

Hawa Engineers Ltd.

25th

ANNUAL REPORT

2017-2018

Marck[®]
Industrial Valves

**25th ANNUAL REPORT
2017-2018**

BOARD OF DIRECTORS

Mr. Aslam Kagdi	Chairman, Managing Director & CFO
Mr. Asad Kagdi	Joint Managing Director
Mr. Mohammed Khan Pathan	Whole Time Director
Mr. Shad Mdafzal Ranginwala	Director
Mr. Sajid Mehboobhai Sacha	Director
Mr. Anwarahmed Mohammed Javid Daruwala	Director
Mrs. Sabana Amjad Rehmani	Director

COMPANY SECRETARY

Mrs. Bharti Rathi

AUDITOR:

Yusuf C. Mansuri & Co.

Chartered Accountant, Ahmedabad

SECRETARIAL AUDITOR

Samdani Shah and kabra

Company Secretary, Ahmedabad

PRINCIPAL BANKERS:

Canara Bank

Navrangpura, Ahmedabad

REGISTERED OFFICE

Plot No. 129, Near Kashiram Textile Mill,
Narol Road, Ahmedabad - 382405
Tel : 079-25320781/82/83/86
E-mail : cs@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

Contents	Page No.
Notice	02
Boards' Report	07
Management Discussion and Analysis	30
Independent Auditors' Report	32
Balance Sheet	38
Statement on Profit and Loss	39
Cash Flow Statement	40
Notes to Financial Statements	42

NOTICE

Notice is hereby given that the 25th Annual General Meeting of Hawa Engineers Limited will be held on Saturday, 29th September, 2018 at 10:30 a.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 31st March, 2018 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. Asad Kagdi (DIN: 00006898), who retires by rotation and, being eligible, offers himself for re-appointment.

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

**Sd/-
Aslam Kagdi
Chairman
DIN: 00006879**

Date : 23th May, 2018

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 **Saturday, 22nd September, 2018 to Saturday, 29th September, 2018 (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

ANNUAL REPORT 2017-2018

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. Asad F. Kagdi director 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.

Particulars	Mr. Asad F. Kagdi
Date of Birth	28.06.1962
Educational Qualification	Commerce Degree and post Graduation in Management
No. of Equity Shares held in the Company as on 31.03.2018	1,72,700
Expertise in specific functional areas	Wide business experience with Leadership Qualities
Directorships held in other public companies	Marck Valves Limited
Memberships / Chairmanships of committees of other public companies	NIL
Mr. Asad F. Kagdi is the founder Director and Chairman of the Company. He is also the Managing Director of the Company. His contribution to the Company has led the Company to such heights. The Company is going to be benefited greatly with his association as Director on the Board. Your Directors recommend to re- appoint him as Director of the company.	

10. A Route map showing directions to reach the venue of the 25th 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 **Wednesday, 26th September, 2018 at 9.00 AM** and ends on **Friday, 28th September, 2018 at 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 Saturday, 22nd September, 2018 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
- (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 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:

	For Members holding shares in Demat Form and Physical Form
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"> • 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. • 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.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • 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).

- (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**

ANNUAL REPORT 2017-2018

Store respectively on or after 30th 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 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.
- 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 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, under help section or write an email to 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.

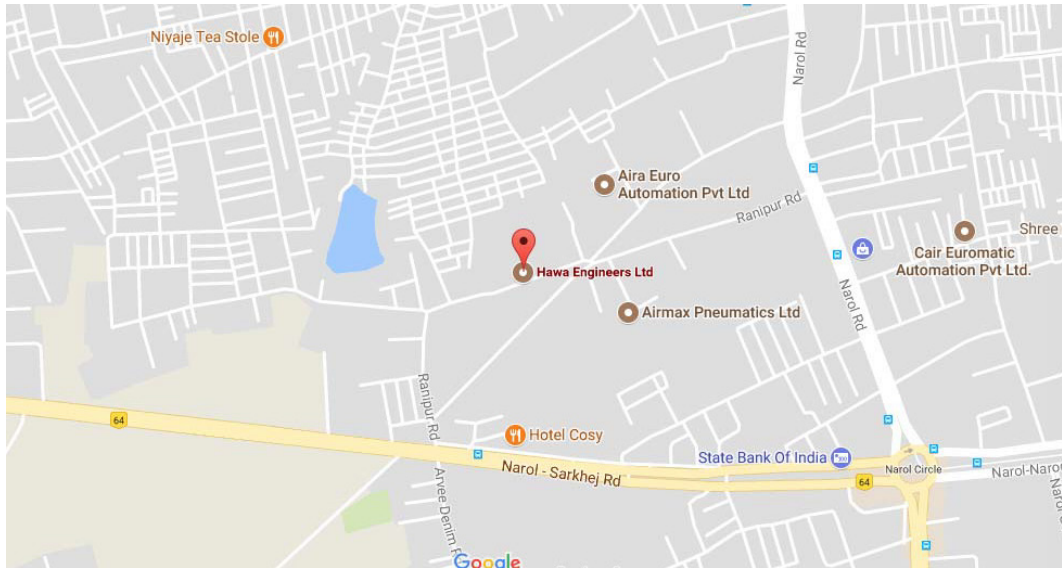
(B) The voting period begins on **Friday, 22th September, 2017 at 9.00 AM Sunday, 24th September, 2017 at 5.00 PM**. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 18th September, 2017, 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

Contact details

Company	Hawa Engineers Limited
Regd. Office	Plot No. 129, Near Kashiram Textile Mill, Narol Road, Ahmedabad – 382405
Registrar and Transfer Agent :	Bigshare Services Pvt. Ltd , E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E),,Mumbai,Maharashtra,400072
E-voting Agency	central depository services limited E-mail : helpdesk.evoting@cdslindia.com . Phone : 022-22723333/8588
Scrutinizer	CS Chirag Shah Practising Company Secretary E-mail ID : chi118_min@yahoo.com pcschirag@gmail.com

A Route map showing directions to reach the venue of the 24th Annual General Meeting



9Km from Ahmedabad Railway Station.
8Km from Ahmedabad Central Bus Station.
20Km from Sardar Vallabhbhai Patel International Airport.

Board's Report

**To,
The Members,
Hawa Engineers Limited**

Your Directors have pleasure in presenting the Twenty Fifth Annual Report together with the Audited Statements of Accounts for the Year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS AND PERFORMANCE OF THE COMPANY:

(Amount in Rs.)

3

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
Sales and other Income	55,51,81,064	49,95,42,308
Total Expenses before interest, Depreciation	52,38,56,435	47, 14,32,860
Profit before Interest, Depreciation, Taxation	51,05, 908	33, 84, 846
Interest	74,44,568	81,26,069
Depreciation	90,14,792	76,21,078
Profit / (Loss) before tax	1,48,65,268	1,23,62,301
Provision for taxation	50,91,611	52,94,910
Profit/ (Loss) after tax	97,73,657	70,67,391

OPERATIONAL OVERVIEW:

During the Year under review, the total revenue from operations (gross) of your Company stood at Rs. 55,51,81,064 as against Rs. 49,95,42,308 for FY 2016-17. However, Earnings before interest, tax, depreciation and amortization (EBITDA) were Rs. 51,05, 908 registering a growth as against Rs. 33, 84, 846 in 2016-17. Profit after tax (PAT) for the year was Rs. 97,73,657 over the PAT of Rs. 70,67,391 in 2016-17. 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.

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.

SHARE CAPITAL:

The Paid-up Equity Share Capital of the Company as on 31st March, 2018 is Rs. 3,52,64,000/- comprising of 35,26,400 shares of Rs. 10/- each. During the year under review, the Company has not issued any equity shares.

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. 75,00,000 to the general reserve out of the amount available for appropriation and an amount of Rs. 50,00,000 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 ratio of remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Annual Report.

