



21<sup>ST</sup>

ANNUAL REPORT  
2013 - 2014



*Hawa Engineers Ltd.*

## 21st ANNUAL REPORT 2013-2014

### BOARD OF DIRECTORS

Aslam Kagdi	<i>Chairman, Managing Director &amp; CFO</i>
Asad Kagdi	<i>Joint Managing Director</i>
Mohammed khan Pathan	<i>Whole Time Director</i>
Shad Mdafzal Ranginwala	<i>Director</i>
Zafar Abdullamiya Hawa	<i>Director</i>
Sajid Mehboobhai Sacha	<i>Director</i>
Mohamedzakari Asad Kagdi	<i>Director</i>
Anwarahmed Mohammed Javid Daruwala	<i>Director</i>

### COMPANY SECRETARY

**Dhanesh Pravinbhai Shah.**

204, Chitrallekha Apartment, Jodhpur,  
Ahmedabad, 380015.

### AUDITORS

**Nawab Menon & Associates**

Chartered Accountant  
4195, Kothi Mohalla, Lal Darwaja,  
Ahmedabad-380001

### INTERNAL AUDITORS

**G R K G & CO.**

Chartered Accountant

### PRINCIPAL BANKER

**Canara Bank**

Navrangpura, Ahmedabad

**The Karur Vysya Bank Ltd**

Ahram Road, Ahmedabad

**Bank of Baroda**

Gita Mandir Road, Ahmedabad

### REGISTERED OFFICE

Behind Chandola Police Chowky,  
Chandola, Ahmedabad. 380 028  
Tele : 079-25320781/82/83/86  
e-mail : helho@hawaengltd.com  
Website : www.hawaengltd.com

### CORPORATE IDENTIFICATION NUMBER

L29120GJ1993PLC019199

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**NOTICE**

**To,  
The Shareholders,**

Notice is hereby given that the 21st Annual General Meeting of the shareholders of Hawa Engineers Ltd will be held on Tuesday, 30th September, 2014 at 3.00 p.m. at Plot No: 129, B/h. Kashiram Textile Mill, Narol Road, Ahmedbad - 382405 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2014 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 re-appoint M/s Nawab Memon & Associates, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the third consecutive Annual General Meeting i.e. 24th AGM ( Till FY 2016-17) subject to the rectification by the shareholders at every AGM and to fix their remuneration in consultation with the Board of Directors.
3. To appoint a Director in place of Mr. Aslam Kagdi who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

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

“RESOLVED THAT Mr. Zafar Abdullamiya Hawa, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 1st October, 2013 pursuant to the provisions of Section 260 off the Companies Act, 1956 and Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation. RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this Resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with schedule IV to the Act, as amended from time to time, Mr. Sajid Mehboobhai Sacha, a Non-Executive Director of the company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from the member proposing his candidature for the office of Director, be and is hereby appointed as an independent Director of the Company for a period of 5 ( Five ) consecutive years w.e.f 1st October, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this Resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with schedule IV to the Act, as amended from time to time, Mr. Shad Mafzal Ranginwala, a Non-Executive Director of the company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from the member proposing his candidature for the office of Director, be and is hereby appointed as an

independent Director of the Company for a period of 5 ( Five ) consecutive years w.e.f 1st October , 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this Resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with schedule IV to the Act, as amended from time to time, Mr. Anwarahmed Mohammed Javid Daruwala, a Non-Executive Director of the company , who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act , who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from the member proposing his candidature for the office of Director , be and is hereby appointed as an independent Director of the Company for a period of 5 ( Five ) consecutive years w.e.f 1st October , 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this Resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with schedule IV to the Act, as amended from time to time, Mr. Mahboob Abdul Raheman Shaikh, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act , who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from the member proposing his candidature for the office of Director , be and is hereby appointed as an independent Director of the Company for a period of 5 ( Five ) consecutive years w.e.f 1st October , 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this Resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with schedule IV to the Act, as amended from time to time, Mrs. Sabana Amjad Rehmani who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act , who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from the member proposing his candidature for the office of Director , be and is hereby appointed as an independent Director of the Company for a period of 5 ( Five ) consecutive years w.e.f 1st October , 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this Resolution."

