March 31, 2018 (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, 2018 stood at Rs. 2.632 crores.

**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, 2018, 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, Mrs. Megha Chandawalla, retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for a re-appointment. As per the provisions of the Companies Act, 2013, Independent Directors have been appointed for a period of five years and shall not be liable to retire by rotation. All other Directors, except the Managing Director, will retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-election.
- The Independent Directors of your Company have given the certificate of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013. 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.
- The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for Key Managerial Personnel and other employees, forms part of the Corporate Governance Report of this Annual Report.

**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 confirm that—

- 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;
- they 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 and of the profit and loss of the company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;

- they have laid down internal financial controls for the Company and that such internal financial controls are adequate and were operating effectively and
- they have 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 2017-18 the Board met Five times. The meetings were held on May 13, 2017, September 04, 2017, November 14, 2017, January 17, 2018 and May 14, 2018.

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, 2018.

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

1. Audit Committee
2. Nomination and Remuneration 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 Relationship 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 2017-18.

**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. NOMINATION AND REMUNERATION 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, 2018.

**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. R T Jain & Co. LLP were appointed as Statutory Auditors of your Company at the Annual General Meeting held on September 30, 2016 for a term of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

**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 2017-18.

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 2017-18, Audit Committee met 4 times on May 12, 2017, September 03, 2017, November 13, 2017, March 31, 2018. 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. No complaints were received by the company during the year for sexual harassment.

In order to build awareness in this area, the Company has been conducting programmes in the organisation on a continuous basis.

### **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 2018.

### **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. 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)

**36. CAUTIONARY STATEMENT**

Statements in the Annual Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

**37. 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.

**38. 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. The Human Resource agenda continues to support the business in achieving sustainable and responsible growth by building the right capabilities in the organisation. It continues to focus on progressive employee relations policies, creating an inclusive work culture and a strong talent pipeline.

**39. 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).

**40. DISCLOSURE ABOUT COST AUDIT**

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

**41. 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 2018-2019 to BSE where the Company's Shares are listed.

**42. APPRECIATIONS AND ACKNOWLEDGMENTS**

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. It will be your Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests. The Directors also wish to place on record their appreciation for all round co-operation and contribution made by employees at all levels.

The Directors also take this opportunity to thank all Shareholders, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

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

**Place: Mumbai**  
**Date: August 31, 2018**

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

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

## ANNEXURE TO THE DIRECTORS' REPORT

## ANNEXURE I

## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

[As on Financial Year ended on 31.03.2018]

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

## I. REGISTRATION &amp; OTHER DETAILS:

1.	CIN	L25203MH2013PLC244911
2.	Registration Date	28-06-2013
3.	Name of the Company	H. K. TRADE INTERNATONAL LIMITED
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 : L25203MH2013PLC244911
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 , 2017)				No. Of Shares held at the end of the year (As on March 31, 2018)				% 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	43.98	11,57,500	-	11,57,500	43.98	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	2,02,500	-	2,02,500	7.69	2,02,500	-	2,02,500	7.69	-
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>51.67</b>	<b>13,60,000</b>	<b>-</b>	<b>13,60,000</b>	<b>51.67</b>	<b>-</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	2,64,000	-	2,64,000	10.03	3,11,946	-	3,11,946	11.85	1.82
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	2,24,000	-	2,24,000	8.51	9,36,000	-	9,36,000	35.56	27.05
c) Any Others	784000	-	7,84,000	29.79	24,054		24,054	0.91	-28.88
d) Others – HUF	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (2)</b>	<b>12,72,000</b>	<b>-</b>	<b>12,72,000</b>	<b>48.33</b>	<b>1272000</b>	<b>-</b>	<b>12,72,000</b>	<b>48.33</b>	<b>0.00</b>
<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	<b>12,72,000</b>	<b>-</b>	<b>12,72,000</b>	<b>48.33</b>	<b>1272000</b>	<b>-</b>	<b>12,72,000</b>	<b>48.33</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>26,32,000</b>	<b>-</b>	<b>26,32,000</b>	<b>100.00</b>	<b>26,32,000</b>	<b>-</b>	<b>26,32,000</b>	<b>100.00</b>	<b>0.00</b>

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e April 01, 2017			Shareholding at the end of the year i.e March 31, 2018			% 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	7.60	0.00	2,00,000	7.60	0.00	0.00

2	Reema Naresh Shah	5,000	0.19	0.00	5,000	0.19	0.00	0.00
3	Mahesh Indulal Mehta	5,80,000	22.04	0.00	5,80,000	22.04	0.00	0.00
4	Chintan Mahesh Mehta	55,000	2.09	0.00	55,000	2.09	0.00	0.00
5	Daksha Mahesh Mehta	2,65,000	10.07	0.00	2,65,000	10.07	0.00	0.00
6	Mahesh I Mehta HUF	52,500	1.99	0.00	52,500	1.99	0.00	0.00
7	Knowell enterprises Pvt. Ltd	2,02,500	7.69	0.00	2,02,500	7.69	0.00	0.00
	<b>TOTAL</b>	<b>13,60,000</b>	<b>51.67</b>	<b>0.00</b>	<b>13,60,000</b>	<b>51.67</b>	<b>0.00</b>	<b>0.00</b>

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

There are no changes in the Promoter's shareholding during the Financial Year 2017-18.

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

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year i.e. April 01, 2017		Cumulative Shareholding during the year i.e. March 31, 2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Vatsal Manoj Gada	-	-	3,04,000	11.55
2.	Jeel Manoj Gada	-	-	2,96,000	11.24
2.	Vijeta Jasant Shah	-	-	88,000	3.34
3.	Barkha Ajay Bansal	-	-	72,000	2.73
4.	Jyoti Dharmendra Sanghavi	-	-	48,000	1.82
5.	Nidhi Nilesh Bohra	-	-	48,000	1.82
6.	Punam Chand Bajaj	-	-	32,000	1.22
7.	Usha Bajaj	24,000	0.91	24,000	0.91
8.	Vipul Gaurishankar Bajaj	24,000	0.91	24,000	0.91
10.	Durga Shankar Bajaj	-	-	16,000	0.60

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, 2017)		Cumulative Shareholding during the year (March 31, 2018)	
		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	22.04	5,80,000	22.04
2.	Mr. Chintan Mehta	55,000	2.09	55,000	2.09

**V. INDEBTEDNESS:**

The Company had no indebtedness with respect to secured or Unsecured Loans or Deposits during the financial year 2017-18

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-time Directors, and Key Managerial Personnel:**

Sr. No.	Particulars of Remuneration	Mr. Mahesh Mehta Managing Director	Mr. Chintan Mehta Chief Financial Officer	Total Amount
1	<b>Gross salary</b> (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	6,00,000	8,30,000	14,30,000
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - Others specify	-	-	-
5	Others please specify	-	-	-
	<b>Total (A)</b>	<b>6,00,000</b>	<b>8,30,000</b>	<b>14,30,000</b>

**B. Remuneration to Other Directors:**

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

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

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

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

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

**Place: Mumbai**

**Date: August 31, 2018**

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

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

## 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) member Non- Executive 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>
Mr. Santosh Sawant	Chairman (Independent, Non-executive)
Mr. Kamlesh Kapadia	Member (Independent, Non-executive)
Mrs. Megha Chandawalla	Member (Non-executive Director)

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 minutised 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.