The details as required under Section 197 (12) of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), 2014 there is an employee (except Managing Director, CFO, CEO and CS) in the Company employed throughout the financial year and no employee has salary above Rs. 1 Crore 2 lacs per annum or employed in part of the financial year with average salary above Rs. 8.5 lacs per month.

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:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to departures, if any;
- b) That such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the annual financial statements are prepared on a going concern basis;
- e) That proper internal financial controls were in place and that such internal financial controls were adequate and were operating effectively;

ANNUAL REPORT 2017-2018

That proper systems to ensure compliance with the provisions of all applicable laws were in place and were 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.

DIN/DPID/ PAN	FULL NAME	DESIGNATION	DATE OF APPOINTMENT
00006879	Aslam Kagdi	Managing Director and CFO	01/06/2000
00006898	Asad Kagdi	Managing Director	26/03/1999
00006940	Mohammedkhan Pathan	Director	30/04/2004
01989939	Shad Mdafzal Ranginwala	Director	31/01/2008
03268965	Mohammed Sajid Mehboobmiya Sacha	Director	12/12/2012
06487724	Anwarahmed Mohammed Javid Daruwala	Director	15/02/2013
06967822	Sabana Amjad Rehmani	Director	30/09/2014

Mr. Zafar Abdullahmiya Hawa (DIN: 02430867) resigned as a Director of the Company w.e.f 22nd May, 2017. The Board places on record the deep appreciation for valuable services and guidance provided by him during the tenure of his Directorship.

Mr. Mahaboob Abdul Raheman Shaikh (DIN: 02378611) resigned as a Director of the Company w.e.f 17th May, 2018. The Board places on record the deep appreciation for valuable services and guidance provided by him during the tenure of his Directorship.

Mr. Asad F. Kagdi director retire by rotation and, being eligible, offer themselves for re-appointment at the Annual General Meeting.

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

Mr. Aslam Kagdi, Chief Financial Officer and Mrs. Bharti Rathi, Company Secretary was Key Managerial Personnel on 31st March, 2018.

NUMBER OF MEETINGS OF THE BOARD:

The Board met Four times during the Financial Year on 29th May 2017, 05th August 2017, 15th November 2017 and 14th February 2018 the details of which are mentioned below the intervening gap between any two meetings was within the period prescribed under Companies Act, 2013.

Notices of the meeting with the agenda along with necessary details were sent to the Directors in time. The data of attendance record of the Directors at the Board Meetings held during the Financial Year ended on March 31, 2018 is given here below.

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 31st March, 2018, the Board consists of 7 Directors, 3 of whom are Executive, Managing Director or Whole-time Directors, and 4 are Non-Executive Directors, of which 3 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.

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

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:

Pursuant to the provision of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s. Yusuf C. Mansuri & Co., Chartered Accountants, Ahmedabad, (FRN. 111768W), were appointed as statutory Auditor of the Company to hold office till conclusion of the Annual General Meeting (AGM) of the Company to held in the year 2020.

SECRETARIAL AUDITOR:

The Board has appointed M/s Samdani Shah & Associates, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended 31st March, 2018 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.

ANNUAL REPORT 2017-2018

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. 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	2017-18	2017-16
Foreign Exchange Earned	3,93,30,038/-	1,52,53,274/-
Foreign Exchange Out go	6,15,651/-	10,71,742/-

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/-

AslamKagdi

Chairman and Managing Director

DIN: 00006879

**Place : Ahmedabad
Date : 23rd May, 2018**

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 2017-18 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2017-18:**

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

- 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. **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.
- v. **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.

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2018

[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 Company's (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 31.03.2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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 during the audit period**);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not Applicable during the audit period**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable during the audit period**);
 - (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 during the audit period**);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable during the audit period**);
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures and Requirement) Regulation 2015; *However Company has not Complied with the provision of Regulation 31 of The Securities and Exchange Board of India (Listing Obligations and Disclosures and Requirement) Regulation 2015.*
 - (j) Other laws specifically applicable to the company, as per the representation made by the company.
 1. Factories Act, 1948
 2. Gujarat Pollution Control Board (Environment Pollution Act)

ANNUAL REPORT 2017-2018

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.

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 during the audit period there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Chirag Shah

Partner

Samdani Shah & Kabra

FCS No. 5545

C P No.: 3498

Place : Ahmedabad

Date : 29th May, 2018

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.

'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

1. 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

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. 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.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. 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 & Kabra

FCS No. 5545

C P No.: 3498

Place : Ahmedabad

Date : 29th May, 2018

FORM NO. MGT 9**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013

and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	L29120GJ1993PLC019199
2	Registration Date	26 March 1993
3	Name of the Company	HAWA ENGINEERS LTD
4	Category/Sub-category of the Company	Company limited by Shares / Indian Non-Government Company
5	Address of the Registered office & contact details	PLOT NO.129, Near Kashiram Textile Mill, Narol Road, Ahmedabad- 382405 Gujarat Telephone :079-25320781 Email address: riyaz@hawaengltd.com Website: www.hawaengltd.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Pvt. Ltd Registered office : E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai, Maharashtra- 400072

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
1	Manufacture of engines and turbines, except aircraft, vehicle and cycle	281	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1					
2					

ANNUAL REPORT 2017-2018

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 1st April, 2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	11,04,710	7,60,900	18,65,610	52.90%	13,35,693	5,92,667	19,28,360	54.68%	3.36%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	11,04,710	7,60,900	18,65,610	52.90%	13,35,693	5,92,667	19,28,360	54.68%	3.36%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	11,04,710	7,60,900	18,65,610	52.90%	13,35,693	5,92,667	19,28,360	54.68%	3.36%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)									
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April, 2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	4,035	40,670	44,705	1.27%	818	40,400	41,218	1.17%	-7.80%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals	-	-	-		-	-	-		
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2,22,372	7,83,884	10,06,256	28.53%	2,21,119	7,72,023	9,93,142	28.16%	-1.30%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3,23,940	2,59,206	5,83,146	16.54%	3,44,474	2,11,400	5,55,874	15.76%	-4.68%
c) Others (specify	-	-	-		-	-	-		
Non Resident Indians	2,539	-	2,539	0.07%	439	-	439	0.01%	-82.71%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	24,144	-	24,144	0.68%	2,360	-	2,360	0.07%	-90.23%
HUF	-	-	-	0.00%	5,007	-	5,007	0.14%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	5,77,030	10,83,760	16,60,790	47.10%	5,74,217	10,23,823	15,98,040	45.32%	-3.78%
Total Public (B)	5,77,030	10,83,760	16,60,790	47.10%	5,74,217	10,23,823	15,98,040	45.32%	-3.78%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	16,81,740	18,44,660	35,26,400	100.00%	19,09,910	16,16,490	35,26,400	100.00%	-0.41%

