

*Hawa Engineers Ltd.*

**23<sup>rd</sup>**

**ANNUAL REPORT**

**2015-2016**



## 23rd ANNUAL REPORT 2015-2016

### BOARD OF DIRECTORS

Aslam Kagdi	Chairman, Managing Director & CFO
Asad Kagdi	Joint Managing Director & CEO
Mohammed Khan Pathan	Whole Time Director
Shad Mdafzal Ranginwala	Director
Zafar Abdullamiya Hawa	Director
Sajid Mehboobhai Sacha	Director
Mohamedzakari Asad Kagdi	Director
Anwarahmed Mohammed Javid Daruwala	Director
Mahboob Abdul Rehman Shaikh	Director
Sabana Amjad Rehmani	Director

### COMPANY SECRETARY

Dhanesh Pravinbhai Shah

### AUDITOR:

**Yusuf C. Mansuri & Co.**

Chartered Accountant, Ahmedabad

### PRINCIPAL BANKERS:

#### Canara Bank

Navrangpura, Ahmedabad

#### The Karur Vysya Bank Ltd

Ashram Road, Ahmedabad

#### Bank of Baroda

Gita Mandir Road, Ahmedabad

### REGISTERED OFFICE

Plot No. 129, Near Kashiram Textile Mill,

Narol Road, Ahmedabad - 382405

Tel : 079-25320781/82/83/86

E-mail : riyaz@hawaengltd.com

Website : www.hawaengltd.com

### CORPORATE IDENTIFICATION NUMBER:

L29120GJ1993PLC019199

### REGISTRAR & TRANSFER AGENT:

Big Share Services Private Limited

E 2/3, Ansa Industrial Estate, Saki Vihar road,  
Sakinaka, Andheri (E) Mumbai-400072.

Phone No: 022-40430200

E-mail : investor@bigshareonline.com

Website : www.bigshareonline.com

CIN : U99999MH1994PTC076534

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**NOTICE**

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of Hawa Engineers Limited will be held on Friday, 30<sup>th</sup> September, 2016 at 3.00 p.m. at the registered Office of the Company situated at Plot No. 129, Near Kashiram Textile Mill, Narol Road, Ahmedabad – 382405, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2016 and the Profit and Loss Account for the year ended on that date together with the Report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Zafar Abdullamiya Hawa (DIN: 02430867), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Aslam Kagdi (DIN: 00006879), who retires by rotation and, being eligible, offers himself for re-appointment.
4. Pursuant to provisions of Section 139 of the Companies Act, 2013 and rules made thereunder and pursuant to the recommendation of the Audit Committee of the Board of Directors, the appointment of M/s. Yusuf C. Mansuri & Co., Chartered Accountants, Ahmedabad, (FRN. 111768W) be and is hereby ratified as Auditor of the Company to hold the office from the conclusion of this Annual General meeting i.e. 23<sup>th</sup> AGM till the conclusion of the 24<sup>th</sup> AGM (i.e. for the period of 1 year)

**By order of Board of Directors  
Hawa Engineers Limited**

Sd/-

**Aslam Kagdi  
Chairman  
DIN: 00006879**

**Date :** 28<sup>th</sup> May, 2016

**Place :** Ahmedabad

**Registered Office:**

Plot No. 129, Near Kashiram Textile Mill

Narol Road, Ahmedabad – 382405

CIN :L29120GJ1993PLC019199

**NOTES:**

1. A Member entitled to attend and vote at The Annual General Meeting (“Meeting/AGM”) is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10 percent of the total share capital of the company. However, A member holding more than 10%, of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member. The instrument appointing proxy in order to be valid and effective should be lodged / deposited with the company at its Registered Office at least 48 (Forty Eight) hours before the commencement of the Meeting.
2. As there being no Special Business to be transacted, disclosure by way of Explanatory Statement as per clause 49 of the listing agreement(s), pursuant to Section 102 of the Companies Act, 2013 is not required.
3. The Register of Members and the Share Transfer Books of the company shall remain closed from 23<sup>th</sup> September to 30<sup>th</sup> September, 2015 (both days inclusive).
4. Members/proxies should bring their copy of the Annual Reports and Accounts along with Attendance Slip (duly completed) when attending the Meeting.

5. Corporate members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to section 113 of the Companies Act, 2013, are requested to send to the company, a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representatives authorized under the said resolution to attend and vote on their behalf at the meeting.
6. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respects of electronic holding with the Depository through their concerned Depository Participants.
7. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
8. Shareholders desiring any information as regards the Accounts are required to write to the Company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.
9. Mr. Zafar Abdullamiya Hawa & Mr. Aslam Kagdi – directors retire by rotation and, being eligible, offer themselves for re-appointment at the Annual General Meeting. A brief resume of the said directors is given below.

Name	Mr. Aslam Kagdi	Mr. Zafar Abdullamiya Hawa
Directors Identification Number (DIN)	00006879	02430867
Age	56 Years	50 Years
Qualification	B.E.	B.COM
Expertise in Specific Area	Wide business experience with Leadership Qualities	Wide business experience with Leadership Qualities
Date of first Appointment on the Board of the Company	01/06/2000	01/10/2013
Shareholding in Hawa Engineers Limited	1,78,110	6,800
List of Directorship held in other companies	01	01
Membership/Chairmanships of Audit and stake holders relationship committees	02	NIL

10. A Route map showing directions to reach the venue of the 23rd Annual General Meeting is Annexed to the notice of this annual report as per the requirement of the Secretarial Standards -2 on "General Meeting".

**The instructions for members for voting electronically are as under:-**

- i) The voting period begins on 27<sup>th</sup> September, 2016 (9:00 AM) and ends on 29<sup>th</sup> September, 2016 (5:00 PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23<sup>rd</sup> September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- iii) Click on Shareholders
- iv) 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.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) 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.
- vii) 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 (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) 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. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> 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> <ul style="list-style-type: none"> <li>• 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 (iv).</li> </ul>

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then reach directly 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.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant HAWA ENGINEERS LTD on which you choose to vote.
- xii) 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.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- xiv) 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.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xix) **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.
- xx) 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).

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on 27<sup>th</sup> September, 2016 (9:00 AM) and ends on 29<sup>th</sup> September, 2016 (5:00 PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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).

**BOARD'S REPORT**

To,  
The Members,  
Hawa Engineers Ltd.

Your Directors have pleasure in presenting the Twenty Third Annual Report together with the Audited Statements of Accounts for the Year ended 31st March, 2016.

**FINANCIAL HIGHLIGHTS AND PERFORMANCE OF THE COMPANY:****(Amount in Rs.)**

<b>Particulars</b>	<b>Year Ended 31/03/2016</b>	<b>Year Ended 31/03/2015</b>
Sales and other Income	43,07,55,985	45,94,21,948
Total Expenses before interest, Depreciation	40,56,21,385	43,62,85,558
Profit before Interest, Depreciation, Taxation.	2,51,34,600	2,31,36,390
Interest	85,41,562	71,82,174
Depreciation	65,07,040	58,31,162
Profit / (Loss) before tax.	100,85,999	1,01,23,054
Provision for taxation	33,11,395	32,86,400
Profit/ (Loss) after tax	67,74,603	68,36,654

**OPERATIONAL OVERVIEW:**

During the Year under review, the total revenue from operations (gross) of your Company stood at Rs 4751.328 lacs as against Rs. 5110.33 lacs for FY 2014-15 showing a decrease of 7.03%. One of the reasons for the reduction in turnover is slowdown of economy. However, Earnings before interest, tax, depreciation and amortization (EBITDA) were Rs. 251.346 lacs registering a growth of 7.95% over the EBITDA of Rs. 231.36 lacs in 2014-15. Profit after tax (PAT) for the year was Rs. 67.74 lacs recording a decline of 0.9% over the PAT of Rs. 68.36 lacs in 2014-15. The movement of finished products from factory, arrangement of raw materials etc was satisfactory in comparison to previous financial year. The staff and workers put their sincere effort in the operation of the plant and achieving efficiency in the production level.

During the Year under review, export realization has decreased from Rs. 413.22 lacs to Rs. 224.11 lacs and your director feels proud in saying that we have been successfully able to expand our horizon in the International market. However, expenditure in foreign Currency has also increased from Rs. 31.12 lacs to Rs. 50.34 lacs as compared to that of Previous Year (2014-15).

Your Directors have taken appropriate remedial action to mitigate the adverse circumstances and are hopeful of better performance and results during the current year.