10. To consider and if thought fit, pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the resolution passed under Section 293(1)(d) of the erstwhile Companies Act, 1956 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications thereof), consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow by way of loan/debentures (whether secured or unsecured) / bonds / deposits / fund based / non fund based limits/guarantee for the purpose of the business of the Company any sum or sums of money either in Indian or Foreign Currency from time to time from any Bank(s) or any Financial Institution(s) or any other Institution(s), firm(s), body corporate(s), or other person(s) or from any other source in India or outside India

whomsoever in addition to the temporary loans obtained from the Company's Banker(s) in the ordinary course of business provided that the sum or sums so borrowed under this resolution and remaining outstanding at any time shall not exceed in the aggregate 50 Crores (Rupees Fifty Crores) in excess of and in addition to the paid-up capital and free reserves of the Company for the time being.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

11. To consider and if thought fit, pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the resolution passed under Section 293(1)(a) of the erstwhile Companies Act, 1956 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof), consent of the Company be and is hereby accorded to the Board of Directors of the Company to create such charges, mortgages and hypothecation in such form and manner and with such ranking and at such time and on such terms as the Board may determine on all or any of the movable and/or immovable properties of the Company, both present and future, in favor of the lender(s), agent and the trustees for securing the borrowings/financial assistance obtained/to be obtained from banks, public financial institutions, body(ies) corporate or any other party and/or to give a collateral security for the borrowings/guarantees of any group/associate Company or otherwise to charge the assets of the Company, for monies availed/to be availed by way of loans, (in foreign currency and/or rupee currency) and securities (comprising fully/partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and/or Secured/Un-Secured Premium Notes and/or floating rates notes / bonds / fund based / non fund based limits / guarantee or other debt instruments), issued/to be issued by the Company, from time to time, upto value not exceeding limit approved by shareholders under Section 180(1)(c) of the Companies Act, 2013 from time to time, together with interest, at the respective agreed rates, additional interest, compound interest, in case of default, accumulated interest, liquidated damages, commitment charges, premia prepayment, remuneration of the agent(s), trustee(s), premium if any on redemption, all other cost, charges and expenses including any increase as a result of devaluation/ fluctuation in the rates of exchange and all other monies payable by the Company in terms of the loan agreement, heads of agreement, debenture trust deeds or any other documents, entered into/to be entered into between the Company and the lenders, agents and trustees in respect of the said loans/ borrowings /debentures/bonds and containing such specified terms and conditions and covenants in respect of enforcement of security(ies) as may be stipulated in their behalf and agreed to between the Board of Directors and the lenders, agent(s), trustee(s).

RESOLVED FURTHER THAT Board of be and is hereby authorized to do such acts, deeds and things as may be deemed expedient to give effect to the above resolution."

12. To consider and if thought fit, pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulation contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulation contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

**Registered Office:**

Behind Chandola Police Chowky,  
Chandola,  
Ahmedabad: 380028.  
Date: 29-05-2014

**By order of the Board of Directors,  
For Hawa Engineers Limited**

Sd/-  
**Aslam F. Kagdi**  
Chairman

## Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself. The proxy need not be a member.

[A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent 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 a proxy for any other person or shareholder]

2. The instrument appointing proxy should however be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.
3. As per clause 49 of the listing agreement(s), information regarding appointment / re-appointment of Directors and Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business to be transacted are annexed hereto.
4. The Register of Members and the Share Transfer Books of the company shall remain closed from 26th September to 29th September, 2014.
5. Members are requested to bring their copy of Annual Report at the meeting.
6. 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.
7. The equity shares of the company are available for dematerialization, as the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Those shareholders who wish to hold shares in electronic form may approach their Depository Participant. The ISIN No. of the Equity Share is INE230IO1018.
8. Voting through electronic means:

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the above provisions.

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

#### **In case of members receiving e-mail:**

- i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii) Click on "Shareholders" tab.
- iii) 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.
- iv) Next enter the Image Verification as displayed and Click on Login.
- v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

vi) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b>.</li> </ul>

vii) After entering these details appropriately, click on "SUBMIT" tab.

viii) 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.

ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

x) Click on the EVSN for the relevant HAWA ENGINEERS LTD on which you choose to vote.

xi) 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.

xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiii) 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.

xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvi) 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.