ANNUAL REPORT 2017-2018

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	Fazlurehman Mohammedmiya Kagdi	1,03,800	2.94%	-	1,03,800	2.94%	-	0.00%
2	Mohammed Fazlurrehman Kagdi	1,12,800	3.20%	-	1,14,923	3.26%	-	1.88%
3	Jamilabibi Fazlurrehman Kagdi	2,09,700	5.95%	-	2,09,700	5.95%	-	0.00%
4	Aslam F Kagdi	1,78,110	5.05%	-	1,81,781	5.15%	-	2.06%
5	Asad F Kagdi	1,72,700	4.90%	-	1,72,700	4.90%	-	0.00%
6	Aaminah Mohamed Zakaria Kagdi	1,39,700	3.96%	-	1,73,100	4.91%	-	23.91%
7	Sajid Sacha	2,800	0.08%	-	6,082	0.17%	-	117.21%
8	Sabera Hawa	1,100	0.03%	-	1,100	0.03%	-	0.00%
9	Safiya Keriwala	91,500	2.59%	-	91,500	2.59%	-	0.00%
10	Gulam Husain Keriwala	200	0.01%	-	200	0.01%	-	0.00%
11	Kagadi Mohamedilyas Asad	55,800	1.58%	-	62,250	1.77%	-	11.56%
12	Khalik Yahyabhai Hawa	4,400	0.12%	-	2,310	0.07%	-	-47.50%
13	Haseeb Yusufbhai Kapadia	4,000	0.11%	-	4,000	0.11%	-	0.00%
14	Mujiba Hawa	3,900	0.11%	-	3,900	0.11%	-	0.00%
15	Ibrahim M Kagdi	3,400	0.10%	-	3,400	0.10%	-	0.00%
16	Zunnun Hawa	3,100	0.09%	-	3,100	0.09%	-	0.00%
17	Ismail Keriwala	2,500	0.07%	-	2,500	0.07%	-	0.00%
18	Fowzia Hawa	24,200	0.69%	-	2,500	0.07%	-	-89.67%
19	Humaira Mohammed Kagdi	43,200	1.23%	-	24,200	0.69%	-	-43.98%
20	Sufiyan A Payawala	11,700	0.33%	-	43,200	1.23%	-	269.23%
21	Kagdi Sumaiya Aslam	9,100	0.26%	-	9,500	0.27%	-	4.40%
22	Zafar A Hawa	6,800	0.19%	-	10,459	0.30%	-	53.81%
23	B N Pathan	4,900	0.14%	-	14,803	0.42%	-	202.10%
24	Abdullah M Kagdi	33,400	0.95%	-	33,400	0.95%	-	0.00%
25	Aasia A Rangoonwala	28,000	0.79%	-	28,000	0.79%	-	0.00%
26	Tariq A Kusiwala	27,900	0.79%	-	27,900	0.79%	-	0.00%
27	Wasim M Shaikh	27,900	0.79%	-	27,900	0.79%	-	0.00%
28	Sohel Sadik Maniar	25,300	0.72%	-	25,300	0.72%	-	0.00%
29	M N Pathan	24,300	0.69%	-	24,900	0.71%	-	2.47%
30	Tehseen Mohammedasad Kagdi	1,00,700	2.86%	-	1,11,052	3.15%	-	10.28%
31	Asfak Mrangoonwala	78,000	2.21%	-	78,000	2.21%	-	0.00%
32	Sarah Aslam Kagdi	1,72,800	4.90%	-	1,73,000	4.91%	-	0.12%
33	M Zakariya Kagdi	56,200	1.59%	-	56,200	1.59%	-	0.00%
34	Siddiqua Aslam Kagdi	53,300	1.51%	-	53,300	1.51%	-	0.00%
35	Zubir A Kagdi	48,400	1.37%	-	48,400	1.37%	-	0.00%

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	FAZLUREHMAN MOHAMMEDMIYA KAGDI						
	At the beginning of the year			1,03,800	2.94%	1,03,800	2.94%
	Changes during the year		Transfer	-	0.00%	1,03,800	2.94%
	At the end of the year			1,03,800	2.94%	1,03,800	2.94%
2	MOHAMMED FAZLURREHMAN KAGDI						
	At the beginning of the year			1,12,800	3.20%	1,12,800	3.20%
	Changes during the year		Transfer	2,123	0.06%	1,14,923	3.26%
	At the end of the year			1,14,923	3.26%	1,14,923	3.26%
3	JAMILABIBI FAZLURREHMAN KAGDI						
	At the beginning of the year			2,09,700	5.95%	2,09,700	5.95%
	Changes during the year		Transfer	-	0.00%	2,09,700	5.95%
	At the end of the year			2,09,700	5.95%	2,09,700	5.95%
4	ASLAM F KAGDI						
	At the beginning of the year			1,78,110	5.05%	1,78,110	5.05%
	Changes during the year		Transfer	3,671	0.10%	1,81,781	5.16%
	At the end of the year			1,81,781	5.15%	1,81,781	5.16%
5	ASAD F KAGDI						
	At the beginning of the year			1,72,700	4.90%	1,72,700	4.90%
	Changes during the year		Transfer	-	0.00%	1,72,700	4.90%
	At the end of the year			1,72,700	4.90%	1,72,700	4.90%
6	AAMINAH MOHAMED ZAKARIA KAGDI						
	At the beginning of the year			1,39,700	3.96%	1,39,700	3.96%
	Changes during the year		Transfer	33,400	0.95%	1,73,100	4.91%
	At the end of the year			1,73,100	4.91%	1,73,100	4.91%
7	SAJID SACHA						
	At the beginning of the year			2,800	0.08%	2,800	0.08%
	Changes during the year		Transfer	3,282	0.09%	6,082	0.17%
	At the end of the year			6,082	0.17%	6,082	0.17%
8	SABERA HAWA						
	At the beginning of the year			1,100	0.03%	1,100	0.03%
	Changes during the year		Transfer	-	0.00%	1,100	0.03%
	At the end of the year			1,100	0.03%	1,100	0.03%

ANNUAL REPORT 2017-2018

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
9	SAFIYA KERIWALA						
	At the beginning of the year			91,500	2.59%	91,500	2.60%
	Changes during the year		Transfer	-	0.00%	91,500	2.60%
	At the end of the year			91,500	2.59%	91,500	2.60%
10	GULAM HUSAIN KERIWALA						
	At the beginning of the year			200	0.01%	200	0.01%
	Changes during the year		Transfer	-	0.00%	200	0.01%
	At the end of the year			200	0.01%	200	0.01%
11	KAGADI MOHAMEDILYAS ASAD						
	At the beginning of the year			55,800	1.58%	55,800	1.58%
	Changes during the year		Transfer	1,16,900	3.31%	1,72,700	4.90%
	At the end of the year			1,72,700	4.90%	1,72,700	4.90%
12	KHALIK YAHYABHAI HAWA						
	At the beginning of the year			4,400	0.12%	4,400	0.12%
	Changes during the year		Transfer	-	0.00%	4,400	0.12%
	At the end of the year			4,400	0.12%	4,400	0.12%
13	HASEEB YUSUFBHAI KAPADIA						
	At the beginning of the year			4,000	0.11%	4,000	0.11%
	Changes during the year		Transfer	-	0.00%	4,000	0.11%
	At the end of the year			4,000	0.11%	4,000	0.11%
14	MUJIBA HAWA						
	At the beginning of the year			3,900	0.11%	3,900	0.11%
	Changes during the year		Transfer	-	0.00%	3,900	0.11%
	At the end of the year			3,900	0.11%	3,900	0.11%
15	IBRAHIM M KAGDI						
	At the beginning of the year			3,400	0.10%	3,400	0.10%
	Changes during the year		Transfer	-	0.00%	3,400	0.10%
	At the end of the year			3,400	0.10%	3,400	0.10%
16	ZUNNUN HAWA						
	At the beginning of the year			3,100	0.09%	3,100	0.09%
	Changes during the year		Transfer	-	0.00%	3,100	0.09%
	At the end of the year			3,100	0.09%	3,100	0.09%

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
17	ISMAIL KERIWALA						
	At the beginning of the year			2,500	0.07%	2,500	0.07%
	Changes during the year		Transfer	-	0.00%	2,500	0.07%
	At the end of the year			2,500	0.07%	2,500	0.07%
18	FOWZIA HAWA						
	At the beginning of the year			24,200	0.69%	24,200	0.69%
	Changes during the year		Transfer	(21,700)	-0.62%	2,500	0.07%
	At the end of the year			2,500	0.07%	2,500	0.07%
19	HUMAIRA MOHAMMED KAGDI						
	At the beginning of the year			43,200	1.23%	43,200	1.23%
	Changes during the year		Transfer	(19,000)	-0.54%	24,200	0.69%
	At the end of the year			24,200	0.69%	24,200	0.69%
20	SUFIYAN A PAYAWALA						
	At the beginning of the year			11,700	0.33%	11,700	0.33%
	Changes during the year		Transfer	31,500	0.89%	43,200	1.23%
	At the end of the year			43,200	1.23%	43,200	1.23%
21	KAGDI SUMAIYA ASLAM						
	At the beginning of the year			9,100	0.26%	9,100	0.26%
	Changes during the year		Transfer	400	0.01%	9,500	0.27%
	At the end of the year			9,500	0.27%	9,500	0.27%
22	ZAFAR A HAWA						
	At the beginning of the year			6,800	0.19%	6,800	0.19%
	Changes during the year		Transfer	3,659	0.10%	10,459	0.30%
	At the end of the year			10,459	0.30%	10,459	0.30%
23	B N PATHAN						
	At the beginning of the year			4,900	0.14%	4,900	0.14%
	Changes during the year		Transfer	9,903	0.28%	14,803	0.42%
	At the end of the year			14,803	0.42%	14,803	0.42%
24	ABDULLAH M KAGDI						
	At the beginning of the year			33,400	0.95%	33,400	0.95%
	Changes during the year		Transfer	-	0.00%	33,400	0.95%
	At the end of the year			33,400	0.95%	33,400	0.95%