Your Company has taken effective steps to improve its production and sales during the year under review.

**LISTING OF SECURITIES ON BOMBAY STOCK EXCHANGE:**

Directors feel proud to inform you that your equity shares have listed on Bombay Stock Exchange Limited (BSE), Mumbai and our shareholders will be able to successfully trade on BSE platform.

**SHARE CAPITAL:**

The paid up equity capital as on March 31, 2016 was Rs.352.64 Lakhs during the year under review.

**DIVIDEND:**

The Company has made the profits during the year, but to conserve the resources, the Directors do not recommend Dividend this year.

## **TRANSFER TO RESERVES:**

The Company proposes to transfer Rs. 50 lacs to the general reserve out of the amount available for appropriation and an amount of Rs 46.05lacs is proposed to be retained in the profit and loss account.

## **HUMAN RESOURCE:**

The company has continued to maintain harmonious and cordial relations with its officers, supervisors and workers enabling the Company to maintain the pace of growth. Training is imparted to employees at all levels and covers both technical and behavioral aspects.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Loans, Guarantees and investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in this Annual Report.

## **FIXED DEPOSITS:**

Your Company has not accepted any Fixed Deposits and, as much, no amount of principle or interest was outstanding as on date of Balance Sheet.

## **SUBSIDIARIES AND ASSOCIATES:**

No disclosure under the provisions of the Companies Act, 2013 and Rules made there under is required by the Company as there is no Subsidiary, Associate or Joint Venture Company.

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

## **PARTICULARS OF EMPLOYEES:**

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure I** to the Board's Report.

There is no employee employed throughout the Financial Year and in receipt of remuneration of Rs. 60 lacs or more, or employed for the part of the year and in receipt of Rs. 5 lacs or more a month. Hence, no disclosure is required pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (b) the Directors have 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 as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Director's have prepared the annual accounts on a "Going concern basis";
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and under regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Mr. Zafar Abdullamiya Hawa (DIN: 05199634) retires by rotation and being eligible has offered himself for re-appointment.

Mr. Aslam Kagdi (DIN: 00006879) retires by rotation and being eligible has offered himself for re-appointment.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

**NUMBER OF MEETINGS OF THE BOARD:**

The Board met four times during the Financial Year, the details of which are mentioned below the intervening gap between any two meetings was within the period prescribed under Companies Act, 2013.

**POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:**

The Current Policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board, and separate its functions of Governance and Management. As on 31<sup>st</sup> March, 2016, the Board consists of 9 Directors, 4 of whom are Executive or Whole-time Directors, and 5 are Non-Executive Directors, of which 4 are Independent Directors. The Board periodically evaluates the need for change in its composition and size.

The policy of the Company on Director's appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of directors, and other matters provided under Sub-section (3) of Section 178 of the Companies Act, 2013, adopted by Board, is available on Company website: [www.hawaengltd.com](http://www.hawaengltd.com).

**EVALUATION OF PERFORMANCE OF BOARD:**

The Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

**COMMITTEES OF THE BOARD:**

The details pertaining to composition of various committees as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013

**FAMILIARISATION PROGRAMME**

The Company undertook various steps to make the Independent Directors have full understanding about the Company. The details of such familiarisation programmes have been disclosed on the Company's website: [www.hawaengltd.com](http://www.hawaengltd.com)

**RISK MANAGEMENT:**

Apart from normal business risk, no major risk is foreseen that in the opinion of the Board may threaten the existence of the Company. During the Year, the Board has decided that Audit Committee shall identify risk, assess, monitor, review and report the risk engaged in the business and shall also carry out the role of Risk Management.

**AUDITORS AND AUDITORS' REPORT:**

Ratify the appointment of M/s. Yusuf C. Mansuri & Co., Chartered Accountants, Ahmedabad, (FRN. 111768W), Chartered Accountants, as approved by Members at the Twenty second Annual General Meeting as Statutory Auditors of the Company, to hold office until the conclusion of Twenty Seventh Annual General Meeting, and to fix their remuneration for the financial year ending 31st March, 2017.

## **SECRETARIAL AUDITOR:**

The Board has appointed M/s Samdani Shah & Associates, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2016 is annexed herewith marked as **Annexure II** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## **PREVENTION OF INSIDER TRADING:**

In January 2015, SEBI notified the SEBI (Prohibition of insider trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto, the Company has formulated and adopted a new Code for Prevention of Insider Trading.

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Directors and the designated employees have confirmed compliance with the Code.

## **Corporate Social Responsibility**

Section 135 of the Companies Act, 2013 and framed Rules thereunder provides that certain Companies are required to spend 2% of its average net profit during 3 preceding years on CSR activities. It also provides formation of CSR committee of the Board. The Rules prescribe the activities qualify under CSR and the manner of spending the amount. The company is not covered under section 135 of the Companies Act, 2013 and the Rules framed thereunder for the financial year under report. CSR Committee of the Board will be constituted at the time of applicability, of section 135 of the Act. Hence CSR report is no required to be annexed.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any. In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. 33rd Annual Report 2015-2016 17 The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

## **EXTRACT OF ANNUAL RETURN**

As provided under Section 92(3) of the Act, the extract of annual return is given in **Annexure III** in the prescribed Form MGT-9, which forms part of this report.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

### **A) CONSERVATION OF ENERGY:**

#### **i. Steps taken or impact on conservation of energy:**

Though the company is not a power intensive unit, it has always emphasized the importance of energy conservation at each stage of operation and is in the process of implementing all possible measures of minimizing power consumption.

#### **ii. Steps taken by the Company for utilizing alternative sources of energy: Not Applicable**

#### **iii. Capital Investment on energy conservation equipments: Not Applicable**

**B) TECHNOLOGY ABSORPTION:****i. Efforts made towards Technology Absorption:**

Our Company has successfully introduced the Investment Casting Process in steel and Stainless steel of various grades in the manufacturing of Valves. The company's products have been modernized to conform to international standards of API, BS and DIN.

**ii. the benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable****iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable****iv. the expenditure incurred on Research and Development: Not Applicable****C) FOREIGN EXCHANGE EARNINGS AND OUTGOING:**

Particulars	2015-16	2014-15
Foreign Exchange Earned	2,24,10,724/-	4,13,22,403/-
Foreign Exchange Out go	50,34,895	31,21,105/-

**BUSINESS RISK MANAGEMENT:**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & under regulation 21 of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015, At present the company has not identified any element of risk which may threaten the existence of the company.

**DISCLOSURES:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

As per the requirement under The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with rules made there under, your Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

**ACKNOWLEDGEMENT:**

The Directors wish to convey their gratitude and appreciation to all of the Company's employees for their tremendous personal efforts as well as their collective dedication and contribution to the Company's performance.

The Directors would also like to thank the employee unions, shareholders, customers, dealers, suppliers, bankers, government and all other business associates for their continued support extended to the Company and the Management.

**For and on behalf of the Board of Directors**

Sd/-

**Aslam Kagdi**

Chairman and Managing Director

**DIN: 00006879**

Place : Ahmedabad

Date : 28<sup>th</sup> May, 2016

## ANNEXURE I

Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2014-15:

Name of Directors/ KMP	Ratio of Remuneration to median Remuneration of Employees	% increase in remuneration in the Financial Year
<b>Executive Directors</b>		
Aslam Kagdi (MD & CFO)	13.32:1	(40.26)
Asad Kagdi	13.32:1	(40.26)
Mohammedkhan Pathan	4.71:1	NIL
<b>Non – Executive Directors</b>		
Zafar Abdullamiya Hawa	-	-
MahboobAbdul Rehman Shaikh	-	N.A.
Sajid Mehboobbhai Sacha	-	-
Sabana Amjad Rehmani	-	N.A.
Shad Mdafzal Ranginwala	-	-
Anwarahmed Mohammed Javid Daruwala	-	N.A.

- ii. The percentage increase in the median remuneration of employees in the financial year: NIL

- iii. The number of permanent employees on the rolls of Company: 79

- iv. The explanation on the relationship between average increase in remuneration and Company performance:

The average increase in remuneration is associated with and driven by achievement of annual corporate goals and overall business, financial and operational performance of the Company.

- v. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

The total remuneration of key managerial personnel's increased by 30.13% in 2015-16 whereas the profit after tax decreased by 24.55% in 2015-16.