- Institutional shareholders (i.e. other than Individuals, HUF, and NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

xvii) Mr. Chirag Shah, M/s. Chirag Shah and Associates, Practising Company Secretary (Membership No. FCS: 5545; CP No: 3498) (Address: 808, Shiromani Complex, Opp. Ocean Park, S.M. Road, Satellite, Ahmedabad – 380 015, Gujarat, India) has been appointed as the Scrutinizer to scrutinize the e-Voting process.

The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

xviii) The results shall be declared on the date of AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.hawaengineersltd.com](http://www.hawaengineersltd.com) and on the website of CDSL <https://www.evotingindia.co.in> within two days of the passing of the resolutions at the AGM of the Company and communicated to the Stock Exchange of India Limited, where the shares of the Company are listed.

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

- A) Please follow all steps from sl. no. (i) to sl. no. (xvi) Above to cast vote.
- B) The voting period begins on 23rd September, 2014 (9.00 a.m) and ends on 25th September, 2014 (6.00 p.m). 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) i.e 22nd August , 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

#### **Item No. 4**

Mr. Zafar Abdullamiya Hawa was appointed as an Additional Director of the Company on 1st October, 2014 by the Board of Directors of the Company as Director of the company . According to the provisions of Section 161 of the Companies Act, 2013, he holds office as Director only up to the date of ensuing Annual General Meeting. As required under Section 160 of the Companies Act, 2013, notice has been received from a member signifying its intention to propose the appointment of Mr. Zafar Abdullamiya Hawa as a Director along with the deposit of requisite amount.

The Board of Directors felt that it is in the interest of the Company to continue to avail services of Mr. Zafar Abdullamiya Hawa as a Director.

The Board recommends the said resolutions for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel other than Mr. Zafar Abdullamiya Hawa is, in anyway, concerned or interested in the above resolution.

#### **Item No. 5-7**

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Sajid Mehboobhai Sacha, Mr. Shad Mdafzal Ranginwala and Mr. Anwarahmed

Mohammed Javid Daruwala as Independent Directors previously, in compliance with the requirements of the clause.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 (Act), which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation. Pursuant to clause 49 of the Listing Agreement with Stock Exchanges (to come into force w.e.f. 1st October, 2014), an Independent Director cannot hold office for more than two consecutive terms of five years each and any tenure of an Independent Director on the commencement of the Companies Act, 2013 shall not be counted as a term. Hence, the said Independent Directors are proposed to be appointed for a period as mentioned in the respective resolutions from the conclusion of this AGM.

Mr. Sajid Mehboobhai Sacha, Mr. Shad Mafzal Ranginwala and Mr. Anwarahmed Mohammed Javid Daruwala, Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Directors and they are independent of the management.

Mr. Sajid Mehboobhai Sacha, Mr. Shad Mafzal Ranginwala and Mr. Anwarahmed Mohammed Javid Daruwala are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

Mr. Sajid Mehboobhai Sacha, Mr. Shad Mafzal Ranginwala and Mr. Anwarahmed Mohammed Javid Daruwala are deemed to be interested in the resolutions set out respectively at Item Nos. 5 to 7 of the Notice with regard to their respective appointments.

The Board recommends the said resolutions for your approval.

Save and except the above, none of the other Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolutions.

#### **Item No.8-9**

Pursuant to the provisions of Section 149 of the Companies Act, 2013 (Act), which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation. Pursuant to clause 49 of the Listing Agreement with Stock Exchanges (to come into force w.e.f. 1st October, 2014), an Independent Director cannot hold office for more than two consecutive terms of five years each and any tenure of an Independent Director on the commencement of the Companies Act, 2013 shall not be counted as a term. Hence, the said Independent Directors are proposed to be appointed for a period as mentioned in the respective resolutions from the conclusion of this AGM.

Mr. Mahboob Abdul Raheman Shaikh & Mrs. Sabana Amjad Rehmani have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Directors and they are independent of the management.

Mr. Mahboob Abdul Raheman Shaikh & Mrs. Sabana Amjad Rehmani are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

Mr. Mahboob Abdul Raheman Shaikh & Mrs. Sabana Amjad Rehmani are deemed to be interested in the resolutions set out respectively at Item Nos. 8 and 9 of the Notice with regard to their respective appointments.

The Board recommends the said resolutions for your approval.