ANNUAL REPORT 2017-2018

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
25	AASIA A RANGOONWALA						
	At the beginning of the year			28,000	0.79%	28,000	0.79%
	Changes during the year		Transfer	-	0.00%	28,000	0.79%
	At the end of the year			28,000	0.79%	28,000	0.79%
26	TARIQ A KUSIWALA						
	At the beginning of the year			27,900	0.79%	27,900	0.79%
	Changes during the year		Transfer	-	0.00%	27,900	0.79%
	At the end of the year			27,900	0.79%	27,900	0.79%
27	WASIM M SHAIKH						
	At the beginning of the year			27,900	0.79%	27,900	0.79%
	Changes during the year		Transfer	-	0.00%	27,900	0.79%
	At the end of the year			27,900	0.79%	27,900	0.79%
28	SOHEL SADIK MANIAR						
	At the beginning of the year			25,300	0.72%	25,300	0.72%
	Changes during the year		Transfer	-	0.00%	25,300	0.72%
	At the end of the year			25,300	0.72%	25,300	0.72%
29	M N PATHAN						
	At the beginning of the year			24,300	0.69%	24,300	0.69%
	Changes during the year		Transfer	600	0.02%	24,900	0.71%
	At the end of the year			24,900	0.71%	24,900	0.71%
30	TEHSEEN MOHAMMEDASAD KAGDI						
	At the beginning of the year			1,00,700	2.86%	1,00,700	2.86%
	Changes during the year		Transfer	10,352	0.29%	1,11,052	3.15%
	At the end of the year			1,11,052	3.15%	1,11,052	3.15%
31	ASFAK MRANGOONWALA						
	At the beginning of the year			78,000	2.21%	78,000	2.21%
	Changes during the year		Transfer	-	0.00%	78,000	2.21%
	At the end of the year			78,000	2.21%	78,000	2.21%
32	SARAH ASLAM KAGDI						
	At the beginning of the year			1,72,800	4.90%	1,72,800	4.90%
	Changes during the year		Transfer	200	0.01%	1,73,000	4.91%
	At the end of the year			1,73,000	4.91%	1,73,000	4.91%

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
33	M ZAKARIYA KAGDI						
	At the beginning of the year			56,200	1.59%	56,200	1.59%
	Changes during the year		Transfer	-	0.00%	56,200	1.59%
	At the end of the year			56,200	1.59%	56,200	1.59%
34	SIDDIQUA ASLAM KAGDI						
	At the beginning of the year			53,300	1.51%	53,300	1.51%
	Changes during the year		Transfer	-	0.00%	53,300	1.51%
	At the end of the year			53,300	1.51%	53,300	1.51%
35	ZUBIR A KAGDI						
	At the beginning of the year			48,400	1.37%	48,400	1.37%
	Changes during the year		Transfer	-	0.00%	48,400	1.37%
	At the end of the year			48,400	1.37%	48,400	1.37%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	BISHMA MOHAMMED ILYAS KAGDI						
	At the beginning of the year			1,25,700	3.56%	1,25,700	3.56%
	Changes during the year		Transfer	47,400	1.34%	1,73,100	4.91%
	At the end of the year			1,73,100	4.91%	1,73,100	4.91%
2	VIJAY V MEHTA						
	At the beginning of the year			60,000	1.70%	60,000	1.70%
	Changes during the year			-	0.00%	60,000	1.70%
	At the end of the year			60,000	1.70%	60,000	1.70%
3	SHAMSUDDIN KADRI						
	At the beginning of the year			48,900	1.39%	48,900	1.39%
	Changes during the year			-	0.00%	48,900	1.39%
	At the end of the year			48,900	1.39%	48,900	1.39%
4	MOHAMMED KASAM RUSHNAIWALA						
	At the beginning of the year			43,100	1.22%	43,100	1.22%
	Changes during the year		Transfer	(16,098)	-0.46%	27,002	0.77%
	At the end of the year			27,002	0.77%	27,002	0.77%

ANNUAL REPORT 2017-2018

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
5	RUSHNAIWALA AZHAR						
	At the beginning of the year			33,000	0.94%	33,000	0.94%
	Changes during the year			-	0.00%	33,000	0.94%
	At the end of the year			33,000	0.94%	33,000	0.94%
6	SOHEL SADIK MANIAR						
	At the beginning of the year			28,949	0.82%	28,949	0.82%
	Changes during the year		Transfer	(23,126)	-0.66%	5,823	0.17%
	At the end of the year			5,823	0.17%	5,823	0.17%
7	FAIYAZ MOHD AIYUB KOTHAWALA						
	At the beginning of the year			28,220	0.80%	28,220	0.80%
	Changes during the year			-	0.00%	28,220	0.80%
	At the end of the year			28,220	0.80%	28,220	0.80%
8	MUSTAKINA PAYAWALA						
	At the beginning of the year			28,000	0.79%	28,000	0.79%
	Changes during the year			-	0.00%	28,000	0.79%
	At the end of the year			28,000	0.79%	28,000	0.79%
9	TALHA MOHMEDKASAM RUSHNAIWALA						
	At the beginning of the year			27,975	0.79%	27,975	0.79%
	Changes during the year		Transfer	(973)	-0.03%	27,002	0.77%
	At the end of the year			27,002	0.77%	27,002	0.77%
10	AIYUB MOHAMMEDBHAI KOTHAWALA						
	At the beginning of the year			25,261	0.72%	25,261	0.72%
	Changes during the year		Transfer	(25,261)	-0.72%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
11	KAGDI MOHD FAZAL						
	At the beginning of the year			21,500	0.61%	21,500	0.61%
	Changes during the year			-	0.00%	21,500	0.61%
	At the end of the year			21,500	0.61%	21,500	0.61%
12	AZHAR RUSHNAIWALA						
	At the beginning of the year			21,200	0.60%	21,200	0.60%
	Changes during the year			-	0.00%	21,200	0.60%
	At the end of the year			21,200	0.60%	21,200	0.60%
13	MOHAMMEDKASAM ABDULKADAR RUSNAIWALA						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year		Transfer	48,624	1.38%	48,624	1.38%
	At the end of the year			48,624	1.38%	48,624	1.38%

(v) **Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Aslam Kagdi						
	At the beginning of the year			1,72,700	4.90%	1,72,700	4.90%
	Changes during the year			-	0.00%	1,72,700	4.90%
	At the end of the year			1,72,700	4.90%	1,72,700	4.90%
2	Asad Kagdi						
	At the beginning of the year			1,78,110	5.05%	1,78,110	5.05%
	Changes during the year			3,671	0.10%	1,81,781	5.15%
	At the end of the year			1,81,781	5.15%	1,81,781	5.15%
3	Mohammedkhan Pathan						
	At the beginning of the year			24,300	0.69%	24,300	0.69%
	Changes during the year			600	0.02%	24,900	0.71%
	At the end of the year			24,900	0.71%	24,900	0.71%
4	Shad Mdafzal Ranginwala						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
5	Mohammed Sajid Mehboobmiya Sacha						
	At the beginning of the year			2,800	0.08%	2,800	0.08%
	Changes during the year			3,282	0.09%	6,082	0.17%
	At the end of the year			6,082	0.17%	6,082	0.17%
6	Anwarahmed Mohammed Javid Daruwala						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
7	Sabana Amjad Rehmani						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%