- vi. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	% change
Market Capitalisation	165740800	NIL	-
Price Earnings Ratio	24.48	NIL	-

**vii. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:** Not Applicable

**viii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

- Average increase in remuneration of employees excluding KMPs : **NIL**
- Average increase in remuneration of KMPs : **40.26 %**
- KMP salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.

**ix. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:**

The Profit After Tax decreased by 24.55% in 2014-15 and the increase in remuneration of each key managerial personnel is detailed in clause (i) above.

**x. The key parameters for any variable component of remuneration availed by the Directors:**

The variable component of remuneration of the executive Director comprises of annual performance bonus which is linked to achievement of corporate goals.

The non-executive Directors of the Company are entitled to annual commission within the ceiling of 1% of net profit of the Company as approved by shareholders.

**xi. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:** None.

**xii. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration is as per the Remuneration Policy of the Company.

**ANNEXURE II**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule  
No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Hawa Engineers Ltd

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hawa Engineers Ltd (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 Hawa Engineers Ltd (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 31.03.2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter: We have examined the books, papers, minute books, forms and returns filed and other records maintained by Hawa Engineers Ltd. ("the Company") for the financial year ended on 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;—
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; – Not Applicable;
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the company during the Audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008– Not Applicable;
  - (f) 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; –
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - - Not Applicable; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - - Not Applicable;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures and Requirement) Regulation 2015;
- (VI) Other Applicable Acts, - As per Management representation there are no other specific act applicable to the company

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s), - BSE Limited & National Stock Exchange of India Limited

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**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 directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** the company needs to appoint its Key Managerial Personnel within 3 months from the date of vacancy and within 6 months from the date of vacancy as per the provision of SEBI (Listing Obligations and Disclosure Requirements ),2015 and Companies Act 2013. However the company has still not appointed the said Key Managerial Personnel i.e. a Company Secretary.

Chirag Shah  
Partner  
Samdani Shah & Associates  
FCS No. 5545  
C P No.: 3498

Place : Ahmedabad  
Date : 28<sup>th</sup> May, 2016

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

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**'Annexure A'**

To,  
The Members  
Hawa Engineers Ltd

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

**Management's Responsibility**

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtain from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

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.

Chirag Shah  
Partner  
Samdani Shah & Associates  
FCS No. 5545  
C P No.: 3498

Place : Ahmedabad  
Date : 28<sup>th</sup> May, 2016

## ANNEXURE III

### Form MGT-9

#### EXTRACT OF ANNUAL RETURN

as on Financial Year ended 31<sup>st</sup> March, 2016

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

#### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L29120GJ1993PLC019199
ii.	Registration Date	26/03/1993
iii.	Name of the Company:	HAWA ENGINEERS LTD
iv.	Category/ Sub- category of Company	Public Company Limited by Shares/ Non-Government Company
v.	Address of the Registered office and contact details:	Plot No.129, Near Kashiram Textile Mill, Narol Road, Ahmedabad – 382405, Gujarat, India Tel: +91 079 25320781/82/83/86 E-mail: riyaz@hawaengltd.com Website: www.hawaengltd.com
vi.	Whether Listed Company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Big Share Services Private Limited</b> E 2/3, Ansa Industrial Estate, Saki Vihar road, Sakinaka, Andheri (E) Mumbai-400072 Tel: +91 022 40430200 Fax: 022 28475207 E-mail: investor@bigshareonline.com Website: www.bigshareonline.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:-

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
i.	Manufacturing of Industrial valves	28132	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
N.A.					



## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

## (i) Category – wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Physical	Demat	Total	% of Total Shares	Physical	Demat	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a. Individuals / Hindu Undivided Family	1016500	844910	1861410	52.78	929800	931610	1861410	52.78	-
b. Central Government/ State Governments	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	-	-	-	-	-	-	-	-	-
d. Banks/ FIs	-	-	-	-	-	-	-	-	-
e. Others	-	-	-	-	-	-	-	-	-
<b>Sub- total (A) (1)</b>	1016500	844910	1861410	52.78	929800	931610	1861410	52.78	
<b>2. Foreign</b>									
a. Individuals(NRIs / ForeignIndividuals)	-	-	-	-	-	-	-	-	-
b. Bodies Corporate	-	-	-	-	-	-	-	-	-
c. Institutions	-	-	-	-	-	-	-	-	-
d. Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e. Others	-	-	-	-	-	-	-	-	-
<b>Sub – total (A) (2) Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A) (2)</b>	1016500	844910	1861410	52.78	929800	931610	1861410	52.78	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks/ FIs	-	-	-	-	-	-	-	-	-
c. Central / State Government	-	-	-	-	-	-	-	-	-
d. Venture Capital Funds	-	-	-	-	-	-	-	-	-
e. Insurance Companies	-	-	-	-	-	-	-	-	-
f. FIIs	-	-	-	-	-	-	-	-	-
g. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h. Others	-	-	-	-	-	-	-	-	-
<b>Sub – total (B) (1)</b>	-	-	-	-	-	-	-	-	-

# Hawa Engineers Ltd.

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Physical	Demat	Total	% of Total Shares	Physical	Demat	Total	% of Total Shares	
<b>2. Non - Institutions</b>									
a. Bodies Corporate									
i. Indian	62600	-	62600	1.78	37600	10517	48117	1.36	-
ii. Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
i. Individual shareholders holding Nominal Share Capital upto Rs. 1 Lacs	976890	64000	1040890	29.52	1163190	113257	1276447	36.21	-
ii. Individual shareholders holding Nominal Share Capital in excess of Rs. 1 Lacs	440770	120800	561500	15.92	219900	115100	335000	9.50	-
c. Others	-	-	-	-	5426	5426	0.15	-	-
<b>Sub - total (B) (2)</b>	1625290	39700	1664990	47.22	1383090	228357	1616873	45.86	-
<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	1625290	39700	1664990	47.22	1420690	238874	1664990	47.22	-
<b>C Shares held by Custodian for ADRs and GDRs</b>	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A) + (B) + (C)</b>	2641790	884610	3526400	100	2260090	1266310	3526400	100	-

**(ii) Shareholding of Promoters**

SN	Name of Shareholder	Shareholding at the beginning of the year			Share holding at the end of the year			% change 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.	FazlurehmanMohammedmiyaKagdi	103800	2.94	0	103800	2.94	0	-
2.	MohammedFazlurrehmanKagdi	112800	3.20	0	112800	3.20	0	-
3.	JamilabibiFazlurrehmanKagdi	209700	5.95	0	209700	5.95	0	-
4.	Aslam F. Kagdi	178110	5.05	0	178110	5.05	0	-
5.	Asad F. Kagdi	172200	4.88	0	172200	4.88	0	-
6.	Aaminah MohamedZakariakagdi	139700	3.96	0	139700	3.96	0	-
7.	TehseenMohammedasadKagdi	99500	2.82	0	99500	2.82	0	-
8.	AsfakM rangoonwala	78000	2.21	0	78000	2.21	0	-
9.	Sarah AslamKagdi	172800	4.90	0	172800	4.90	0	-
10.	M ZakariyaKagdi	56200	1.59	0	56200	1.59	0	-
11.	Ilias A Kagdi	53300	1.51	0	53300	1.51	0	-
12.	SiddiquaAslamKagdi	53300	1.51	0	53300	1.51	0	-
13.	Zubir A Kagdi	48400	1.37	0	48400	1.37	0	-
14.	Abdullah M. Kagdi	33400	0.95	0	33400	0.95	0	-
15.	Aasia A Rangoonwala	28000	0.79	0	28000	0.79	0	-
16.	Tariq A Kusiwala	27900	0.79	0	27900	0.79	0	-
17.	Wasim M. Shaikh	27900	0.79	0	27900	0.79	0	-
18.	SohelSadikManiar	25300	0.72	0	25300	0.72	0	-
19.	M N Pathan	24300	0.69	0	24300	0.69	0	-
20.	FowziaHawa	24200	0.69	0	24200	0.69	0	-
21.	Humaira Mohammed Kagdi	43200	1.23	0	43200	1.23	0	-
22.	Sufiyan A Payawala	11700	0.33	0	11700	0.33	0	-
23.	SumaiyaAslam	9100	0.26	0	9100	0.26	0	-
24.	Zafar Abdullah Hawa	6800	0.19	0	6800	0.19	0	-
25.	Bismilakhan N Pathan	4900	0.14	0	4900	0.14	0	-
26.	KhalikYahyabhahiHawa	4400	0.12	0	4400	0.12	0	-
27.	HaseebYusuffbhaiKapadia	4000	0.11	0	4000	0.11	0	-
28.	MujibaZafarHawa	3900	0.11	0	3900	0.11	0	-
29.	Ibrahim Mohammed Kagdi	3400	0.10	0	3400	0.10	0	-
30.	ZunnunHawa	3100	0.09	0	3100	0.09	0	-
31.	Ismail Keriwala	2500	0.07	0	2500	0.07	0	-
32.	SajidMehboobhaiSacha	2800	0.08	0	2800	0.08	0	-
33.	SaberaHawa	1100	0.03	0	1100	0.03	0	-
34.	Safiyakeriwala	91500	2.59	0	91500	2.59	0	-
35.	GulamhussainMohammedemail Keriwala	200	0.01	0	200	0.01	0	-