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

<b>Place: Mumbai</b>	<b>Sd/- Mahesh Mehta</b>	<b>Sd/- Megha Chandawalla</b>
<b>Date: August 31, 2018</b>	<b>(Chairman &amp; Managing Director)</b>	<b>(Director)</b>

## 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 :** May 13, 2017
    - 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 :** May 13, 2017
- c. Amount paid as advances, if any:** N. A.

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

**Place: Mumbai**  
**Date: August 31, 2018**

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

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

**Form No. MR.3**  
**Secretarial Audit Report for the financial year ended on March 31, 2018**

[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]

To,  
**The Members**  
**H K Trade International Limited**  
**[CIN: L25203MH2013PLC244911]**  
**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, 2018 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:

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, 2018 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, 2018 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 applicable.
- (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;
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - iii. 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;
  - iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (vi) Other law applicable specifically to the Company, as detailed below;
  - i. The Foreign Trade (Development and Regulation) Act, 1992
  - ii. 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 related to the meetings of Board of Directors and General Meetings;
- (ii) The SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and listing agreement entered into by the Company with Stock Exchanges in India.

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 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 appointed the Company Secretary during the financial year as required under section 203 of the Companies Act, 2013 and has not fully complied with the regulation 6 of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015 with regard to appointment of compliance officer of the Company.*
- ii. *The Company has not filed the return of change in shareholding in form MGT-10, as required under section 93 of the Companies Act, 2013, which however no longer in force with effect from June 13 2018.*

During the financial year under review, provisions of the following regulations were not applicable to the Company;

- i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- ii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- iii. The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008
- iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999
- v. 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;

**We further report that:**

- The Board of Directors of the Company is 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 the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and there was no formal system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- Decisions at the meetings of Board of Directors of the Company and Committee thereof were carried out with requisite majority.

**We further report that** based on the information provided and representation made by the Company and also on the review of compliance reports of the respective department duly signed by the department head and Compliance Certificate(s) of the Managing Director/Company Secretary/CFO taken on record by the Board of Directors of the Company, in our opinion system and process exists in the company required to be strengthen to commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

**We further report that** there were no specific event/action in pursuance of any of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company affairs.

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

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

Place: Mumbai  
Dated: August 31, 2018

**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.**

**Annexure – “A”**

To,  
**The Members**  
**H K Trade International Limited**  
**[CIN: L25203MH2013PLC244911]**  
**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: August 31, 2018

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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 the Company Secretary during the financial year as required under section 203 of the Companies Act, 2013 and has not fully complied with the regulation 6 of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015 with regard to appointment of compliance officer of the Company.*

**Management Reply:** The Company is unable to find the suitable candidate for the post of Company Secretary. The Company has given newspaper advertisement for requirement of Company Secretary in the Financial Year 2017-18. The Company is in process of appointing Company Secretary.

2. *The Company has not filed the return of change in shareholding in form MGT-10, as required under section 93 of the Companies Act, 2013, which however no longer in force with effect from June 13 2018.*

**Management Reply:** The Return of shareholding in form MGT-10 have been done away in the Companies (Amendment) Act, 2017 vide their notification dated June 13, 2018. Hence the company is not be able to file the MGT-10 any longer.

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

**Place: Mumbai**  
**Date: August 31, 2018**

**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 Technavio's market research analysts, the global market for adhesives and sealants will grow steadily at a CAGR of over 5% by 2020. A major factor spurring the growth prospects for this market is the high growth of reactive technology-based products. 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 increase in revenue to the extent of 42.39 % from Rs. 4.81 crores during F.Y. 2016-17 to Rs. 6.85 crores during F.Y. 2017-18. PAT has shown a decrease from Rs. 0.11 crores during F.Y. 2016-17 to Rs. 0.05 crores during F.Y. 2017-18.

**Outlook/ Road Ahead**

According to The World Bank, the Indian economy will likely grow at 7 per cent in 2016-17, followed by further acceleration to 7.6 per cent in 2017-18 and 7.8 per cent in 2018-19. Demonetisation is expected to have a positive impact on the Indian economy, which will help foster a clean and digitised economy in the long run, according to Ms Kristalina Georgieva, Chief Executive Officer, The World Bank.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers. Also, the Prime Minister, Mr. Narendra Modi has stated that India has become the world's fastest growing large economy, and is expected to grow five-fold by 2040, owing to a series of policy measures. 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.

**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.

**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: August 31, 2018**

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

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

## CORPORATE GOVERNANCE REPORT

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

Transparency and accountability are the two basic tenets of Corporate 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. Responsible corporate conduct is integral to the way we do our business. 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. To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact.

### 2. BOARD OF DIRECTORS

The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board.

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties.

#### Composition

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 Board of your Company has a good mix of Executive and Non-Executive Directors with half of the Board of the Company comprising of Independent Directors. As on date of this Report, the Board consists of 4 (Four) Directors comprising of 1(One) Managing Director, 1(One) Non- Executive Director and 2(Two) Non-Executive Independent Director, The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

The details of each member of the Board along with the number of Directorship(s) / Committee Membership(s) / Chairmanship(s) and date of joining the Board are provided herein below:

#### A) Composition and Directorship(s) / Committee Membership(s) / Chairmanship(s) as on 31st March, 2018

Sr. No	Directors	Category	Date of joining the Board	Directorship in Other Companies <sup>#</sup>	No. of Committee positions held in other companies	
					Member	Chairman
1	Mr. Mahesh Mehta	Managing Director	28/06/2013	0	0	0

2	Mrs. Megha Chandawalla	Non- Executive Director	11/03/2015	0	0	0
3	Mr. Santosh Sawant	Non – Executive & Independent Director	30/08/2013	0	0	0
4	Mr. Kamlesh Kapadia	Non – Executive & Independent Director	16/10/2013	0	0	0

# Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

Sr. No	Directors	Category	Date of joining the Board	Directorship in other Company	No. of Committee positions held in the company	
					Member	Chairman
1	Mr. Mahesh Mehta	Managing Director	28/06/2013	3	2	0
2	Mrs. Megha Chandawalla	Non- Executive Director	11/03/2015	0	1	0
3	Mr. Santosh Sawant	Non – Executive & Independent Director	30/08/2013	0	3	2
4	Mr. Kamlesh Kapadia	Non – Executive & Independent Director	16/10/2013	0	3	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. Hence the number of Directorships, Committee Membership(s) / Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations).