ANNUAL REPORT 2017-2018**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	11,28,32,443.47	1,26,22,106.00	-	12,54,54,549.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	11,28,32,443.47	1,26,22,106.00	-	12,54,54,549.47
Change in Indebtedness during the financial year				
* Addition	25,81,42,753.92	71,28,611.00	-	26,52,71,364.92
* Reduction	30,00,96,204.83	49,40,476.00	-	30,50,36,680.83
Net Change	(4,19,53,450.91)	21,88,135.00	-	57,03,08,045.75
Indebtedness at the end of the financial year				
i) Principal Amount	7,08,78,992.56	1,48,10,241.00		8,56,89,233.56
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	7,08,78,992.56	1,48,10,241.00	-	8,56,89,233.56

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount (Rs/Lac)
		Name	ASLAM KAGDI	ASAD KAGDI	MOHAMMED KHAN PATHAN	
		Designation				
1	Gross salary	9,00,000	9,00,000	6,00,000		24,00,000.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	9,00,000	9,00,000	6,00,000		24,00,000.00
	Ceiling as per the Act					

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
	Name				
1	Independent Directors	NIL			
	Fee for attending board committee meetings	-			
	Commission	-			
	Others, please specify	-			
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-			
	Fee for attending board committee meetings	-			
	Commission	-			
	Others, please specify	-			
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-			24,00,000.00
	Overall Ceiling as per the Act				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
		Name	Aslam Kagdi	Bharti Rathi	
		Designation	CFO	Company Secretary	
1	Gross salary	0	120000		120000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-		-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-		-
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission	-	-		-
	- as % of profit	-	-		-
	- others, specify	-	-		-
5	Others, please specify	-	-		-
	Total	-	1,20,000.00	-	1,20,000.00

* Mr Aslam Kagdi not getting any remuneration as CFO

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)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

MANAGEMENT DISCUSSION AND ANALYSIS

VALVE INDUSTRY STRUCTURE AND DEVELOPMENTS:

Valves are used to control or divert the flow of liquids, gases, slurries, dry material or steam in all types of industries. They are also used to control or isolate the rate of flow volume, pressure, direction or a combination of these parameters. There are only two known ways of controlling the flow of liquids and gases, and all valves are based on one of the two principles. Your Company's primary business is the design, manufacture and sale of Industrial valves, valve cores and accessories.

According to the recently published report by TechSci Research, "India Industrial Valves Market Forecast & Opportunities, 2020", India's industrial valves market is largely dominated by organized manufacturers and is expected to witness double digit growth at a CAGR (Compound Annual Growth Rate) of 13% till 2020. The growth in this region will be driven mostly by new infrastructure and heavy industrial spending. More power plants will be built in this region in the next five years than in the rest of the world combined.

Industrial valves market is being driven by increasing demand for valves in oil & gas, chemical and municipal applications. The market is expected to grow at a CAGR of 5.4% between 2014 and 2019. Therefore, with an expected growth in the oil and gas, power, pipeline, steel, infrastructure, petrochemicals and pharmaceutical industries, the demand for valves are also expected to gather steam. Valve companies are finding many new opportunities for their products. Applications with double-digit growth include ethanol, LNG, desalination, and biotechnology. Alternative fuel sources including oil sands, oil shale and coal liquefaction also represent promising markets.

The Global Process industry is growing at a rapid rate, which in turn is creating more opportunities for the Indian Industrial Valve market. Thus the demand for industrial valves increases along with the growth of the Process industries.

OPPORTUNITIES AND THREATS:

Although the general economic environment is not conducive for strong growth, your Company has a competitive advantage in the market due to its superior technology, large installed capacities in all product categories, high quality products, competitive pricing etc. The market scenario in India is likely to continue to be subdued in the year ahead. Under these circumstances, payments from some customers can tend to be delayed. This can adversely affect cash-flows and can put an additional interest burden on the Company due to increased utilization of working capital. The primary raw materials used in manufacturing valves are highly volatile commodities, namely brass which is a Carbon Steel, Alloy Steel & Stainless Steel. Continued volatility in the prices of these commodities can pose a threat to profitability.

The Company's continued emphasis on technology-based investments would enable the Company to meet the competitive environment by way of productivity enhancement and cost reduction measure.

SEGMENT-WISE PERFORMANCE:

There is no segment in the company.

OUTLOOK:

Indian valve industry has come a long way from making simple valves to producing a wide range of sophisticated precision valves. But the Indian valve space is as fragmented as the Global Valve Industry. Most of the industry is dominated by small and medium scale players with heavy dependence on sub contractors and a large part of the market consists of the unorganized sector.

The pumps and valves market in India provides an opportunity of Rs. 17,500 crore and is expected to grow at an annual rate of 7 to 10 per cent over the next few years. The new government in the centre is expected to take policy initiatives that will help the Indian industry.

RISKS AND CONCERNS:

Apart from the normal business risk, no major risk is foreseen.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has proper and adequate systems of internal controls. Internal audits and checks are carried out at regular intervals. An audit committee, headed by an Independent Director, reviews control systems and their adequacy.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The details of the financial performance of the Company appear in the Balance Sheet, Statement of Profit and Loss and other Financial Statements. Highlights for the year 2014 -15 are as under:

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017
Sales and other Income	55,51,81,064	49,95,42,308
Total Expenses before interest, Depreciation	52,38,56,435	47, 14,32,860
Profit before Interest, Depreciation, Taxation	51,05, 908	33, 84, 846
Interest	74,44,568	81,26,069
Depreciation	90,14,792	76,21,078
Profit / (Loss) before tax	1,48,65,268	1,23,62,301
Provision for taxation	50,91,611	52,94,910
Profit/ (Loss) after tax	97,73,657	70,67,391

The financial performance of the Company has been explained in the Directors' Report of the Company for the financial year ended 31st March 2015 appearing separately.

HUMAN RESOURCES

Human Resources are a key focus area of the Company. The Company endeavors to attract and develop the best talent available in each area of its operations. The Company's policy is to create a conducive environment for nurturing talent and developing the requisite skills needed to keep pace with the ever-changing needs of the market. Training is imparted to employees at all levels and covers both technical and behavioral aspects.

The Industrial Relations scenario during the year under review was smooth. The Company has an excellent track record in this regard and has maintained cordial relationships with all its employees.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis describing the Company's views about the industry, expectations, objectives, etc ... may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Factors like supply and demand situations, input prices and their availability, changes in Government regulations, economic developments, etc. may influence the Company's operations or performance.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2017 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order, 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 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 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters 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**

**Place : Ahmedabad
Date : 23rd May, 2018**

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

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, limited liability partnerships or other parties covered in the register maintained under section 189 of the of the Companies Act 2013.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
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, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues to the appropriate authorities have generally been regularly deposited. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2018 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, service tax, sales tax, customs duty, excise duty, value added tax 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 by the Company or on the company by its officers or employees 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 provision of Clause 3(xiv) of the Order is 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 provision of Clause 3(xv) of the Order is not applicable to the Company.
16. In our opinion and according to information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Place : Ahmedabad
Date : 23rd May, 2018**

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

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 2018 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, 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 31st March 2018, 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 : 23rd May, 2018**