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. Of shares	% of total shares of the company	No. Of shares	% of total shares of the company
1.	At the Beginning of the Year	1861410	52.78	1861410	52.78
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	-	-	-	-
3.	At the end of the year	1861410	52.78	1861410	52.78

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Name of Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. Of shares	% of total shares of the company	No. Of shares	% of total shares of the company
1.	BISHMA MOHAMMED ILYAS KAGDI	63300	1.7950	63300	1.7950
2.	VIJAY V MEHTA	60000	1.7015	60000	1.7015
3.	AKBARKHAN M MALEK	50000	1.4179	50000	1.4179
4.	RUSHNAIWALA AZHAR	33000	0.9358	33000	0.9358
5.	MUSTAKINA PAYAWALA	28000	0.7940	28000	0.7940
6.	RATILAL M THAKKAR	20000	0.5672	20000	0.5672
7.	MAHESH R THAKKAR	15000	0.4254	15000	0.4254
8.	SAIYED SOFI VAZIR ANSAR	14800	0.4197	14800	0.4197
9.	MD. FARUK SHAIKH	13000	0.3686	13000	0.3686
10.	ASHOK R THAKKAR	12000	0.3403	12000	0.3403

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

Sr. No.	Shareholder's Name	Date	Shareholding at the beginning of the year		Date wise Increase/ Decrease during the Year	Cumulative Shareholding during the year	
			No. Of shares	% of total shares of the company		No. Of shares	% of total shares of the company
1.	Aslam Kagdi (MD & CFO*)	As on 01.04.2015	178110	5.05	NIL	178110	5.05
		As on 31.03.2016				178110	5.05
2.	Asad Kagdi (MD & CEO)	As on 01.04.2015	172200	4.88	NIL	172200	4.88
		As on 31.03.2016				172200	4.88
3.	Mohammed Khan Pathan	As on 01.04.2015	24300	0.69	NIL	24300	0.69
		As on 31.03.2016				24300	0.69
4.	Zafar Abdullamiya Hawa	As on 01.04.2015	6800	0.19	NIL	6800	0.19
		As on 31.03.2016				6800	0.19
5.	Shad Mdafzal Ranginwala	As on 01.04.2015	0	0	NIL	0	0
		As on 31.03.2016				0	0
6.	Sabana Amjad Rehmani**	As on 30.09.2015	0	0	NIL	0	0
		As on 31.03.2016				0	0
7.	Sajid Mehboobhai Sacha	As on 01.04.2015	2800	0.08	NIL	2800	0.08
		As on 31.03.2016				2800	0.08
8.	Mahboob Abdul Rehman Shaikh**	As on 30.09.2014	0	0	NIL	0	0
		As on 31.03.2015				0	0
9.	Anwarahmed Mohammed JavidDaruwala	As on 01.04.2014	0	0	NIL	0	0
		As on 31.03.2015				0	0

V. **INDEBTEDNESS****Indebtedness of the Company including interest outstanding / accrued but not due for payment:**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	59215043	8904503	0	68119546
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>59215043</b>	<b>8904503</b>	<b>0</b>	<b>68119546</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	258753089	7317606	0	262052235
* Reduction	241840384	13456813	0	252003709
<b>Net Change</b>	<b>16912704</b>	<b>-6139207</b>	<b>0</b>	<b>10773497</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	76127747	2765296	0	78893043
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>76127747</b>	<b>2765296</b>	<b>0</b>	<b>78893043</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors, other Executive Director and / or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager/other Executive Director					Total Amount (in Rs.)	
		Aslam Kagdi (M.D. & C.F.O.*)	Asad Kagdi (M.D. & C.E.O.)	Mohammed Khan Pathan (W.T.D.)	ZAFAR ABDULLAMIYA HAWA (Non-Executive Director)	Sajid Mehboob bhai Sacha		
1.	Gross salary							
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	13,20,000	13,20,000	6,00,000	0	0	39,91,155	
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0	0	0	0		
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	0	0	0	0	0		
2.	Stock Option	0	0	0	0	0		
3.	Sweat Equity	0	0	0	0	0		
4.	Commission- as % of profit	0	0	0	0	0		
5.	Other Allowances	375578	375577	0	0	0	751155	
	<b>TOTAL (A)</b>	<b>1695578</b>	<b>1695577</b>	<b>6,00,000</b>	<b>0</b>	<b>0</b>	<b>39,91,155</b>	
	Ceiling as per the Section 197(3) and Schedule V of the Companies Act, 2013	42,00,000						

\* Appointed as Chief Financial Officer of the Company during the Year in the Board Meeting held on 03<sup>rd</sup> July, 2014.

### B. Remuneration to other directors: (Refer Corporate Governance Report for details):

Sr. No.	Name of Director	Particulars of Remuneration			Total Amount (in Rs.)
		Fee for attending board/committee meetings	Commission	Others, please specify	
<b>1.</b>	<b>Independent Directors</b>				
	Sabana Amjad Rehmani*	0	0	0	0
	Mahboob Abdul Rehman Shaikh*	0	0	0	0
	Shad Mafzal Ranginwala	0	0	0	0
	Anwarahmed Mohammed Javid Daruwala	0	0	0	0
	<b>Total (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2.</b>	<b>Non – Executive Director</b>				
	Zafar Abdullamiya Hawa	0	0	0	0
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>TOTAL (1+2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013)				1,13,107.3

\* Appointed as the Directors of the Company in the AGM held on 30<sup>th</sup> September, 2014

**C. Remuneration to other Key Managerial Personnel:**

Sr. No.	Particulars of Remuneration	Dhanesh Pravinbhai Shah* - CS	Total Amount (in Rs.)
1.	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	40000	40000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	0	0
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission- as % of profit	0	0
5.	Other Allowances	0	0
	<b>TOTAL (A)</b>	40000	40000

\* Dhanesh Pravinbhai Shah was appointed as Company Secretary during the Year in the Board Meeting dated 03<sup>rd</sup> July, 2014.

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NIL		
Compounding					

## INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF  
HAWA ENGINEERS LIMITED.**

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

We have audited the accompanying financial statements of HAWA ENGINEERS LIMITED ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, the Statement of Profit and Loss, the Cash Flow Statement 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 and presentation 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 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2016, 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 (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
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 purposes 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone 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<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, 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 A".
  - g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. – Refer Note 2(XXII) to the financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
    - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

**For YUSUF C. MANSURI & CO.  
Chartered Accountants**

**YUSUF C. MANSURI  
M. No. 038309  
FRN : 111768W**

**Place : Ahmedabad  
Date : 28<sup>th</sup> May, 2016**

## ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (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. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on such verification.  
  
(c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties as disclosed in notes to financial statement are held in the name of company.
2. (a) The inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of such physical verification is reasonable. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. The company has not granted loans, secured or unsecured to companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act 2013.
4. In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantee or security to the parties covered under Section 185 of Companies Act, 2013. The company has not made any investments as specified under section 186 of Companies Act, 2013. Therefore, the provision of Clause 3(iv) of the said order is not applicable to company.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
6. We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (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 were no outstanding statutory dues as on 31<sup>st</sup> of March, 2016 for a period of more than six months from the date they became payable.  
  
(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.
8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank.
9. In our opinion and according to the information and explanations given to us, the amount raised by way of the terms loans have been applied for the purpose for which loans were obtained, other than temporary deployment pending application.

10. 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, nor we have been informed of such case by the management.
11. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.
12. In our opinion and according to information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. The company has entered into transactions with related parties in compliance with the provision of Section 177 and 188. The details of such related party transaction have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. In our opinion and according to information and explanation given to us, the company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures. Therefore, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
15. In our opinion and according to information and explanation given to us, the company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly the provisions of Clause 3(xv) of the Order are not applicable to the Company.