## B) Appointment and Tenure

The Directors of the Company are appointed by Members at the General Meetings. The Managing Director of the Company is appointed for a term of five years as per the requirement of the statute. The Executive Directors on the Board have been appointed as per the provisions of the Companies Act, 1956/ Companies Act, 2013 and serve in accordance with the terms of their contract of service with the Company.

As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and Listing Regulations.
- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013 and Listing Regulations.

**C) Board Meetings**

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The notice of Board meeting is given well in advance to all the Directors. Meetings of the Board are held in Mumbai. The Agenda of the Board / Committee meetings is set by the Managing Director of the Company. The Agenda is circulated a week prior to the date of the meeting. The Agenda for the Board and Committee meetings cover items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the financial year ended 31st March, 2018, Four Board meetings were held on May 13, 2017, September 04, 2017, November 14, 2017 and January 17, 2018. The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

**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 September 28, 2017
1	Mr. Mahesh Mehta	Managing Director	7	Present
2	Mrs. Megha Chandawalla	Non-Executive Director	7	Present
3	Mr. Santosh Sawant	Independent Director	7	Present
4	Mr. Kamlesh Kapadia	Independent Director	7	Present

**D) 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) Directors' Induction and Familiarization**

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

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

The Board has established the following statutory and non-statutory Committees.

#### 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	Total Meetings Held during the Year	Meetings Attended by the Member
Mr. Kamlesh Kapadia	Chairman	Non-Executive Independent Director	4	4
Mr. Santosh Sawant	Member	Non-Executive Independent Director	4	4
Mr. Mahesh	Member	Managing Director	4	4

During the Financial Year 2017-18, Audit Committee met 4 times on May 12, 2017, September 03, 2017, November 13, 2017 and March 31, 2018. 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. The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations. The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislation or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed.

**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	Total Meetings Held during the Year	Meetings Attended by the Member
Mr. Santosh Sawant	Chairman	Non-Executive Independent Director	1	1
Mr. Kamlesh Kapadia	Member	Non-Executive Independent Director	1	1
Mrs. Megha Chandawalla	Member	Non- Executive Director	1	1

**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.

The Nomination and Remuneration Committee met 1 time during the financial year ended 31st March, 2018 on September 03, 2017.

**c) Stakeholders Relationship 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	Total Meetings Held during the Year	Meetings Attended by the Member
Mr. Santosh Sawant	Chairman	Non-Executive Independent Director	1	1

Name of Director	Designation in Committee	Nature of Directorship	Total Meetings Held during the Year	Meetings Attended by the Member
Mr. Kamlesh Kapadia	Member	Non-Executive Independent Director	1	1
Mr. Mahesh Mehta	Member	Executive Director	1	1

The Stakeholders Relationship Committee met 1 time during the financial year ended 31st March, 2018 on September 03, 2017.

**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

**Details of Shareholders' / Investors' Complaints during the FY ended 31<sup>st</sup> March 2018.**

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 Company has not entered into any material Related Party Transaction during the year. In line with requirement of the Companies Act, 2013 and Listing Regulations. The details of the policy have been disclosed on company's website [www.hktrade.in](http://www.hktrade.in). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and



approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at Arm's Length. All Related Party Transactions entered during the year were in Ordinary Course of the business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company.

**g) Independent Directors' Meeting**

During the year under review, the Independent Directors met on March 31, 2018, 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. SHAREHOLDER INFORMATION**

**A. Annual General Meetings:**

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

Year	Date of AGM	Day	Time	Venue	Special resolution
2015-16	30.09.16	Friday	3:30 PM	Office No. 9, 2nd Floor, Bharat House, 104 Mumbai Samachar Marg, Fort, Mumbai 400001	No
2016-17	28.09.17	Thursday	11:30 AM	Office No. 9, 2nd Floor, Bharat House, 104 Mumbai Samachar Marg, Fort, Mumbai 400001	No

**B. Postal Ballot**

No resolution was passed through the postal ballot during F. Y. 2017-18

**C. Annual General Meeting for the financial year 2017-18**

**Date** Saturday, September 29, 2018  
**Venue** Room No 9, 2nd Floor, Bharat House, 104 Mumbai Samachar Marg, Fort, Mumbai – 400 001  
**Time** 11.30 a.m.

**D. Calendar of financial year ended 31st March, 2018**

The Company follows April-March as the financial year. The company is listed on BSE SME Platform and hence the Financial Results of the company is announced half yearly as per Regulation

33(5) of SEBI (LODR) Regulations, 2015. The meetings of Board of Directors for approval of quarterly financial results during the financial year ended 31st March, 2018 were held on the following dates:

<b>First Half yearly Results</b>	November 14, 2017
<b>First Half yearly Results Annual Results</b>	May 14, 2018

**E. Bifurcation of shares held in physical and demat form as on 31st March, 2018**

Particulars	No. of Shares	%
Physical Shares	0	0
<b>Demat Shares</b>		
NSDL (A)	3,81,000	14.48
CDSL (B)	22,51,000	85.52
Total (A+B)	26,32,000	100.00
<b>TOTAL</b>	<b>26,32,000</b>	<b>100.00</b>

**F. Listing Details**

Name and Address of Stock Exchange	Stock Code
BSE Limited (BSE)* Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	HKT
ISIN	INE725P01012

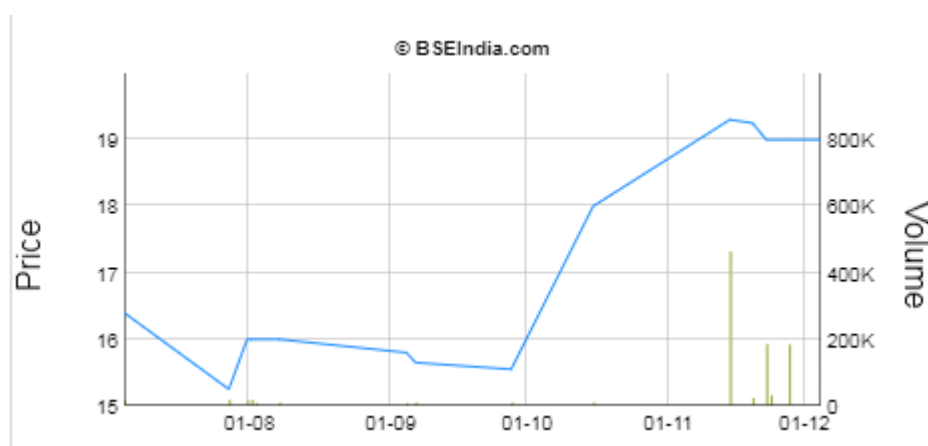
\* The company is listed on BSE SME Platform

The listing fee for the financial year 2017-18 has been paid to the above Stock Exchanges.