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

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars		Note	As at		As at	
			31st March, 2018		31st March, 2017	
					As at	
					31st March, 2016	
I	ASSETS :-					
1	NON-CURRENT ASSETS :					
	Property, Plant and Equipment	3	91379433		80593122	68010875
	Financial Assets :					
	Investments	4	5500600		3500600	3500600
				96880033	84093722	71511475
2	CURRENT ASSETS :					
	Inventories	5	91662432		79525449	71107027
	Financial Assets :					
	Trade Receivables	6	96448905		95099955	95478828
	Cash and Cash Equivalents	7	64235002		63324796	35666994
	Loans and Advances	8	27988215		28798570	25417605
	Other Current Assets	9	2280138		29573064	9607076
				282614693	296321833	237277530
	TOTAL ASSETS		379494726		380415555	308789005
II	EQUITY AND LIABILITIES :					
	SHAREHOLDERS' FUNDS :					
	Equity Share Capital	10	35264000		35264000	35264000
	Other Equity	11	88833429		79062347	71994956
				124097429	114326347	107258956
	NON-CURRENT LIABILITIES :					
	Financial Liabilities :					
	Borrowings	12	23567686		26176502	17688950
	Deferred Tax Liabilities (Net)	13	8486282		7794671	6869761
	Other Non-Current Liabilities	14	45218096		29050655	26151359
	Provisions	15	7852171		6999391	6043081
				85124235	70021220	56753152
	CURRENT LIABILITIES :					
	Financial Liabilities :					
	Borrowings	16	53635266		91707070	61204094
	Trade Payables	17	107651918		96971553	78617440
	Provisions	18	8985878		7389364	4955363
				170273062	196067987	144776897
	TOTAL EQUITY AND LIABILITIES		379494726		380415555	308789005
	(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 23, 2018

For and on behalf of the Board
HAWA ENGINEERS LTD.

ASLAM F. KAGDI
Chairman & M. D.

ASAD F. KAGDI
Jt. Managing Director

BHARTI RATHI
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars		Note	Year ended 31.03.2018	Year ended 31.03.2017
I	Revenue From Operations (Gross)	19	568774852	553713928
	Less : Excise Duty		16893233	56985235
	Revenues From Operations (Net)		551881619	496728693
II	Other Income	20	3299444	2813615
III	Total Revenues (I+II)		555181064	499542308
IV	Expenses :			
	Cost of Materials Consumed	21	410646389	354879532
	Purchases of Stock-in-Trade		0	198350
	Change in Inventories of Finished Goods	22	(1,93,95,936)	3518017
	Employee Benefits & Expense	23	19041231	16346679
	Finance Costs	24	12952333	12765127
	Depreciation	3	9014792	7621078
	Other Expenses	25	108056987	91851224
	Total Expenses		540315795	487180007
	V	Profit Before Tax (III-IV)		14865268
VI	Tax Expenses :			
	Current Tax		4400000	4370000
	Deferred Tax		691611	924910
VII	Profit for the year (V-VI)		9773657	7067391
VIII	Earnings per equity share of face value of Rs. 10 each Basic and Diluted (in Rs.) (Significant Accounting Policies & Notes forming Part of the Financial Statements)		2.77	2.00
		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 23, 2018

For and on behalf of the Board
HAWA ENGINEERS LTD.

ASLAM F. KAGDI
Chairman & M. D.

ASAD F. KAGDI
Jt. Managing Director

BHARTI RATHI
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR 2017 - 2018

Particulars		Year Ended 31.03.2018 (Rupees)		Year Ended 31.03.2017 (Rupees)	
A	CASH FLOW FROM OPERATING ACTIVITIES :				
	Net Profit before tax as per statement of Profit and Loss		14865268		12362301
	Add :				
	Depreciation	9014792		7621078	
	Loss on Sale of Assets (net)	16385		(1,51,815)	
	Finance Costs	12952333		12765127	
			21983510		20234390
	Less :				
	Interest Income	3299444		2813615	
			3299444		2813615
	Operating Profit before Working Capital Changes		33549334		29783076
	Adjusted for :				
	Trade and Other Receivables	25943976		(1,95,87,114)	
	Inventories	(1,21,36,984)		(84,18,421)	
Movement in Loans and Advances	810354		(33,80,965)		
Trade and Other Payables	29297100		24643720		
		43914446		(67,42,780)	
Cash Generated from Operations		77463780		23040296	
Taxes Paid (Net)		4461342		4370000	
Net Cash from Operating Activities (A)		73002438		18670296	
B	CASH FLOW FROM INVESTING ACTIVITIES :				
	Sale of Fixed Assets	20000		300106	
	Interest Income	3299444		2813615	
			3319444		3113721
	Less :				
	Purchase of Fixed Assets	19778723		20351617	
	Investment for M F	2000000		0	
		21778723		20351617	
Net Cash Flow used in Investing Activities (B)		(1,84,59,278)		(1,72,37,896)	

Particulars		Year Ended 31.03.2018 (Rupees)		Year Ended 31.03.2017 (Rupees)	
C	CASH FLOW FROM FINANCING ACTIVITIES :				
	Proceeds from Issue of Share Capital		0		0
	Proceeds from Long Term Borrowings		(26,08,816)		8487553
	Repayment of Long Term Borrowings		0		0
	Short Term Borrowings (net)		(3,80,71,805)		30502976
	Finance Costs		(1,29,52,333)		(1,27,65,127)
	Net Cash Flow used in Financing Activities (C)		(5,36,32,954)		2,62,25,402
	Net Increase in Cash and Cash Equivalents (A+B+C)		910206		27657802
	Opening Balance of Cash and Cash Equivalents		63324796		35666994
	Closing Balance of Cash and Cash Equivalents		64235002		63324796

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 23, 2018

For and on behalf of the Board
HAWA ENGINEERS LTD.

ASLAM F. KAGDI
 Chairman & M. D.

ASAD F. KAGDI
 Jt. Managing Director

BHARTI RATHI
 Company Secretary

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. SIGNIFICANT ACCOUNTING POLICIES :

I. Basis of Preparation of Financial Statements :

For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013.

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2017 and the Company is required to prepare its financial statements in accordance with Ind ASs for the year ended March 31, 2018. These financial statements as and for the year ended March 31, 2018 (the "Ind AS Financial Statements") are the first financial statements, the Company has prepared in accordance with Ind AS.

The Company had prepared a separate set of financial statements for the year ended March 31, 2017 and March 31, 2016 in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 (the "Audited Previous GAAP Financial Statements"), which were approved by the Board of Directors of the Company on May 29, 2017 and May 28, 2016 respectively. The management of the Company has compiled the Special Purpose Comparative Ind AS Financial Statements using the Audited Previous GAAP Financial Statements and made required Ind AS adjustments. The Audited Previous GAAP Financial Statements, and the Special purpose Comparative Ind AS Financial Statements, do not reflect the effects of events that occurred subsequent to the respective dates of approval of the Audited Previous GAAP Financial Statements.

The Company has followed the provisions of Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. April 1, 2016. In accordance with Ind AS 101, the Company has presented reconciliations of Shareholders' equity under Previous GAAP and Ind ASs as at March 31, 2017, and April 1, 2016 and of the Profit / (Loss) after Tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2017.