For **YUSUF C. MANSURI & CO.**  
**Chartered Accountants**

**YUSUF C. MANSURI**  
**M. No. 038309**  
**FRN : 111768W**

**Place : Ahmedabad**  
**Date : 28<sup>th</sup> May, 2016**

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**Annexure - B to the Independent 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 Hawa Engineers Ltd. ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone 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 and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **YUSUF C. MANSURI & CO.**  
**Chartered Accountants**

**Place : Ahmedabad**  
**Date : 28<sup>th</sup> May, 2016**

**YUSUF C. MANSURI**  
**M. No. 038309**  
**FRN : 111768W**

**BALANCE SHEET AS AT 31ST MARCH, 2016**

Particulars	Note	As at 31st March, 2016	As at 31st March, 2015
<b>I EQUITY AND LIABILITIES :</b>			
<b>1 SHAREHOLDERS' FUNDS :</b>			
Share Capital	3	35264000	35264000
Reserves and Surplus	4	71994956	65220352
		107258956	100484352
<b>2 NON-CURRENT LIABILITIES :</b>			
Long-Term Borrowings	5	17688949	1783320
Deferred Tax Liabilities (Net)	6	6869761	6809366
Other Long-Term Liabilities	7	26151359	35178229
Long-Term Provisions	8	6043081	5306666
		56753151	49077581
<b>3 CURRENT LIABILITIES :</b>			
Short-Term Borrowings	9	61204094	66336226
Trade Payables	10	78617440	49642572
Other Current Liabilities		0	0
Short-Term Provisions	11	4955363	8144596
		144776897	124123394
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>308789004</b>	<b>273685327</b>
<b>II ASSETS :</b>			
<b>1 NON-CURRENT ASSETS :</b>			
Fixed Assets	12	68010875	65359951
Non-Current Investments	13	3500600	600
Long Term Loans and Advances		0	0
		71511475	65360551
<b>2 CURRENT ASSETS :</b>			
Inventories	14	71107027	45432533
Trade Receivables	15	95478828	84590386
Cash and Bank Balances	16	35666994	38934122
Short Term Loans and Advances	17	25417605	27617483
Other Current Assets	18	9607076	11750252
		237277529	208324776
<b>TOTAL ASSETS</b>		<b>308789004</b>	<b>273685327</b>

(Significant Accounting Policies & Notes forming Part of the Financial Statements) 1 & 2

**As per our Report of even date  
For YUSUF C. MANSURI & CO.  
Chartered Accountants  
(FRN.: 111768w)  
Yusuf C. Mansuri  
Proprietor  
Membership No. : 38309  
AHMEDABAD  
MAY 28, 2016**

**For and on behalf of the Board of Directors**

**ASLAM F. KAGDI  
(DIN : 00006879)**

**Chairman & M. D.**

**ASAD F. KAGDI  
(DIN: 00006898)**

**Jt. Managing Director**

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note	Year ended 31.03.2016	Year ended 31.03.2015
<b>I Revenue From Operations (Gross)</b>	19	475132800	511033021
Less : Excise Duty		47537298	54484409
<b>Revenues From Operations (Net)</b>		427595502	456548612
<b>II Other Income</b>	20	3160483	2873336
<b>III Total Revenues (I+II)</b>		<b>430755985</b>	<b>459421948</b>
<b>IV Expenses :</b>			
Cost of Materials Consumed	21	312811370	350995297
Purchases of Stock-in-Trade		0	0
Change in Inventories of Finished Goods	22	(1,829,791)	(2,090,620)
Employee Benefits & Expense	23	21691213	23205920
Finance Costs	24	10797951	10143430
Depreciation	12	6507040	5831162
Other Expenses	25	70692204	61213705
<b>Total Expenses</b>		<b>420669987</b>	<b>449298894</b>
<b>V Profit Before Tax (III-IV)</b>		<b>10085999</b>	<b>10123054</b>
<b>VI Tax Expenses :</b>			
Current Tax		3251000	3250000
Deferred Tax		60395	36400
<b>VII Profit for the year (V-VI)</b>		<b>6774603</b>	<b>6836654</b>
<b>VIII Earnings per equity share of face value of</b>			
Rs. 10 each Basic and Diluted (in Rs.)		1.92	1.94
(Significant Accounting Policies & Notes forming Part of the Financial Statements)	1 & 2		

As per our Report of even date  
For YUSUF C. MANSURI & CO.  
Chartered Accountants  
(FRN.: 111768w)  
Yusuf C. Mansuri  
Proprietor  
Membership No. : 38309  
AHMEDABAD  
MAY 28, 2016

For and on behalf of the Board of Directors

ASLAM F. KAGDI  
(DIN : 00006879)

Chairman & M. D.

ASAD F. KAGDI  
(DIN: 00006898)

Jt. Managing Director

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Year Ended 31.03.2016 (Rupees)	Year Ended 31.03.2015 (Rupees)
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax as per statement of Profit and Loss	10085999	10123054
<b>Add :</b>		
Depreciation	6507040	5831162
Loss on Sale of Assets (net)	20517	17555
Finance Costs	10797951	10143430
	17325508	15992147
<b>Less :</b>		
Interest Income	3160483	2873336
	3160483	2873336
<b>Operating Profit before Working Capital Changes</b>	<b>24251023</b>	<b>23241865</b>
<b>Adjusted for :</b>		
Trade and Other Receivables	(8,745,264)	(407,459)
Inventories	(25,674,495)	(1,258,179)
Movement in Loans and Advances	2199878	(6,058,984)
Trade and Other Payables	17495181	(13,830,527)
	(14,724,700)	(21,555,149)
<b>Cash Generated from Operations</b>	<b>9526323</b>	<b>1686716</b>
Income Tax (Net)	3251000	5089602
<b>Net Cash from Operating Activities ( A )</b>	<b>6275323</b>	<b>(3,402,886)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale of Fixed Assets	57000	12500
Interest Income	3160483	2873336
	3217483	2885836
<b>Less :</b>		
Purchase of Fixed Assets	9235481	10631840
Investment for M F	3500000	0
	12735481	10631840
<b>Net Cash (used in) Investing Activities ( B )</b>	<b>(9,517,998)</b>	<b>(7,746,004)</b>

# Hawa Engineers Ltd.

Particulars	Year Ended 31.03.2016 (Rupees)	Year Ended 31.03.2015 (Rupees)
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Issue of Share Capital	0	0
Proceeds from Long Term Borrowings	15,905,629	(4,506,612)
Repayment of Long Term Borrowings	0	0
Short Term Borrowings (net)	(5,132,132)	(191,613)
Finance Costs	(10,797,951)	(10,143,430)
<b>Net Cash (used in) / from Financing Activities ( C )</b>	<b>(24,454)</b>	<b>(14,841,655)</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(3,267,128)</b>	<b>(25,990,544)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>38934122</b>	<b>64924666</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>35666993</b>	<b>38934122</b>

As per our Report of even date  
For YUSUF C. MANSURI & CO.  
Chartered Accountants  
(FRN.: 111768w)  
Yusuf C. Mansuri  
Proprietor  
Membership No. : 38309  
AHMEDABAD  
MAY 28, 2016

For and on behalf of the Board of Directors

ASLAM F. KAGDI  
(DIN : 00006879)

Chairman & M. D.

ASAD F. KAGDI  
(DIN: 00006898)

Jt. Managing Director



**SIGNIFICANT ACCOUNTING POLICIES****1. CORPORATE INFORMATION :**

Hawa Engineers Limited is in business of Manufacturing of Industrial Valves, etc. The Company was incorporated in 1993 and it is situated in Ahmedabad, Gujarat.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :****I. Basis of Preparation of Financial Statements :**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material aspects with the accounting standards notified under section 133 of the Companies Act 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial Statements have been prepared on an accrual basis under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**II. Use of Estimates :**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the an outcome requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

Significant judgments and estimates about the carrying amount of assets and liabilities include useful lives of tangible and intangible assets, impairment of tangible assets, intangible assets including goodwill, investments, employee benefits and other provisions and recoverability of deferred tax assets.

**III. Tangible Assets :**

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Gains or losses arising from derecognition / sale proceeds of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**IV. Depreciation :**

Depreciation on fixed asset is calculated on Straight Line Method (SLM) based on the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation on assets purchased / sold during the period is proportionally charged.