Save and except the above, none of the other Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolutions.

## **Item No. 10**

As per the provisions of section 180(1) (c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the members in General Meeting borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up Capital and the Free Reserves of Company, that is to say, reserves not set apart for any specific purposes. In view of its expanding operations in India/Abroad and/or diversified activity (ies), it is expected that the present limit may not be sufficient and therefore the borrowing limit is proposed to be enhanced to the extent of sum(s) so borrowed under this resolution and remaining outstanding at any time shall not exceed in the aggregate of Rs. 50 Crores (Rupees Fifty Crores only) in excess of and in addition to the paid-up capital and free reserves of the Company for the time being.

The consent of the members is, therefore, sought under provisions of Section 180(1) (c) of the Companies Act, 2013, to enable the Directors to borrow the aforesaid amount.

The Board of Directors recommends the above resolution for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

## **Item No. 11**

Section 180(1)(a) of the Companies Act, 2013 which has replaced Section 293(1)(a) of the Companies Act, 1956 provides that the Board of Directors shall create charge on all or any of the movable or immovable properties of the Company, except with the consent of the Company accorded by way of a special resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the ordinary resolution earlier passed under Section 293(1)(a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013 i.e. up to 11th September, 2014.

Accordingly, it is, therefore, necessary for the members to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of security upto limit specified in the resolution passed under Section 180(1)(c) of the Companies Act, 2013.

The Board of Directors recommends the above resolution for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

## **Item no. 12**

The existing Articles of Association ("AOA") are based on the Companies Act, 1956 and several regulations in the existing AOA contain reference to specific Sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act.

With the coming into force of the Companies Act, 2013, several regulations of the existing AOA of the Company require alteration or deletion. Accordingly, it is proposed to replace the entire existing AOA by a set of new Articles.

The New AOA to be substituted in place of existing AOA are based on Table 'F' of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

The Proposed new draft of AOA is uploaded on the Company's website for perusal by the shareholders.

The Board of Directors recommends the above resolution for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

## **Registered Office:**

Behind Chandola Police Chowky,  
Chandola,  
Ahmedabad: 380028.  
Date: 29-05-2014

## **By order of the Board of Directors, For Hawa Engineers Limited**

Sd/-  
**Aslam F. Kagdi**  
**Chairman**

**INFORMATIONS REQUIRED AS PER LISTING AGREEMENT FOR THE RETIRING DIRECTORS.****Name of Director : MR. Aslam F Kagdi**

Date of Birth : 21/01/1961

Educational Qualification : B.E

MR. Aslam 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 and he looks after the General Administration and HR function in particular apart from looking the day to day affairs of the Company. The Company is likely to be greatly benefited with his association as Director on the Board. Your Directors recommend to re- appoint him as Director of the company.

**Name of Director : MR. Zafar Abdullamiya Hawa**

Date of Birth : 17/11/1966

Educational Qualification : B.COM

MR. Zafar Abdullamiya Hawa is Appointed as the Additional Director of the Company. He handles the Marketing Department of the Company. The Company is likely to be greatly benefited with his association as Director on the Board. Your Directors recommend to appoint him as Director of the company.

**Name of Director : MR. Sajid Mehboobhai Sacha**

Date of Birth : 08/02/1973

Educational Qualification : B.com

MR. Sajid Mehboobhai Sacha is Appointed as the Independent Director of the Company. He is having good experience in casting industry. The Company is likely to be greatly benefited with his association as an Independent Director on the Board. Your Directors recommend to appoint him as an Independent Director of the company.

**Name of Director : MR. Shad Mdafzal Ranginwala**

Date of Birth : 18/11/1984

Educational Qualification : B.com

MR. Shad Mdafzal Ranginwala is Appointed as the Independent Director of the Company. The Company is likely to be greatly benefited with his association as an Independent Director on the Board. Your Directors recommend to appoint him as an Independent Director of the company.

**Name of Director : Mr. Anwarahmed Mohammed Javid Daruwala**

Date of Birth : 31/03/1987

Educational Qualification : MCA

Mr. Anwarahmed Mohammed Javid Daruwala is the Independent Director of the Company. The Company is likely to be greatly benefited with his association as Independent Director on the Board. Your Directors recommend to appoint him as Independent Director of the company.