II. Use of Estimates :

The preparation of financial statements in conformity with Ind AS 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. Property, plant and equipment :

The Company has applied Ind AS 16 with retrospective effect for all of its property, plant and equipment as at the transition date, viz., 1 April 2016.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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 tax 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 :

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

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 Ind AS-19 on Employees Benefits are as under :

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

Particulars	31.03.2018	31.03.2017
Provident Fund & Other Funds	25,39,257/-	18,41,693/-
Gratuity	10,89,653/-	9,56,310/-

In respect of employees who have completed five years continuous service as on 31st March 2018, 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 31st March 2018 Rs. 78,52,171/- (Previous year Rs. 69,99,391/-)

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

ITEM	VALUE	PERCENTAGE	TOTAL VALUE
RAW-MATERIALS	41,06,46,389/-	100%	41,06,46,389 /-
	(35,48,79,532/-)	(100%)	(35,48,79,532/-)
STORES & PACKING MATERIALS	1,05,05,868/-	100%	1,05,05,868/-
	(91,62,452/-)	(100%)	(91,62,452/-)

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, 2018 for the purposes of reporting as per IND AS 24 – 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, 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,

ANNUAL REPORT 2017-2018

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 2017-18 :

NATURE OF TRANSACTIONS COMPANY	ASSOCIATE COMPANIES	FIRMS	KEY MANAGEMENT	RELATIVES OF KEY MANAGEMENT PERSONNEL
Purchase	3,62,24,252/-	12,81,90,712/-	---	---
Previous Year	6,87,24,489/-	12,85,22,632/-	---	---
Sales	1,08,95,128/-	14,17,66,905/-	---	---
Previous Year	58,37,966/-	12,52,74,582/-	---	---
Sales Commission	41,84,870/-	1,89,87,378/-	---	---
Previous Year	5,01,336/-	1,65,85,370/-	---	17,62,366/-
Office Rent	---	---	15,84,000/-	19,32,000/-
Previous Year	---	---	16,56,000/-	20,28,600/-
Salary	---	---	---	---
Previous Year	---	---	---	---
Managerial Remuneration/ Seating Fees/ Other Benefits	---	---	27,94,289/-	---
Previous year	---	---	29,99,070/-	---
OUTSTANDINGS :				
- Payables	2,40,22,221/-	1,40,47,357/-	---	---
Previous Year	2,14,71,238/-	3,20,46,653/-	---	---
- Receivables	13,22,065/-	4,05,90,883/-	---	---
Previous Year	17,15,479/-	5,86,00,167/-	---	---
- Rent Deposit	---	---	---	---
Previous Year	---	---	---	---

XVIII. DEFERRED TAX :

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

Particulars	As at March 31, 2017	For the year	As at March 31, 2018
Tax effect of items constituting Deferred Tax liability : On difference between book balance and Tax balance of fixed assets	77,94,671/-	6,91,611/-	84,86,282/-

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.

PARTICULARS	31.03.2018	31.03.2017
1. Net Profit after tax	97,73,657/-	70,67,391/-
2. Number of Equity Shares	35,26,400	35,26,400
3. Nominal Value of Shares (Rs.)	10/-	10/-
4. Earnings Per Share (Rs.)	2.77	2.00

XX. SEGMENT REPORTING :

Considering the nature of company's business & operations there are no separate reportable segments.

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. 7,31,90,562/- (Previous year Rs. 4,00,00,000/-)

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):

Particulars	31.03.2018	31.03.2017
Salary, Allowances & Benefits	27,94,289/-	29,99,070/-

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

Particulars	31.03.2018	31.03.2017
A P I Expenses	6,15,651/-	5,96,635/-
Import Purchase (Machinery)	NIL	4,75,107/-

XXVI. Details of Auditors Remuneration :

Particulars	31.03.2018	31.03.2017
Statutory Audit Fees	50,000/-	50,000/-
Tax Audit Fees	17,000/-	17,000/-
Total Rs.	67,000/-	67,000/-

XXVII. Income earned in foreign exchange :

Particulars	31.03.2018	31.03.2017
Export of own products	3,93,30,038/-	1,52,53,274/-

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE : 3 : PROPERTY, PLANT AND EQUIPMENT

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2017	Addition	Impair- ment	Dedu- ction	As at 31.03.2018	As at 01.04.2017	For the year	Deduction	Upto 31.03.2018	As at 31.03.2017	As at 31.03.2016
TANGIBLE ASSETS :											
(OWN ASSETS)											
Freehold Land	84215	0	0	0	84215	0	0	0	0	84215	84215
Buildings	26972367	1050740	0	0	28023107	6523238	769175	0	7292413	20449129	15974902
Plant & Machinery	71630510	17628378	0	0	89258888	26616513	5910598	0	32527111	45013997	40832599
Electric Installation	2405236	0	0	0	2405236	1530826	150888	0	1681714	874410	1025298
Furniture & Fittings	7202562	166586	0	0	7369148	3897983	531120	0	4429103	3304579	3619418
Veehicles	15986738	933018	0	0	16919756	5119946	1653011	22380	6750577	10866792	6474443
TOTAL	124281628	19778723	0	0	144060351	43688506	9014792	22380	52680918	80593122	68010875

NOTE : 4 : INVESTMENTS

Sr. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
1	IN EQUITY SHARES - UNQUOTED FULLY PAID UP : 60 Shares of the Bombay Mercantile Co-Operative Bank Ltd. Of Rs. 10/- each		600		600		600
2	CANARA BANK ROBACCO FUND : Mutual Fund		5500000		3500000		3500000
	TOTAL		5500600		3500600		3500600

NOTE : 5 : INVENTORIES

Sr. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
1	Raw Materials		61178204		69025696		56663618
2	Finished Goods		29561301		10165365		13683382
3	Stores and Spares		440415		258691		653871
4	Packing Materials		482512		75697		106156
	TOTAL		91662432		79525449		71107027

NOTE : 6 : TRADE RECEIVABLES

Sr. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
A	Outstanding for a period exceeding six months from the date they are due for payment (Unsecured Considered Good)		12811212		11266720		13349700
B	Others (Unsecured Considered Good)		83637693		83833235		82129128
	TOTAL		96448905		95099955		95478828

ANNUAL REPORT 2017-2018

NOTE : 7 : CASH AND CASH EQUIVALENTS

Sr. No.	Particulars	As at		As at		As at	
		31st March, 2018		31st March, 2017		31st March, 2016	
1	CASH AND CASH EQUIVALENTS :						
	Balances with Banks						
	In Current Accounts		2065561		22876247		38958
2	Cash on hand		34056554		16593709		11621902
3	OTHER BANK BALANCES :						
	Fixed Deposit (Under Lien)	23252142		18994095		17639195	
	Fixed Deposit (Margin Money Deposit)	4860245		4860245		6366439	
	Fixed Deposit & Recurring Deposit	500		500		500	
			28112887		23854840		24006134
	TOTAL		64235002		63324796		35666994

NOTE : 8 : LOANS AND ADVANCES

Sr. No.	Particulars	As at		As at		As at	
		31st March, 2018		31st March, 2017		31st March, 2016	
1	DEPOSIT		7128472		7200554		6996147
2	LOANS AND ADVANCES TO EMPLOYEES :		245000		397000		508000
	(Unsecured, considered good)						
3	BALANCES WITH GOVERNMENT AUTHORITIES :						
	(Unsecured, considered good)						
	CENVAT/GST credit receivable	1009787		4679090		3098628	
	VAT credit receivable	12838095		9682242		9071800	
			13847881		14361332		12170428
4	ADVANCE INCOME TAX & TDS :		6766862		6839684		5743030
	(Unsecured, considered good)						
	TOTAL		27988215		28798570		25417605

NOTE : 9 : OTHER CURRENT ASSETS

Sr. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
1	Advance to Suppliers		2299666		7296227		2587749
2	Interest accrued but not received on deposits to Banks & Service providers		(2,19,528)		7834193		5687887
3	Other Advances		200000		14218950		560668
4	Pre-Paid Expenses		0		0		45800
5	TDS Receivable		0		223694		724972
	TOTAL		2280138		29573064		9607076

NOTE : 10 : EQUITY SHARE CAPITAL

Sr. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
1	AUTHORISED : 40,00,000 Equity Shares of Rs. 10/- each		40000000		40000000		40000000
2	ISSUED, SUBSCRIBED AND PAID UP : 35,26,400/- Equity Shares of Rs. 10/- each fully paid up		35264000		35264000		35264000
	TOTAL		35264000		35264000		35264000

Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
Number of shares at the beginning		3526400		3526400		3526400
Number of shares at the end		3526400		3526400		3526400
Amount of Share Capital at the beginning		35264000		35264000		35264000
Amount of Share Capital at the end		35264000		35264000		35264000

ANNUAL REPORT 2017-2018**Details of Share holders holding more than 5% equity shares :**

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
Jameela F. Kagdi (5.95%)		209700		209700		209700
Mohammed Aslam F. Kagdi (5.03%)		177210		159410		159410

Terms / Rights attached to Shares :

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.