**V. Valuation of Inventories :**

Raw materials and stores and spares are valued at lower of cost and net realizable value. Cost is determined on moving weighted average method and includes freight, taxes and duties net of CENVAT / VAT credits, wherever applicable.

Finished goods and work-in-process are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of overheads based on normal operating capacity.

**VI. Investments :**

Investments are either classified as current or long term based on Management's intension. Current investments are carried at lower of cost and quoted / fair value, computed category-wise. Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

**VII. Sales :**

Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Sales of goods are recognized on dispatch to customer, Sales exclude excise duty and state / central sales tax recovered on sales, wherever applicable and stand net of rate differences, sales returns etc.

**VIII. Impairment of Assets :**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**IX. Employee Benefits :**

Short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

Contributions towards Provident Funds are recognized as expenses. Provident Fund contributions in respect of employees are made to Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

Liability towards gratuity, covering eligible employees, is provided on the basis of year end estimation.

Contribution to Central Government administered Employees' State Insurance Scheme for eligible employees are recognized as charge.

**X. Taxation :**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years / period. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

**XI. Provisions and Contingencies :**

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.  
Contingent assets are neither recognized nor disclosed in the financial statements.

**XII. Foreign Currency Transactions :**

Transactions denominated in foreign currency are accounted for at the exchange rate prevailing on the date of transactions.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit & Loss Statement.

**XIII.** The cost of land has been stated as per banakhat executed and includes expenses for registration of banakhat and lawyer's fees.**XIV.** In the opinion of the Board, the current assets, loans and advances and other receivables are approximately of the value stated if realized in the ordinary course of business and all known liabilities have been adequately provided for.**XV.** The disclosures as required by AS-15 (Revised) on Employees Benefits are as under :

Details of expenses incurred for defined contribution plans during the year:

Particulars	31.03.2016	31.03.2015
Provident Fund & Other Funds	16,57,662/-	15,91,694/-
Gratuity	10,84,478/-	7,74,250/-

In respect of employees who have completed five years continuous service as on 31<sup>st</sup> March 2016, Provision for gratuity payable in respect of them is made on the basis of the calculation made in accordance with the provision of payment of Gratuity Act up to 31<sup>st</sup> March 2016 Rs. 60,43,081/- (Previous year Rs. 53,06,666/-)

**XVI. CONSUMPTION OF INDIGENOUS GOODS (IN-VALUE) :**

ITEM	VALUE	PERCENTAGE	TOTAL VALUE
RAW-MATERIALS	31,28,11,370/- (35,09,95,297)	100% (100%)	31,28,11,370 /- (35,09,95,297)
STORES & PACKING MATERIALS	63,71,288/- (57,62,560)	100% (100%)	63,71,288/- (57,62,560)

**XVII. RELATED PARTY INFORMATION :**

The Management has identified the following entities and individuals as related parties of the Company for the year ended March 31, 2016 for the purposes of reporting as per (AS) 18 – Related Party Transactions, which are as under:

**A. Subsidiary Company : - Nil****B. Partnership Firms / Proprietary Concern /Associates Companies:**

Hydint Valve Automation, Orbit Engineers, Marck & Care Engineers, Airmax Pneumatics Ltd., Hawa Control Enterprises, Hawa Control International, Hawa & Marck Engineers, Luft Techno Cast Limited, Aira Automation Engineers, Marck & Aira Engineers, Flange-N-Flange, A. S. Engineers, Aira Euro Automation Pvt. Ltd., Mark & Aira Trading LLC., Aira Electro Pneumatics, Aira Pneumatics, Aira Eurotech Automation, Airmax Engineers, Airmax & Aira Automation, Aira & Cair Engineers, Cair & Aira Automation, Marck Valves N Flanges, Marck Valves, Marck Engineers, Marck Engineers International, Marck & Suzhik Valves, Marck & Aira Valves Automation, Marck & Aira Engineering, Marck & Aira Automation, Marck & Aira Enterprises, Marck Valves Engineering & Automation, Hawa Valves Automation, Hawa Valves & Pneumatics, Hawa Automation Enterprise, Hydint Instrument, Hydint Pneumatics, Orbit & Marck Valves, Versa Industrial Valves, Utech Engineers (India), Zac Valves & Fittings, F M Infrastructure, Aim Metals Pvt. Ltd., Steelmac Controls Pvt. Ltd., Suzhik Flow Control Pvt. Ltd., Aira 4Matics Global Valve Automation Pvt. Ltd., Cair Euromatics Automation Pvt. Ltd.

## C. KEY MANAGEMENT PERSONNEL :

Chairman & Managing Director : Aslam F. Kagdi  
 Jt. Managing Director : Asad F. Kagdi  
 Whole Time Director : Mohammedkhan Pathan

## D. TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR 2015-16 :

NATURE OF TRANSACTIONS COMPANY	ASSOCIATE COMPANIES	FIRMS	KEY MANAGEMENT	RELATIVE OF KEY MANAGEMENT PERSONNEL
Purchase	10,94,54,172/-	6,69,31,377/-	---	---
Previous Year	11,94,85,076/-	5,74,18,347/-	---	---
Sales	27,30,510/-	13,09,80,858/-	---	---
Previous Year	39,39,212/-	15,28,47,493/-	---	---
Sales Commission	9,22,341/-	1,23,89,078/-	---	4,66,610/-
Previous Year	4,82,713/-	90,19,028/-	---	20,98,398/-
Office Rent	---	---	14,40,000/-	17,72,010/-
Previous Year	---	---	10,11,240/-	13,14,612/-
Salary	---	---	---	7,29,000/-
Previous Year	---	---	---	39,60,000/-
Managerial Remuneration/ Seating Fees/Other Benefits	---	---	39,91,155/-	---
Previous year	---	---	30,17,683/-	---
<b>OUTSTANDINGS :</b>				
- Payables	2,05,26,680/-	1,25,40,330/-	---	---
Previous Year	1,28,99,559/-	5,87,139/-	---	---
- Receivables	4,01,565/-	3,33,88,380/-	---	---
Previous Year	2,90,720/-	6,04,24,877/-	---	---
- Rent Deposit	---	---	20,00,000/-	10,00,000/-
Previous Year	---	---	20,00,000/-	10,00,000/-

## XVIII. DEFERRED TAX :

The components of Deferred Tax Liability (net) are as follows:

Particulars	As at March 31, 2015	For the year	As at March 31, 2016
Tax effect of items constituting Deferred Tax liability :			
On difference between book balance and Tax balance of fixed assets	68,09,366/-	60,395/-	68,69,761/-

## XIX. EARNINGS PER SHARE :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

<b>PARTICULARS</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
1. Net Profit after tax	67,74,603/-	68,36,654/-
2. Number of Equity Shares	35,26,400	35,26,400
3. Nominal Value of Shares (Rs.)	10/-	10/-
4. Earnings Per Share (Rs.)	1.92	1.94

**XX. SEGMENT REPORTING :**

Considering the nature of company's business & operations there are no separate reportable segments. In accordance with the Accounting Standard 17 (AS-17) 'Segment Reporting' issued by the Institute of Chartered Accountants of India.'

**XXI.** Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no separate disclosures have been made in the accounts.

**XXII. CONTINGENT LIABILITIES NOT PROVIDED FOR :**

Counter Guarantees, against Bank Guarantees given by the bankers Rs. 2,94,02,289/- (Previous year Rs. 2,92,56,218/-)

**XXIII.** Balance of Trade receivable, Trade Payable, Deposits & Advances to Suppliers are subject to confirmation and adjustments, if any.