**Name of Director : Mr. Mahboob Abdul Raheman Shaikh**

Date of Birth : 15/06/1975

Educational Qualification : B.com

Mr. Mahboob Abdul Raheman Shaikh is the B.com Graduate and had a vide experience of 15 year in the production of different type of valves. The Company is likely to be greatly benefited with his association as an Independent Director on the Board. Your Directors recommend to appoint him as an Independent Director of the company.

**Name of Director : Mrs. Sabana Amjad Rehmani**

Date of Birth : 05/10/1970

Educational Qualification : B.A

Mrs. Sabana Amjad Rehmani is a Arts Graduate. As per the Provisions of the Companies Act, 2013 a woman Director is necessary on the Board of the Company. The appointment of Mrs. Rehmani will comply that requirement. Your Directors recommend to appoint her as an Independent Director of the company.

**Registered Office:**

Behind Chandola Police Chowky,

Chandola,

Ahmedabad: 380028.

Date: 29-05-2014

**By order of the Board of Directors,  
For Hawa Engineers Limited**

Sd/-

**Aslam F. Kagdi  
Chairman**

## **DIRECTORS' REPORT**

To,  
The Members,  
Hawa Engineers Limited,

Your Directors have pleasure in presenting the Twenty First Annual Reports together with the Audited Statements of Accounts for the Year ended 31st March, 2014.

### **1. FINANCIAL HIGHLIGHTS:**

(Amount in Rs.)

Particulars	Year Ended 31/03/2014	Year Ended 31/03/2013
Sales and other Income	485786068	585587818
Total Expenses before interest, Depreciation	465281088	555129191
Profit before Interest, Depreciation, Taxation.	20504980	30458627
Interest	5060491	4656697
Depreciation	4133759	6686821
Profit / (Loss) before tax.	11310730	19115109
Provision for taxation Deferred Tax	2249800	6431000
Profit/ (Loss) after tax	9060930	12684109

### **2. DIVIDEND:**

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

### **3. OPERATIONAL REVIEW:**

The Board informs to you that the performance of your Company was not Satisfactory during the financial year even though settlement of production level, working out of logistics with respect to movement of finished products from factory, arrangement of raw materials etc was satisfactory in comparison to previous financial year. The staff and workers put their sincere effort in the operation of the plant and achieving efficiency in the production level.

During the year under review , the company has achieved a sales turnover of Rs.4833.57 Lacs in the financial year ending 31st March, 2014 as compared to Rs. 5838.16 Lacs in the year ended 31st March, 2013. The Company has earned Profit of Rs. 113.10 Lacs in comparison to Profit of Rs. 191.15 Lacs during the previous financial year.

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

Company is taking effective steps to improve its production and sales during the year under review.

### **4. HUMAN RESOURCES POLICY AND INDUSTRIAL RELATIONS:**

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.

### **5. DEPOSITS:**

The Company has not accepted during the year under review any deposit as defined under the Companies (Acceptance of Deposits) Rules, 1975.

**6. DIRECTORS:**

Mr. Aslam Kagdi is retiring at the ensuing annual general meeting and being eligible offers themselves for re-appointment. Your Directors request for their appointment.

The Company had, pursuant to the provisions of clause 49 of the Listing Agreement entered into with Stock Exchanges, appointed Mr. Sajid Mehboobhai Sacha, Mr. Shad Mafzal Ranginwala and Mr. Anwarahmed Mohammed Javid Daruwala as Independent Directors of the Company. As per Section 149(4) of the Companies Act, 2013, which came into effect from 1st April, 2014, every listed public Company is required to have at least one-third of the total number of directors as Independent Directors.

The Company also proposed to appoint Mr. Mahboob Abdul Rahman Shaikh & Mrs. Sabana Amjad Rehmani as an independent director of the company to comply with the clause 49 of the listing agreement. In accordance with the provisions of Section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Brief resume of the Directors proposed to be appointed / re-appointed, nature of their expertise and other details as stipulated under Clause 49 of the Listing agreement are provided in the Notice convening the Annual General Meeting forming part of this Annual Report.

The Board wishes to Place on record their appreciation and acknowledgement for the valuable services rendered by the directors during their tenure with the company.