**G. Share Price Data**

The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) for the year ended 31st March, 2018 are as under:

Month	High	BSE Low	Volume
July 17	16.40	15.00	32,000
Aug 17	16.00	15.50	48,000
Sep 17	15.80	15.55	24,000
Oct 17	18.00	18.00	8,000
Nov 17	23.15	18.00	8,88,000
Dec 17	19.00	19.00	88,000



**H. Share holding pattern of the Company as on 31.03.2018:**

Sr.	Category	No. of Shares	% (Percentage)
1.	Promoters (Including Promoters Body Corporate)	13,60,000	51.67
2.	Body Corporate (Public)	16,000	0.61
3.	Resident Individuals and HUF (Public)	12,56,000	47.72
<b>TOTAL</b>		<b>26,32,000</b>	<b>100.00</b>

**I. Distribution of Shareholding as on 31.03.2018:**

No. of Shares held	No. of Shareholders	%	No. of Shares	% of Total Capital
1 to 10000	26	52.00	197054	7.49
10001 to 20000	9	18.00	143946	4.25
20001 to 40000	4	8.00	105000	3.08
40001 to 80000	5	10.00	275500	10.47
80001 to 160000	1	2.00	88000	5.48
160001 to 200000	1	2.00	200000	7.60
200001 onwards	5	10.00	1822500	69.24
<b>Total</b>	<b>50</b>	<b>100</b>	<b>2632000</b>	<b>100</b>

**J. 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.

**K. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments:**

Nil

**L. Plant Locations:**

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

**M. 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

**N. 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 2017-18, 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. Modified opinions in audit report**

Not applicable since there is no qualification in the audit reports

**iii. Reporting of Internal Auditors**

The Internal Auditors directly reported to the Audit Committee

**iv. Nomination and Remuneration Committee:**

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

**v. 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)

**vi. Audit Qualification:**

There are no audit qualifications in the financial statements for the financial year 2017-18

**vii. Reporting of Internal Auditors**

The Internal Auditors directly reported to the Audit Committee.

**DECLARATION BY THE CEO UNDER REGULATION 26(3) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE CODE OF CONDUCT**

In accordance with Regulation 26(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the Financial Year ended March 31, 2018.

**Place: Mumbai**  
**Date: May 14, 2018**

**For and on behalf of the Board**  
**H. K. Trade International Limited Sd/-**  
**Mahesh Mehta**  
**(Managing Director)**

<b>CEO / CFO CERTIFICATION</b>
--------------------------------

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

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

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of H. K. Trade International Limited ('the Company'), to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement prepared for the financial year ended on 31st March, 2018 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) We further state 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 hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d) We are responsible 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.
- e) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee
  - (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 14, 2018**

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

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

## **Independent Auditor's Report**

To the Members of

**H K Trade International Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **H K Trade International Limited** ("the Company"), which comprise the balance sheet as at March 31, 2018, the statement of profit and loss and the statement of cash flows for the year then 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.

### **Auditors Responsibility**

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

In conducting 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 thereunder.

We have 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 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 March 31, 2018; and its profit and cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order.
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, the statement of profit and loss and the statement of cash flows 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 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) 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**".
  - g) with respect to the other matters to be included in Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to explanations given to us:
    - i. The Company does not have any pending litigations;

- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. The Company was not required to transfer any amount to Investor Education and Protection Fund.

**For R T Jain & Co LLP**  
**Chartered Accountants**  
**FRN : 103961W / W100182**

**(CA Bankim Jain)**  
**Partner**  
**Mem No. : 139447**

**Mumbai, May 14, 2018**

**Annexure A to the Auditors' Report****Referred to in paragraph 1 of our report of even date on the accounts of the company for the year ended 31<sup>st</sup> March, 2018**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification. During the year under audit the company has disposed of all the fixed assets. As on March 31, 2018 the company does not own any fixed assets.

(c) Based on our audit procedures and the information and explanation received by us, we report that the company does not own any immovable properties held as fixed assets. Thus no opinion on the validity of the title of the company on immovable properties is given.
- ii. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 

(b) In our opinion and on the basis of our examination of the records, no material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loan to any associate concern covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. The company has not given any loans, made any investments or provided any guarantee and security under section 185 and section 186 of Companies Act, 2013. The company has given loan to two body corporates. The amount involved is Rs 1,40,00,000 (Rupees One Crore Forty Lakhs Only)
- v. In our opinion, the company has not accepted any deposits within the meaning of Rule 2 (b) of Companies (Acceptances of Deposits) Rules, 2014.
- vi. According to the information and explanations provided by the management, no cost records have been prescribed under section 148(1) of the Companies Act, 2013 in respect of products manufactured by the Company.
- vii. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there are following outstanding statutory dues as on 31<sup>st</sup> of March, 2018 for a period

of more than six months from the date they became payable.

Particulars	Amount
Profession Tax	Rs. 5,800/-
Sales Tax	Rs. 1,413/-

- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
- viii. Based on our audit procedures and the information and explanations given by the management, we are of the opinion that, there are no dues to any financial institution, bank or debenture holders.
- ix. Based on records of the company, the company has neither raised any moneys by way of Initial Public Offer or Further Public Offer or term loan during the year.
- x. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.
- xi. According to information and explanations given to us, in our opinion, the company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a nidhi company. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- xiii. Based on our audit procedures and on the information given by the management, the company has complied with the sections 177 and 188 of the Companies Act, 2013 for all the transactions with the related parties and the details of such transactions have been properly disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment of shares during the year to parties covered in register maintained under section 189 of the Companies Act, 2013.
- xv. The company has not entered into any non-cash transactions with directors of the company or its subsidiary or persons connected with them.
- xvi. The Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

**For R T Jain & Co LLP**  
**Chartered Accountants**  
**FRN : 103961W / W100182**

**(CA Bankim Jain)**  
**Partner**  
**Mem No. : 139447**

**Mumbai, May 14, 2018**

## **Annexure - B to the Auditors' Report**

### **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 **H K Trade International Limited** ("the Company") as of March 31, 2018 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 ('ICAI'). 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 judgment, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, in all material respects, an adequate internal financial controls system over financial reporting. However the Company does not have appropriate system manuals or predefined standard operation procedure to maintain the efficacy and effectiveness of the internal financial controls throughout the year. Thus, the company does not have formal internal financial controls over financial reporting based on our verification.