**XXIV.** Salary to Directors (including Chairman & Managing Director):

<b>PARTICULARS</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Salary, Allowances & Benefits	39,91,155/-	30,17,683/-

**XXV.** Expenditure in foreign currency (on accrual basis) :

<b>PARTICULARS</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
A P I Expenses	NIL	8,51,460/-
Import Purchase (Advance)	3,34,050/-	11,46,715/-
Import Purchase	47,00,845/-	NIL
Machinery (PMI Gun)	NIL	11,22,930/-

**XXVI.** Details of Auditors Remuneration :

<b>PARTICULARS</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Statutory Audit Fees	50,000/-	50,000/-
Tax Audit Fees	17,000/-	17,000/-
<b>Total Rs.</b>	<b>67,000/-</b>	<b>67,000/-</b>

**XXVII.** Income earned in foreign exchange :

<b>PARTICULARS</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Export of own products	2,24,10,724/-	4,13,22,403/-

**XXVIII.** Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's classification / disclosure.

# Hawa Engineers Ltd.

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE : 3 : SHARE CAPITAL</b>		
<b>1 AUTHORIZED :</b>		
40,00,000 Equity Shares of Rs. 10/- each	<u>40000000</u>	<u>40000000</u>
<b>2 ISSUED, SUBSCRIBED AND PAID UP :</b>		
35,26,400/- Equity Shares of Rs. 10/- each fully paid up	35264000	35264000
<b>TOTAL</b>	<u><u>35264000</u></u>	<u><u>35264000</u></u>
<b>Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period:</b>		
Number of shares at the beginning	3526400	3526400
Number of shares at the end	3526400	3526400
Amount of Share Capital at the beginning	35264000	35264000
Amount of Share Capital at the end	35264000	35264000
<b>Details of Share holders holding more than 5% equity shares :</b>		
Jameela F. Kagdi (5.95%)	209700	209700
Mohammed Aslam F. Kagdi (5.05%)	177210	159410
<b>Terms / Rights attached to Shares :</b>		
The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- per Share. Each holder of equity shares is entitled to one vote per share.		
<b>NOTE : 4 : RESERVES AND SURPLUS</b>		
<b>1 GENERAL RESERVE :</b>		
As per last Balance Sheet	62390000	54890000
<b>Add :</b> Transferred from Profit & Loss Account	<u>5000000</u>	<u>7500000</u>
	67390000	62390000
<b>2 SURPLUS IN THE STATEMENT OF PROFIT &amp; LOSS :</b>		
As per last Balance Sheet	2830352	5333300
<b>Add :</b> Short Provision for Tax	-	(1,839,602)
Profit for the year	<u>6774603</u>	<u>6836654</u>
	9604956	10330352
<b>Less : Appropriations :</b>		
Transferred to General Reserve	<u>5000000</u>	<u>7500000</u>
	4604956	2830352
<b>TOTAL</b>	<u><u>71994956</u></u>	<u><u>65220352</u></u>

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE : 5 : LONG-TERM BORROWINGS</b>		
<b>1 FROM OTHER PARTIES : (Unsecured)</b>		
Luft Capital Ltd.	2765296	1783320
<b>2 FROM BANK : (Secured)</b>		
ICICI Bank - Car Loan	827823	0
Canara Bank - Term Loan	14095830	0
	<u>1783320</u>	<u>0</u>
<b>TOTAL</b>	<b><u>17688949</u></b>	<b><u>1783320</u></b>
<b>NOTE : 6 : DEFERRED TAX LIABILITIES</b>		
<b>1 DERERRED TAX LIABILITIES</b>		
Related to Fixed Assets (Note No. 2.1 {XVIII})	6869761	6809366
<b>TOTAL</b>	<b><u>6869761</u></b>	<b><u>6809366</u></b>
<b>NOTE : 7 : OTHER LONG-TERM LIABILITIES</b>		
1 Trade Advances	2727213	17645914
2 Trade Security Deposit	200000	200000
3 Advances from Customers	17550210	8894340
4 Others	5673936	8437975
<b>TOTAL</b>	<b><u>26151359</u></b>	<b><u>35178229</u></b>
<b>NOTE : 8 : LONG-TERM PROVISIONS</b>		
<b>1 PROVISION FOR EMPLOYEE BENEFIT :</b>		
Provision for Gratuity	6043081	5306666
<b>TOTAL</b>	<b><u>6043081</u></b>	<b><u>5306666</u></b>

# Hawa Engineers Ltd.

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE : 9 : SHORT-TERM BORROWINGS</b>		
<b>1 FROM BANK : (Secured)</b>		
Canara Bank - Cash Credit	61204094	59215043
	<u>61204094</u>	<u>59215043</u>
<b>2 FROM OTHER PARTIES : (Unsecured)</b>		
Bajaj Finance Ltd.	-	1333535
Magma Fincorp Ltd.	-	1072451
Religare Finvest Ltd.	-	1084929
Luft Capitals Ltd.	-	1323627
Kotak Mahindra Prime Ltd.	-	1295199
Tata Capital Ltd.	-	1011442
	<u>0</u>	<u>7121183</u>
<b>TOTAL</b>	<b><u>61204094</u></b>	<b><u>66336226</u></b>
Cash Credit from Canara Bank @ Canara Bank base rate. The loan is secured by hypothecation of inventories, book debts and other receivables, both present and future and by way of a first charge on the Company's movable properties. Personal guarantee of three directors. The Cash Credit is repayable on demand.		
<b>NOTE : 10 : TRADE PAYABLES</b>		
<b>1 Micro, Small and Medium Enterprises &amp; Others (Note No. 2.1 {XXI})</b>		
- For Goods	64067816	34520677
- For Expenses	14549624	15121895
<b>TOTAL</b>	<b><u>78617440</u></b>	<b><u>49642572</u></b>
<b>NOTE : 11 : SHORT-TERM PROVISIONS</b>		
<b>1 PROVISION FOR EMPLOYEE BENEFIT :</b>		
Provision for Bonus	0	0
Provision for other Employee Benefit	1007475	2410672
	<u>1007475</u>	<u>2410672</u>
<b>2 PROVISION OTHERS :</b>		
Provision for Income Tax	3646184	4333092
Provision for Expenses	301704	1400832
	<u>3947888</u>	<u>5733924</u>
<b>TOTAL</b>	<b><u>4955363</u></b>	<b><u>8144596</u></b>



**NOTE : 12 : FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2015	Addition	Impair- ment	Deduction	As at 31.03.2016	As at 01.04.2015	For the year	Deduction Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>TANGIBLE ASSETS :</b>										
<b>(OWN ASSETS)</b>										
Freehold Land	84215	0	0	0	84215	0	0	0	84215	84215
Buildings	20964376	896894	0	0	21861270	5329603	556765	0	5886368	15974902
Plant & Machinery	58431545	4416000	0	0	62847545	17879536	4135410	0	22014946	40832599
Electric Installation	2405236	0	0	0	2405236	1229050	150888	0	1379938	1025298
Furniture & Fittings	6513256	493512	0	0	7006768	2914504	472846	0	3387350	3619418
Veehicles	7502269	3429075	0	117552	10813792	3188253	1191131	40035	4339349	6474443
<b>TOTAL</b>	<b>95900897</b>	<b>9235481</b>	<b>0</b>	<b>117552</b>	<b>105018826</b>	<b>30540946</b>	<b>6507040</b>	<b>40035</b>	<b>37007951</b>	<b>68010875</b>

Particulars	As at 31st March, 2016	As at 31st March, 2015
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**NOTE : 13 : NON CURRENT INVESTMENTS****1 IN EQUITY SHARES - UNQUOTED FULLY PAID UP :**

60 Shares of the Bombay Mercantile Co-Operative Bank Ltd. Of Rs. 10/- each	600	600
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**2 CANARA BANK ROBACCO FUND :**

M F	3500000	0
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<b>TOTAL</b>	<b>3500600</b>	<b>600</b>
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**NOTE : 14 : INVENTORIES**

1 Raw Materials	56663618	32939880
2 Finished Goods	13683382	11853591
3 Stores and Spares	653871	551730
4 Packing Materials	106156	87332
<b>TOTAL</b>	<b>71107027</b>	<b>45432533</b>

**NOTE : 15 : TRADE RECEIVABLES****A Outstanding for a period exceeding six months  
from the date they are due for payment**

(Unsecured Considered Good)	13349700	14224659
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**B Others**

(Unsecured Considered Good)	82129128	70365727
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<b>TOTAL</b>	<b>95478828</b>	<b>84590386</b>
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**NOTE : 16 : CASH AND BANK BALANCES****CASH AND CASH EQUIVALENTS :****1 Balances with Banks**

In Current Accounts	38958	8675791
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**2 Cash on hand**

11621902	4287822
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**3 OTHER BANK BALANCES :**

Fixed Deposit (Under Lien)	17639195	7825853
Fixed Deposit (Margin Money Deposit)	6366439	16565260
Fixed Deposit & Recurring Deposit	500	1579396