NOTE : 11 : OTHER EQUITY

Sr. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
1	GENERAL RESERVE :						
	As per last Balance Sheet	74890000		67390000		62390000	
	Add : Transferred from Profit & Loss Account	7500000		7500000		5000000	
			82390000		74890000		67390000
2	SURPLUS IN THE STATEMENT OF PROFIT & LOSS :						
	As per last Balance Sheet	4172347		4604956		2830352	
	Add : Short Provision for Tax	(2,576)		-		-	
	Profit for the year	9773658		7067391		6774604	
		13943429		11672347		9604956	
	Less : Appropriations : Transferred to General Reserve	7500000		7500000		5000000	
			6443429		4172347		4604956
	TOTAL		88833429		79062347		71994956

NOTE : 12 : BORROWINGS

Sr. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
1	FROM OTHER PARTIES : (Unsecured) Luft Capital Ltd.		6323959		4827435		2765296
2	FROM BANK : (Secured) ICICI Bank - Car Loan	247522		551390		827823	
	H D F C Bank - Car Loan	1689418		2067301		0	
	Canara Bank - Term Loan	15306787	17243727	18730376	21349067	14095830	14923653
	TOTAL		23567686		26176502		17688949

NOTE : 13 : DEFERRED TAX LIABILITIES (NET)

Sr. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
1	DERERRED TAX LIABILITIES Related to Fixed Assets (Note No. 2.1 {XVIII})		8486282		7794671		6869761
	TOTAL		8486282		7794671		6869761

NOTE : 14 : OTHER NON-CURRENT LIABILITIES

Sr. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
1	Trade Advances		16897064		0		2727213
2	Trade Security Deposit		6350891		1548741		200000
3	Advances from Customers		17786540		21713313		17550210
4	Others		4183601		5788601		5673936
	TOTAL		45218096		29050655		26151359

NOTE : 15 : PROVISIONS

Sr. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
1	PROVISION FOR EMPLOYEE BENEFIT : Provision for Gratuity		7852171		6999391		6043081
	TOTAL		7852171		6999391		6043081

ANNUAL REPORT 2017-2018**NOTE : 16 : BORROWINGS**

Sr. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
1	FROM BANK : (Secured) Canara Bank	53635266		91707070		61204094	
		53635266		91707070		61204094	
2	FROM OTHER PARTIES : (Unsecured)	0		0		0	
		0		0		0	
	TOTAL	53635266		91707070		61204094	

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.

NOTE : 17 : TRADE PAYABLES

Sr. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
1	Micro, Small and Medium Enterprises & Others (Note No. 2.1 {XXI}) - For Goods - For Expenses	77641107 30010811		76966725 20004828		64067816 14549624	
	TOTAL	107651918		96971553		78617440	

NOTE : 18 : PROVISIONS

Sr. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
1	PROVISION FOR EMPLOYEE BENEFIT : Provision for Bonus Provision for other Employee Benefit	0 1909890		0 1359169		0 1007475	
		1909890		1359169		1007475	
2	PROVISION OTHERS : Provision for Income Tax Provision for Expenses	6768088 307900		5277776 752419		3646184 301704	
		7075988		6030195		3947888	
	TOTAL	8985878		7389364		4955363	

NOTE : 19 : REVENUE FROM OPERATIONS

Sr. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017	
		1	SALES OF PRODUCTS : Domestic Sales Export Sales	529116066 39330038	
			568446103		553375355
2	OTHER OPERATING REVENUES : Sale of Scrape		328749		338573
	Less : Excise Duty		568774852 16893233		553713928 56985235
	Revenue From Operations (Net)		551881619		496728693

NOTE : 20 : OTHER INCOME

Sr. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017	
		1	Interest		2623203
2	Other Non Operating Income		676241		359466
	TOTAL		3299444		2813615

NOTE : 21 : COST OF MATERIALS CONSUMED

Sr. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017	
		1	Opening Stock Add : Purchases	69025696 402798897	
	Less : Closing Stock		471824593 61178204		423905228 69025696
	TOTAL		410646389		354879532

NOTE : 22 : CHANGES IN INVENTORIES OF FINISHED GOODS

Sr. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017	
		1	Inventories at the beginning of the year Finished Goods		10165365
2	Inventories at the end of the year Finished Goods		29561301		10165365
	(Increase) in Inventories		(1,93,95,936)		35,18,017

NOTE : 23 : EMPLOYEE BENEFITS & EXPENSE

Sr. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017	
		1	Salaries and Wages		14060016
2	Contribution to Provident and Other Funds (Note No. 2.1 {XV})		2539257		1841693
3	Staff Welfare Expenses		958016		1391964
4	Gratuity (Note No. 2.1 {XV})		1089653		956310
5	Other Benefits		394289		599070
	TOTAL		19041231		16346679

ANNUAL REPORT 2017-2018**NOTE : 24 : FINANCE COSTS**

Sr. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017	
1	Interest		7844568		8126069
2	Bank Charges		4665902		4467167
3	Hire Charges		441863		171892
	TOTAL		12952333		12765127

NOTE : 25 : OTHER EXPENSES

Sr. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017	
1	Manufacturing Expenses :				
	Labour Expenses	11241388		9347173	
	Transport Inward	2021995		33014	
	Consumption of Stores and Packing Materials	10505868		9162452	
	Electric Power	5705225		5018284	
	Gas Charges	90079		76858	
	Repairs to Building	401196		0	
	Repairs to Machinery	3125637		1459088	
			33091388		25096869
2	Selling and Distribution Expenses :				
	Excise, Income Tax & Vat Assessment	665858		334797	
	Other Selling and Distribution Expenses	50912962		43569685	
			51578820		43904482
3	Establishment Expenses :				
	Professional Fees	1031174		1362772	
	General Expenses	13004679		11423783	
	Insurance	275911		167626	
	Rent & Taxes	4267176		3797581	
	Other Reapirs	2448227		3206759	
	Travelling & Conveyance Expenses	1944726		2682167	
	Payment to Auditors	111000		117000	
	Loss / (Profit) on Sale of Fixed Assets	16385		(1,51,815)	
	Donation	0		15000	
			23099278		22620873
4	B S E Expenses				
			287500		229000
	TOTAL		108056987		91851224

HAWA ENGINEERS LTD.

[CIN: L29120GJ1993PLC019199]

Regd. Office: Plot No. 129, Near. 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)

25th Annual General Meeting on Saturday, 29th September, 2018 at 10.30 a.m. 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 holder : _____
(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 2013-14 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, Near. Kashiram Textile Mill Narol Road, Ahmedabad-382405
Phone No: 079 - 25320781/82/83/86 Email: riyaz@hawaengltd.com; website: www.hawaengineersltd.com

PROXY FORM

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

Name of the 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) on my / our behalf at the 25th Annual General Meeting of the Equity Shareholders of Hawa Engineers Ltd will be held on Saturday, 29th September, 2018 at 10.30 AM at the Registered Office, Plot No: 129, Near. Kashiram Textile Mill, Narol Road, Ahmedbad – 382405 and at any adjournment thereof in respect of resolutions as are indicated below:.

Resolution No.	Particulars of Resolution	Optional	
		For	Against
	ORDINARY BUSINESS		
1.	To receive, consider, approve and adopt the audited Balance Sheet as at 31 st March, 2018 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. Asad Kagdi (DIN: 00006898), who retires by rotation and, being eligible, offers himself for re-appointment.		

Signed this _____ day of _____ 2018

Signature of Shareholder : _____

Signature of Proxy holder(s) : _____

Affix
Re 1
revenue
stamp

Note:

1. 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.
2. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
3. Please complete all details including details of member (s) in the above box before submission.
4. Those Members who have multiple folios with different joint holders may use copies of this Attendance slip/Proxy.



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 / 83 / 86 Fax : +91 79 2532 0785

Email : helho@hawaengltd.com Visit us : www.hawaengltd.com

Works :

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