**For R T Jain & Co LLP  
Chartered Accountants  
FRN : 103961W/W100182**

**(CA Bankim Jain)  
Partner  
Mem No. : 139447**

**Mumbai, May 14, 2018**

**H. K. TRADE INTERNATIONAL LTD**

Balance Sheet as at 31st March 2018

(Amt. in Rs.)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	26,320,000	26,320,000
(b) Reserves and Surplus	3	13,799,645	13,255,487
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)		-	-
(c) Long-term provisions		-	-
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	4	2,853,993	-
(b) Trade payables	5	79,659	1,496,058
(c) Other current liabilities	6	843,347	157,158
(d) Short-term provisions	7	-	498,600
<b>TOTAL</b>		<b>43,896,644</b>	<b>41,727,303</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible assets	8	-	1,529,084
(ii) Intangible assets		-	-
(b) Deferred tax assets (net)	9	-	46,702
(c) Long-term loans and advances		-	-
(d) Other Non-Current assets	10	153,514	253,514
<b>(2) Current Assets</b>			
(a) Inventories	11	6,032,028	18,429,093
(b) Trade receivables	12	22,550,197	9,566,626
(c) Cash and cash equivalents	13	629,624	11,391,841
(d) Short-term loans and advances	14	14,531,280	485,341
(e) Other current assets	15	-	25,102
<b>TOTAL</b>		<b>43,896,643</b>	<b>41,727,303</b>

Significant Accounting Policies

1

**The accompanying notes form an integral part of financial statements.**

As per our report of even date attached

**FOR R T JAIN & CO LLP**  
**CHARTERED ACCOUNTANTS**  
**(FRN NO. 103961W / W100182)**

For and on behalf of the Board

**Mahesh Mehta**      **Megha Chandawalla**  
**(Managing Director)**      **( Director)**  
**(DIN-00191524)**      **(DIN- 07118714)**

**CA BANKIM JAIN**  
**PARTNER**  
**M. No-139447**

**(Chintan Mehta)**  
**(Chief Financial Officer)**

Mumbai, 14th May 2018



**H. K. TRADE INTERNATIONAL LTD****Statement of Profit & Loss for the year ended 31st March, 2018**

(Amt. in Rs.)

Sr. No	Particulars	Note No.	2017-18	2016-17
	<b>INCOME</b>			
I	Revenue from operations	16	67,763,683	47,726,157
II	Other Income	17	760,328	396,855
III	<b>Total Revenue</b>		<b>68,524,011</b>	<b>48,123,012</b>
	<b>EXPENDITURE</b>			
IV	Cost of Material Consumed	18	61,768,849	35,467,448
	Purchase of Stock-in-Trade		-	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	-	6,218,809
	Employee Benefit Expense	20	2,928,415	2,688,550
	Finance Costs	21	64,203	21,878
	Depreciation and Amortization Expense	22	259,332	353,653
	Other Expenses	23	2,603,333	1,790,879
	<b>Total Expenses</b>		<b>67,624,131</b>	<b>46,541,217</b>
V	<b>Profit before Tax</b>		<b>899,879</b>	<b>1,581,795</b>
VI	<b>Tax expense:</b>	24		
	(1) Current tax		300,000	495,000
	(2) Deferred tax		46,702	15,339
	(3) Previous Year Tax Adjustment		9,020	5,291
VII	<b>Profit/(Loss) for the year</b>		<b>544,157</b>	<b>1,066,165</b>
VIII	Earning per share (face value of Rs 10/- each)			
	<b>Basic and Diluted</b>	25	<b>0.21</b>	<b>0.41</b>
	Significant Accounting Policies	1		
	<i>The accompanying notes form an integral part of financial statements.</i>			
	As per our report of even date attached			
	<b>FOR R T JAIN &amp; CO LLP</b>			<b>For and on behalf of the Board</b>
	<b>CHARTERED ACCOUNTANTS</b>			
	<b>(FRN NO. 103961W / W100182)</b>			
			<b>Mahesh Mehta</b>	<b>Megha Chandawalla</b>
			<b>(Managing Director)</b>	<b>( Director)</b>
			<b>(DIN-00191524)</b>	<b>(DIN- 07118714)</b>
	<b>CA BANKIM JAIN</b>			
	<b>PARTNER</b>			
	<b>M. No-139447</b>			
			<b>(Chintan Mehta)</b>	
	<b>Mumbai, 14th May 2018</b>		<b>(Chief Financial Officer)</b>	

**H. K. TRADE INTERNATIONAL LTD**

Statement of Cash Flow for the year ended 31st March, 2018

(Amt. in Rs.)

Particulars	For the year ended March 31,2018	For the year ended March 31,2017
<b>Cash flow from operating activities:</b>		
Profit / (Loss) before tax	899,879	1,581,795
<b>Adjusted for:</b>		
Depreciation & Amortisation	259,332	353,653
Interest Income	(456,536)	(352,280)
Loss on sale of asset	229,752	-
Finance Cost	64,203	21,878
<b>Operating Profit Before Working Capital Changes</b>	<b>996,630</b>	<b>1,605,046</b>
Adjusted for (Increase)/ Decrease:		
-Trade Receivables	(12,983,571)	5,335,938
-Inventories	12,397,065	(12,210,284)
-Other Non Current Asset	100,000	61,960
-Other Current Asset	25,102	(13,199)
-Short Term Loans & Advances	(14,045,939)	(79,048)
-Other Current Liabilities	686,189	24,649
-Trade Payables	(1,416,398)	(4,801,145)
-Short Term Provisions	(498,600)	1,616
<b>Cash Generated From Operations</b>	<b>(14,739,522)</b>	<b>(10,074,467)</b>
Direct Tax Paid	309,020	496,114
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>(15,048,542)</b>	<b>(10,570,581)</b>
<b>Cash Flow From Investing Activities:</b>		
Sale / Discard of Assets	1,040,000	-
Interest Income	456,536	352,280
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>1,496,535</b>	<b>352,280</b>
<b>Cash Flow from Financing Activities:</b>		
Proceeds from Short Term Borrowing	2,853,993	-
Interest & Financial Charges	(64,203)	(21,878)
<b>Net Cash Flow from/(used in) Financing Activities ( C)</b>	<b>2,789,790</b>	<b>(21,878)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	<b>(10,762,216)</b>	<b>(10,240,179)</b>
Cash & Cash Equivalents As At Beginning of the Year	<b>11,391,841</b>	<b>21,632,020</b>
Cash & Cash Equivalents As At End of the Year	<b>629,624</b>	<b>11,391,841</b>