**7. CORPORATE GOVERNANCE:**

The Company has implemented the Corporate Governance code in your Company and the report has been attached herewith.

**8. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to section 217 (2AA) of the Companies Act, 1956 the Board of Directors confirms that:

- (i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed;
- (ii) appropriate accounting policies have been selected and applied consistently and judgments and estimates 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 the profit and Loss Account for the current financial year;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Annual Accounts have been prepared on a going concern basis.

**9. PARTICULARS OF EMPLOYEES:**

NO disclosure is required as there is no employee of the company who was in receipt of remuneration requiring disclosure under the provisions of the Companies (Particulars of Employees) Rules, 1975.

**10. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO:**

The additional information regarding conservation of energy technology absorption and foreign exchange earnings and outgo stipulated under Section 217 (1) (e) of the Companies Act, 1956 are given as an Annexure-A to this report.

## 11. AUDITORS AND AUDITORS REPORT:

The Company's Auditors M/s. Nawab Memon & Associates, Chartered Accountants, Ahmadabad are retiring at the ensuing Annual general meeting. Your Directors recommend their appointment to hold the office from the end of the Annual general meeting till the end of next Annual general meeting. The Report of Auditors is attached herewith which is self explanatory and does not call for any explanation.

## 12. COMPLIANCE CERTIFICATE:

As per the Provision of section 383 of the Companies Act, 1956 the compliance certificate issued by M/s. Chirag Shah & Associates, Practicing company Secretary is attached with the Directors Report and it forms the part of the Report.

## 13. ACKNOWLEDGEMENTS:

Your Directors are grateful for the co-operation extended by the workers, staff and Executives of the Company, Company's Bankers, Auditors, Government bodies and customers and most importantly the shareholders for their whole hearted support to the Company and look forward to their continued support in the years to come.

**FOR AND ON BEHALF OF THE BOARD,**

Place : Ahmedabad  
Date : 29/05/2014

Sd/-  
**Aslam F. Kagdi**  
Chairman

## ANNEXURE – A TO THE DIRECTORS' REPORT

Particulars pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars of Directors) Rules, 1988:

### A) 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.

### B) 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 confirm to international standards of API, BS and DIN.

### C) FOREIGN EXCHANGE EARNINGS AND OUTGOING:

Particulars	2013-14	2012-13
Foreign Exchange Earned	2,65,37,679/-	2,18,56,736/-
Foreign Exchange Out go	12,41,843/-	32,57,893/-

**FOR AND ON BEHALF OF THE BOARD,**

Place : Ahmedabad  
Date : 29/05/2014

Sd/-  
**Aslam F. Kagdi**  
Chairman

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**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.

TechNavio's analysts forecast the Industrial Valve market in the MENA will grow at a CAGR of 5.41 percent over the period 2013-2018, with the industry set to hit a market value of US \$72 billion by 2015. Asia will account for more than 30% of the industrial valves market by 2017. 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.

The Global Industrial Valve market is to grow at a CAGR of 4.7 percent over the period 2011-2015. The global industrial valves market is set to rise in the ensuing years, as the industry begins to emerge out of the adverse impact of the global economic recession. It is estimated at around US\$ 71 billion and is expected to grow by 5.4% per year and will reach to \$ 93 billion through the year 2015. All core sectors require valves for expansion of capacities, maintenance and repair of plants. The demand for valves is growing at a fast pace globally. In addition, the industry in the developed countries is in a consolidation phase with large companies purchasing family owned businesses and at the same time establishing manufacturing plants in the low cost countries like China and Korea.

The valve industry being an intermediate industry is completely dependent on the growth of the core sectors of the global economy. 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. Furthermore, the increasing demand for industrial valves from the Municipal sector for water and wastewater management also enhances the growth of the market. Many municipalities are investing heavily in water and wastewater projects, thus increasing the demand for industrial valves.

**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.

India's valves industry, estimated at Rs 12,000 crore, is expected to grow at 7-8 per cent per annum after a flat growth this year and exports too will expand at a healthy rate, experts said. Currently, 85 per cent of the valves demand in India is met indigenously, while the balance is imported and the exports are anticipated to rise from 10-12% per annum. Our company is also trying to enhancing its effectiveness to cope up with the same trend and to enhance its market share in the domestic and international market.