<b>TOTAL</b>	<b>24006134</b>	<b>25970509</b>
	<b>35666994</b>	<b>38934122</b>

# Hawa Engineers Ltd.

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE : 17 : SHORT TERM LOANS AND ADVANCES</b>		
1 DEPOSIT	6996147	5603844
2 LOANS AND ADVANCES TO EMPLOYEES : (Unsecured, considered good)	508000	112000
3 BALANCES WITH GOVERNMENT AUTHORITIES : (Unsecured, considered good)		
CENVAT credit receivable	3098628	9400492
VAT credit receivable	9071800	7904633
	<u>12170428</u>	<u>17305125</u>
4 ADVANCE INCOME TAX & TDS : (Unsecured, considered good)	5743030	4596514
<b>TOTAL</b>	<b><u>25417605</u></b>	<b><u>27617483</u></b>
<b>NOTE : 18 : OTHER CURRENT ASSETS</b>		
1 Advance to Suppliers	2587749	6096525
2 Interest accrued but not received on deposits to Banks & Service providers	5687887	3590719
3 Other Advances	560668	2063008
4 Pre-Paid Expenses	45800	0
5 TDS Receivable	724972	0
<b>TOTAL</b>	<b><u>9607076</u></b>	<b><u>11750252</u></b>
<b>NOTE : 19 : REVENUE FROM OPERATIONS</b>		
1 SALES OF PRODUCTS :		
Domestic Sales	452250751	469163277
Export Sales	22410724	41322403
	<u>474661475</u>	<u>510485680</u>
2 OTHER OPERATING REVENUES :		
Sale of Scrape	471325	547341
	<u>475132800</u>	<u>511033021</u>
Less : Excise Duty	47537298	54484409
<b>Revenue From Operations (Net)</b>	<b><u>427595502</u></b>	<b><u>456548612</u></b>
<b>NOTE : 20 : OTHER INCOME</b>		
1 Interest	2471571	2519323
2 Other Non Operating Income	688912	354013
<b>TOTAL</b>	<b><u>3160483</u></b>	<b><u>2873336</u></b>
<b>NOTE : 21 : COST OF MATERIALS CONSUMED :</b>		
1 Opening Stock	32939880	33495281
Add : Purchases	336535108	350439896
	<u>369474988</u>	<u>383935177</u>
Less : Closing Stock	56663618	32939880
<b>TOTAL</b>	<b><u>312811370</u></b>	<b><u>350995297</u></b>

**ANNUAL REPORT 2015-2016**

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE : 22 : CHANGES IN INVENTORIES</b>		
<b>OF FINISHED GOODS :</b>		
<b>1 Inventories at the beginning of the year</b>		
Finished Goods	11853591	9762971
<b>2 Inventories at the end of the year</b>		
Finished Goods	13683382	11853591
<b>(Increase) in Inventories</b>	<b><u>(1,829,791)</u></b>	<b><u>(2,090,620)</u></b>
<b>NOTE : 23 : EMPLOYEE BENEFITS &amp; EXPENSE</b>		
1 Salaries and Wages	17466124	19644575
2 Contribution to Provident and Other Funds (Note No. 2.1 {XV})	1657662	1591694
3 Staff Welfare Expenses	731794	667718
4 Gratuity (Note No. 2.1 {XV})	1084478	774250
5 Other Benefits	751155	527683
<b>TOTAL</b>	<b><u>21691213</u></b>	<b><u>23205920</u></b>
<b>NOTE : 24 : FINANCE COSTS</b>		
1 Interest	8541562	7182174
2 Bank Charges	2242761	2961256
3 Hire Charges	13628	0
<b>TOTAL</b>	<b><u>10797951</u></b>	<b><u>10143430</u></b>
<b>NOTE : 25 : OTHER EXPENSES</b>		
<b>1 Manufacturing Expenses :</b>		
Labour Expenses	8494347	3517343
Transport Inward	22293	7765
Consumption of Stores and Packing Materials	6371288	5762560
Electric Power	5326726	4444141
Gas Charges	120354	133741
Repairs to Building	0	24195
Repairs to Machinery	590474	2331497
	<u>20925482</u>	<u>16221242</u>
<b>2 Selling and Distribution Expenses :</b>		
Excise, Income Tax & Vat Assessment	1138909	3223
Other Selling and Distribution Expenses	32138099	32303128
	<u>33277008</u>	<u>32306351</u>
<b>3 Establishment Expenses :</b>		
Professional Fees	2104304	1435792
General Expenses	5704828	4477550
Insurance	40369	95072
Rent & Taxes	3573011	2632087
Other Repairs	2242289	2223978
Travelling & Conveyance Expenses	1874794	1687078
Payment to Auditors	117000	117000
Loss on Sale of Fixed Assets	20517	17555
Donation	0	0
	<u>15677112</u>	<u>12686112</u>
<b>4 B S E Expenses :</b>	812602	0
<b>TOTAL</b>	<b><u>70692204</u></b>	<b><u>61213705</u></b>

# Hawa Engineers Ltd.

[CIN: L29120GJ1993PLC019199]

Regd. Office: Plot No. 129, Nr. Kashiram Textile Mill, Narol Road, Ahmedabad-382405

Phone No. : 079-25320781/82/83/86

Email: riyaz@hawaengltd.com; website: www.hawaengineersltd.com

## ATTENDANCE SLIP

(To be presented at the Entrance)

**23<sup>rd</sup> Annual General Meeting on Friday, 30<sup>th</sup> September, 2016 at 3.00 p.m.**

at the registered Office of the Company situated at Plot No. 129,  
Near Kashiram Textile Mill, Narol Road, Ahmedabad – 382405

Full name of the member attending : \_\_\_\_\_

Full name of the joint-holder : \_\_\_\_\_

(To be filled in if first named Joint – holder does not attend meeting)

Name of Proxy : \_\_\_\_\_

(To be filled in if Proxy Form has been duly deposited with the Company)

Folio No \_\_\_\_\_ DP ID No.\* \_\_\_\_\_ Client ID No.\* \_\_\_\_\_

\* Applicable for members holding shares in electronic form.

No. of Share(s) held \_\_\_\_\_

Member's / Proxy's Signature \_\_\_\_\_

### Note:

1. Please complete the Folio / DP ID-Client No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Physical copy of the Annual Report for 2015-16 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode (s) to all Members.

# Hawa Engineers Ltd.

[CIN: L29120GJ1993PLC019199]

Regd. Office: Plot No. 129, Nr. Kashiram Textile Mill, Narol Road, Ahmedabad-382405

Phone No. : 079-25320781/82/83/86

Email: riyaz@hawaengltd.com; website: www.hawaengineersltd.com

## PROXY FORM

Name of the Member (s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Folio / DP ID Client ID No. : \_\_\_\_\_

I /We being the member (s) holding \_\_\_\_\_ Shares of the above named Company hereby appoint:

(1) Name : \_\_\_\_\_ Address : \_\_\_\_\_

Email ID: \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him / her:

(2) Name : \_\_\_\_\_ Address : \_\_\_\_\_

Email ID: \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him / her:

(3) Name : \_\_\_\_\_ Address : \_\_\_\_\_

Email ID: \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual general meeting of the company, to be held on the Friday, 30<sup>th</sup> September, 2016 at 3.00 p.m. at the registered Office of the Company situated at Plot No. 129, Near Kashiram Textile Mill, Narol Road, Ahmedabad – 382405 and at any adjournment thereof in respect of such resolutions as are indicated below:

## ROUTE MAP FOR AGM VENUE



Resolution No.	Particulars of Resolution	Optional	
		For	Against
	<b>ORDINARY BUSINESS</b>		
1.	The Audited Financial Statement of the Company for the financial year ended 31st March 2016 together with the Directors Report and Auditor's Report thereon		
2.	To appoint a Director in place of Zafar Abdullamiya Hawa (DIN: 02430867) who retires by rotation and being eligible, offers herself for re-appointment.		
3.	To appoint a Director in place of Mr. Aslam Kagdi (DIN: 00006879) who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To re-appoint M/s. Yusuf C. Mansuri & Co., Practicing Chartered Accountants as Statutory Auditors and fix their remuneration		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of Shareholder \_\_\_\_\_

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

Affix Re 1 revenue stamp
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**Note:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



# *Hawa Engineers Ltd.*

CIN : L29120GJ1993PLC019199

**Registered & Corporate Office**

Plot No. : 129, B/h. Kashiram Textile Mill,  
Narol Road, Ahmedabad-382405. (Gujarat) India.

**Phone** : +91 79 2532 0781 / 82 / 86 **Fax** : +91 79 2532 0785

**Email** : helho@hawaengltd.com **Visit us** : [www.hawaengltd.com](http://www.hawaengltd.com)

**Works :**

B/h. Police Chowky, Chandola,  
Ahmedabad-380028. (Gujarat) India.