*The accompanying notes form an integral part of financial statements.*

As per our report of even date

**FOR R T JAIN & CO LLP**  
**CHARTERED ACCOUNTANTS**  
**(FRN NO. 103961W / W100182)**

For and on behalf of the Board

**CA BANKIM JAIN**  
**PARTNER**  
**M No-139447**

**Mumbai, 14th May 2018**

**Mahesh Mehta**      **Megha Chandawalla**  
**(Managing Director)**      **(Director)**  
**(DIN -00191524)**      **(DIN- 07118714)**

**(Chintan Mehta)**  
**(Chief Financial Officer)**

## Notes forming part of the Financial Statements

### CORPORATE INFORMATION

H K Trade International Limited was incorporated in the year 2013. Earlier it was a partnership firm known as “M/s H K International”. The Company is manufacturer of adhesive tapes. During the year has ventured into trading of solar cells.

### **NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Basis of preparation of Financial Statements:**

- i. These financial statements are prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) under historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”), as applicable.
- ii. The financial statements are prepared under the historical cost convention and on the accounting principles of going concern. The Company follows accrual system of accounting where income & expenditure are recognized on accrual basis.
- iii. Accounting policies not specifically referred to are consistent and in consonance with generally accepted accounting policies.

#### **B. Use of Estimates:**

The preparation of financial statements requires management to make estimates and assumptions that affect amounts in the financial statements and reported notes thereto. Actual results could differ from these estimates. Differences between the actual result and estimates are recognized in periods in which the results are known/ materialised.

#### **C. Fixed Assets:**

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of its purchase price (net of cenvat / duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to working condition for its intended use. Expenditure on additions, improvements and renewals is capitalized and expenditure for maintenance and repairs is charged to profit and loss account.

#### **D. Depreciation:**

The Company has provided for depreciation on fixed assets using written down value (WDV) over the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on asset acquired / sold during the year is provided on pro-rata basis with reference to the date of installation / put to use in the books or disposal. Effective from 1<sup>st</sup> April 2014, the company has reassessed the useful lives of the fixed assets in line with useful lives mentioned in Schedule II to

the Companies Act, 2013. As a matter of prudence the company is depreciating full value of assets, The Companies Act, 2013 allows 5% to be retained as residual value.

**E. Valuation of Inventories:**

Cost of inventory includes all cost of purchases and other cost incurred in bringing the inventories to their present location and condition.

Closing Stock is valued as under:-

Raw Material -	– At cost or net realizable value whichever is less.
Work in progress -	– At cost or net realizable value whichever is less.
Finished Goods -	– At cost or net realizable value whichever is less.

**F. Revenue Recognition:**

Sale of goods is recognized on dispatches to customers, which coincide with the transfer of significant risks and rewards associated with ownership.

**G. Earning Per Share**

Basic earning per share is computed by dividing the net profit after tax for the year after prior period adjustments attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**H. Taxation & Deferred Tax**

Provision for Current Tax is made in accordance with the provision of Income Tax Act, 1961. Deferred tax is recognized on timing differences between taxable & accounting income / expenditure that originates in one period and are capable of reversal in one or more subsequent period(s).

**I. Contingent Liabilities / Provisions**

- i. Contingent liabilities are not provided in the accounts and are disclosed separately in notes on accounts.
- ii. Provision is made in the accounts in respect of contingent liabilities which is likely to materialize into liabilities after the year end, till the finalization of accounts and which have material effect on the position stated in the Balance Sheet.

<b>H. K. TRADE INTERNATIONAL LTD</b>				
<b>Note : 2 Share Capital</b>				<b>(Amt in Rs.)</b>
<b>Particulars</b>		<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	
<b>Equity Share Capital</b>				
<b>Authorised Share Capital</b> (27,50,000 Equity Shares of Rs. 10/- each)		<b>27,500,000</b>	27,500,000	
		<b>27,500,000</b>	27,500,000	
<b>Issued, Subscribed and Fully Paid Up Share Capital</b> (26,32,000 Equity Share of Rs.10/- Each fully paid up)		<b>26,320,000</b>	26,320,000	
<b>TOTAL</b>		<b>26,320,000</b>	26,320,000	
<b>a) Reconciliation of number of shares outstanding at the end of year</b>				
<b>Particulars</b>		<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	
Equity shares at the beginning of the year		<b>2,632,000</b>	2,632,000	
Add: Shares issued during the year		-	-	
Equity Shares at the end of the year		<b>2,632,000</b>	2,632,000	
<b>b) Details of shareholders holding more than 5% shares of the aggregate shares in the company</b>				
<b>Name of shareholder</b>	<b>As at 31st March 2018</b>		<b>As at 31st March 2017</b>	
	<b>No. of Shares</b>	<b>Percentage</b>	<b>No. of Shares</b>	<b>Percentage</b>
Mahesh Indulal Mehta	580,000	22.04	580,000	22.04
Shatrunjaya Estates Private Limited	-	-	424,000	16.11
Daksha Mahesh Mehta	265,000	10.07	265,000	10.07
Knowell Enterprises Private Limited	202,500	7.69	202,500	7.69
Jatin Kantilal Shah	200,000	7.60	200,000	7.60
Dear Projects Private Limited	-	-	184,000	6.99
Sanjoyog Trade-Link Private Limited	-	-	136,000	5.17
Vatsal Manoj Gada	304,000	11.55	-	-
Jeel Manoj Gada	296,000	11.25	-	-
<b>Note : 3 Reserves and Surplus</b>				
<b>Particulars</b>				<b>(Amt in Rs.)</b>
		<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	
<b>1) Surplus / (Deficit) in the Statement of Profit and Loss</b>				
As Per Last Balance Sheet		<b>3,247,005</b>	2,180,840	
Add: Profit for the year		<b>544,157</b>	1,066,165	
<b>Closing Balance</b>		<b>3,791,163</b>	3,247,005	
<b>2) Securities Premium Account</b>				
As per Last Balance Sheet		<b>10,008,482</b>	10,008,482	
Add: Received during the Year		-	-	
<b>Closing Balance</b>		<b>10,008,482</b>	10,008,482	
<b>TOTAL</b>		<b>13,799,645</b>	13,255,487	

**Note : 4 Short Term Borrowings** (Amt. in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Unsecured Loans</b>	-	-
-From Director	2,853,993	-
<b>TOTAL</b>	2,853,993	-

\* The unsecured loan from director is taken at interest rate of 9% p.a without any stipulation for repayment

**Note : 5 Trade Payables** (Amt. in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
Due to Micro, Small and Medium Enterprises	-	-
Others	79,659	1,496,058
<b>TOTAL</b>	79,659	1,496,058

**Note: 6 Other Current Liabilities** (Amt. in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
Statutory Dues	428,453	9,290
Creditors for Expenses	290,812	147,868
Advance from Customers	124,082	-
<b>TOTAL</b>	843,347	157,158

**Note : 7 Short-term Provisions** (Amt. in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
Provision for Income Tax	-	495,000
Provision for ROC Fees	-	3,600
<b>TOTAL</b>	-	498,600

NOTE : 8 FIXED ASSETS

(Amt in Rs.)

Description of Asset	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK	
	As on 01.04.2017	Addition during year	Deduction during year	As on 31.03.2018	Up to 01.04.2017	Provided during year	Deduction/ Adjustment	Up to 31.03.2018	As on 31.03.2018	As on 31.03.2017
	<b>I. Tangible Assets</b>									
Furniture & Fixtures	16,410	-	16,410	-	13,776	1,130	14,906	-	-	2,634
Electrical Installation	7,131	-	7,131	-	4,593	699	5,292	-	-	2,538
Machinery	2,595,023	-	2,595,023	-	1,105,778	251,092	1,356,870	-	-	1,489,245
Office Equipments	6,980	-	6,980	-	6,662	193	6,855	-	-	318
Factory Loft	52,918	-	52,918	-	18,570	6,218	24,788	-	-	34,348
<b>TOTAL</b>	<b>2,678,462</b>	<b>-</b>	<b>2,678,462</b>	<b>-</b>	<b>1,149,379</b>	<b>259,332</b>	<b>1,408,711</b>	<b>-</b>	<b>-</b>	<b>1,529,084</b>
<b>Previous Year</b>	2,688,696	-	10,234	2,678,462	805,959	353,653	10,234	1,149,379	1,529,084	1,882,737

**Note : 9 Deferred Tax Assets** (Amt. in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
Related to Depreciation	-	46,702
<b>TOTAL</b>	<b>-</b>	<b>46,702</b>

**Note : 10 Other Non Current Assets** (Amt. in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
Deposits with Authorities	153,514	253,514
<b>TOTAL</b>	<b>153,514</b>	<b>253,514</b>

**Note : 11 Inventories** (Amt. in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
Raw Material	6,032,028	188,295
Packaging Material	-	476,304
Work In Progress	-	17,764,494
Finished Goods	-	-
<b>TOTAL</b>	<b>6,032,028</b>	<b>18,429,093</b>

**Note : 12 Trade Receivables** (Amt. in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Unsecured, Considered Good</b>		
-Outstanding for period of more than six months	1,911,684	2,551,405
-Others	20,638,513	7,015,221
<b>TOTAL</b>	<b>22,550,197</b>	<b>9,566,626</b>

**Note : 13 Cash & Cash Equivalent** (Amt. in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
Cash in hand	149,564	515,570
Balance with Bank	480,060	10,876,271
<b>TOTAL</b>	<b>629,624</b>	<b>11,391,841</b>



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

(Amt. in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
<b>Unsecured, Considered Good</b>		
-Advance Tax & TDS	158,944	385,413
-Loans & Advances to Others	14,372,336	99,928
<b>TOTAL</b>	<b>14,531,280</b>	<b>485,341</b>

**Note :15 Other Current Assets**

(Amt. in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
Prepaid Insurance	-	25,102
<b>TOTAL</b>	<b>-</b>	<b>25,102</b>

**Note : 16 Revenue from Operations**

(Amt. in Rs.)

Particulars	2017-18	2016-17
Sale of Goods	67,763,683	47,726,157
	-	
<b>TOTAL</b>	<b>67,763,683</b>	<b>47,726,157</b>

**Note : 17 Other Income**

(Amt. in Rs.)

Particulars	2017-18	2016-17
Discount	17,678	44,575
Interest on FDR	84,435	352,280
Interest on Income Tax Refund	13,950	-
Interest on Loan	358,151	-
Gain on Foreign Exchange Fluctuation	286,114	-
<b>TOTAL</b>	<b>760,328</b>	<b>396,855</b>

**Note : 18 Cost of Materials Consumed**

(Amt. in Rs.)

Particulars	2017-18	2016-17
<b>Opening Stock of Raw Material</b>	18,429,093	-
<b>Add: Purchases</b>		
-Raw Material	48,301,043	48,829,923
-Packing Material	-	3,959,987
<b>Less: Closing Stock of Raw Material</b>	6,032,028	18,429,093
	<b>60,698,108</b>	<b>34,360,817</b>
<b>Direct Expenses</b>		
-Electricity Expenses	90,218	128,296
-Repair & Maintenance	296,959	123,683
-Job Work	2,307	-
-Wages	681,257	854,652
	<b>1,070,741</b>	<b>1,106,631</b>
<b>TOTAL</b>	<b>61,768,849</b>	<b>35,467,448</b>

**Note : 19 Change in Inventories**

(Amt. in Rs.)

Particulars	2017-18	2016-17
Opening Stock of WIP & Finished Goods	-	6,218,809
Less: Closing Stock of WIP & Finished Goods	-	-
<b>TOTAL</b>	<b>-</b>	<b>6,218,809</b>

**Note : 20 Employment Benefit Expenses**

(Amt. in Rs.)

Particulars	2017-18	2016-17
Salaries, Wages and Bonus	2,150,785	2,086,550
Directors Remuneration	600,000	600,000
Gratuity	167,435	-
Staff Welfare Expense	10,195	2,000
<b>TOTAL</b>	<b>2,928,415</b>	<b>2,688,550</b>

**Note : 21 Finance Cost**

(Amt. in Rs.)

Particulars	2017-18	2016-17
Bank Charges	697	1,633
Interest on Profession Tax	-	186
Interest on Custom Duty	2,070	-
Interest on TDS	1,444	551
Interest on Unsecured Loan	59,992	-
Interest on Income Tax	-	19,508
<b>TOTAL</b>	<b>64,203</b>	<b>21,878</b>

**Note : 22 Depreciation and Amortization Cost**

(Amt. in Rs.)

Particulars	2017-18	2016-17
Depreciation	259,332	353,653
<b>TOTAL</b>	<b>259,332</b>	<b>353,653</b>

**Note : 23 Other Expenses**

(Amt. in Rs.)

Particulars	2017-18	2016-17
Audit Fees	50,000	29,500
Advertisement Expense	34,518	14,897
Bad Debts	737,383	-
Courier Expense	85,608	44,788
Conveyance Expenses	98,272	60,155
Discount	358	-
Donation	-	7,500
Rent	634,320	565,740
Insurance Expenses	89,274	36,947
Sales Tax	9,854	124,787
Legal & Professional Fees	180,169	407,822
Office Expenses	98,499	39,845
Loading & Forwarding Charges	155,350	169,223
Loss on sale of Machinery	229,752	-
Printing & Stationery	4,910	1,953
ROC Fees	19,800	25,800
Security Charges	144,000	192,000
Telephone Expenses	23,007	62,447
Website Expenses	8,260	7,475
<b>TOTAL</b>	<b>2,603,333</b>	<b>1,790,879</b>

**Payment to Auditors**

-As Auditor	50,000	29,500
-As Advisor	-	-
-Any other Manner	-	-

**Note : 24 Tax Expenses**

(Amt. in Rs.)

Particulars	2017-18	2016-17
<b>Current Tax</b>		
Provision For Income Tax	300,000	495,000
<b>Deferred Tax Liability / (Asset)</b>		
Related to Depreciation	46,702	15,339

**Note : 25 Earnings Per Share**

(Amt. in Rs except per share data)

Particulars	2017-18	2016-17
Profit for the period attributable to Equity Shareholder	544,157	1,066,165
No of weighted average equity shares outstanding during the year	2,632,000	2,632,000
Nominal Value of Equity Share	10	10
Basic and Diluted Earning Per Share	0.21	0.41

**NOTE 26 - DETAILS OF RELATED PARTY TRANSACTION**

Description of Relationship	Name of Related party
Key Management Personnel (KMP)	Mahesh Mehta
Key Management Personnel (KMP)	Santosh Sawant
Key Management Personnel (KMP)	Kamlesh Kapadia
Key Management Personnel (KMP)	Megha Chandawalla
Relative of Director	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

(Amt. in Rs.)

Type of Related Party/ Nature of Transaction	Enterprises owned by Director/Major Shareholders	Key Management Personnel	Relatives of Key Mgmt Personnel	No. of Parties Involved
Rent Paid	NIL	NIL	360,000	1
Salary/ Director Remuneration	NIL	600,000	830,000	2
Purchase of Materials	43,476,080	NIL	NIL	1
Sales	11,222,308	NIL	NIL	1
<b>Balance Outstanding :</b>				
a) Unsecured Loan	NIL	NIL	NIL	NIL
b) Sundry Creditors	1,008,210	NIL	NIL	NIL
c) Other liabilities	NIL	NIL	NIL	NIL

**NOTE: 27 Segment Reporting**

The Company is which is currently in the business of manufacturing and processing of all kinds of self-adhesive and adhesive tapes is now diversifying its business into by starting a new business of alternative energy as permitted by the main object of Memorandum of Association of the Company

Reportable Segment	Products
Tapes	Manufacturing and trading of adhesive tapes
Solar Cells	Trading into solar panels and solar cells

(Amount in Rs.)			
Sr No	Particulars	For the Year Ended 2017-18	For the Year Ended 2016-17*
1	<b>Segment Revenue</b>		
	- Tapes	5,43,24,738	4,77,26,157
	-Solar Cell	1,34,38,945	-
	<b>Total</b>	<b>6,77,63,683</b>	<b>4,77,26,157</b>
2	<b>Segment Results</b>		
	- Tapes	5,08,553	15,81,795
	-Solar Cell	3,91,326	-
	<b>Profit / Loss before tax</b>	<b>8,99,879</b>	<b>15,81,795</b>
3	<b>Capital Employed (Segment Assets - Segment Liabilities)</b>		
	- Tapes	2,66,80,700	3,95,75,487
	-Solar Cell	1,34,38,945	-
	<b>Total</b>	<b>4,01,19,645</b>	<b>3,95,75,487</b>

\* There was only one reportable segment during the year 2016-17 i.e tapes. The figures of 2016-17 are just given for comparison purpose.

**NOTE :28 Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006**

Micro, Small and Medium Enterprises as defined under MSMED Act, 2006 have not been identified by the Company. Thus in the absence of relevant information we are unable to state the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period.

**NOTE:29 Contingent Liability**

Contingent Liabilities and commitments (to the extent not provided for) – Nil

**NOTE :30**

Figures of previous year have been regrouped / reclassified wherever necessary to confirm to the current year's presentation.

As per our report of even date attached

For R T JAIN & CO LLP

CHARTERED ACCOUNTANTS

(FR No – 103961W/W100182)

CA BANKIM JAIN

PARTNER

M. No 139447

Mumbai, May 14, 2018

For and on behalf of the Board

Sd/-

Mahesh Mehta  
(Managing Director)  
(DIN – 00191524)

Sd/-

Megha Chandawalla  
(Whole Time Director)  
(DIN – 07118714)

Sd/-

(Chintan Mehta)  
(Chief Financial Officer)



**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) **Tel No.:** 022-22676700

**CIN No:** U25203MH2013PLC244911

**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 5<sup>th</sup> Annual General Meeting of the Company held on Saturday September 29, 2018 at 11.30 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



**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) **Tel No.:** 022-22676700

**CIN No:** U25203MH2013PLC244911

**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

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/ her

2. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_  
 Signature:  or failing him/ her

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 5<sup>th</sup> Annual General Meeting of the members of the company, to be held on the September 29, 2018 at 11.30 a.m. 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:

Resolution No.	Resolution	Optional	
		For	Against
<b>Ordinary Business:</b>			
1.	To receive, consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2018 including audited Balance Sheet as at March 31, 2018 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 Mrs. Megha Chandawalla (Holding DIN 07118714), who retires by rotation and being eligible offered herself for re-appointment		
3.	To Approve the Reclassification of Promoters and Promoter Group		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

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

Affix Revenue Stamp
---------------------------

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

**Notes:**

- 1. Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.**
- 2. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company carrying voting rights. Members holding more than ten percent of the total Share Capital of the Company carrying voting rights may appoint a single person as Proxy, who shall not act as Proxy for any other Member**
- 3. 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.**



**If undelivered,**  
Please return to:

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