## 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 2013 -14 areas under:

Particulars	2013-2014	2012-13
Sales Net	483357360	583816529
Other Income	2428708	1771289
Profit Before Tax	11310730	19115109

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2014 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.

## CORPORATE GOVERNANCE

### 1. Company's Philosophy on Corporate Governance:

The Company's essential character revolves around values based on transparency, integrity, professionalism and accountability. At the highest level, the Company continuously endeavors to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources to take the Company forward.

### 2. Board of Directors:

#### (a) Composition and Category:

Board of Directors consists of 8 Directors. Out of 8, 4 are executive Directors and 4 are non executive independent Directors holding responsible position with vast and varied experience

The constitution of Board is given below:

Director	Executive/ Non Executive / Independent.	No. of other Directorship	Membership of other Board Committees.
Aslam F. Kagdi	Chairman, & Managing Director - CFO	1	2
Asad F. Kagdi	Jt. Managing Director, Executive	1	—
Mr. Mohammed Khan Pathan	Whole Time Director – Executive	—	1
Mr. Mohamed Zakari Asad Kadgi	Director – Executive	1	—
Mr. AnwarAhmed Mohammed Javid Daruwala	Director – Independent	—	1
Mr. Sajid Mehboob bhai Sacha	Director – Independent	1	3
Mr. Shad Md Afzal Ranginwala	Director – Independent	—	3
Mr. Zafar Abdullamiya Hawa	Director – Independent	1	—

#### (b) Attendance of Directors at Board Meeting and Annual General Meeting.

The Board of the company met Six times during the last financial year, on the following dates: 29.05.2013, 02.08.2013, 01.10.2013, 31.10.2013, 31.01.2014, 31.03.2014.

The company placed before the Board the annual operating plans, budgets, and various other information including those specified under Annexure of Listing Agreement. The attendance at the Board Meeting and Annual General Meeting were as under:

Name of Director	Attendance Board Meeting	AGM
Aslam F. Kagdi	6	Yes
Asad F. Kagdi	6	Yes
Sajid Mehboob bhai Sacha	6	Yes
Mr. Mohammed Khan Pathan	6	Yes
Mr. Anwarahmed Mohammed Javid Daruwala	6	Yes
Mr. Shad Md Afzal Ranginwala	6	Yes
Mr. Mohamed Zakari Asad Kagdi	6	Yes
Mr. Zafar Abdullamiya Hawa	4	No
Mr. Anas Habib Puthawala*	2	Yes

(\*) Mr. Anis Habib Puthawala was not being Re-appointed by the member in AGM

## 3. (a) Audit Committee:

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report.

During the year, Four meeting were held one of which was before finalization of accounts. The date of which the said meetings were held are as follows:

29.05.2013, 02.08.2013, 31.10.2013, 31.01.2014.

The constitution of committee and the attendance of each member of the committee is given below:

Name	Designation	Non Executive/ Independent	Committee Meeting attended.
Sajid Mehboob bhai Sacha	Chairman	Independent	4
Aslam F. Kagdi	Member	Executive Director	4
Mohammed Khan Pathan	Member	Executive Director	4
Shad Md Afzal Ranginwala	Member	Independent	4

The terms of reference

The terms of reference of the Audit Committee are wide enough to cover the matters specified for Audit Committee under Clause 49 of the Listing Agreements as well as in Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are broadly as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by the management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, the performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.

**Review of Information by Audit Committee:**

1. The Management discussion and analysis of financial condition and results of operations.
2. Statement of significant related party transactions submitted by management.
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors.
4. Internal audit reports relating to internal control weaknesses and
5. The appointment, removal and terms of remuneration of the Chief internal auditor.

## (b) Stakeholders' Relationship Committee:

The Board of Directors of the Company in its meeting held on 29th May, 2014 changed the nomenclature of "Shareholders'/Investor' Grievances Committee" to "Stakeholders' Relationship Committee" and also modified its terms of reference to comply with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The constitution and terms of reference of Stakeholders' Relationship Committee of the Company are in compliance with provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement.

The company has Stakeholders' Relationship Committee consisting of Non-Executive Directors & senior executives of the company. Mr. Sajid Mehboob bhai Sacha is the Chairman of the committee. Mr. Aslam F. Kagdi & Shad Md Afzal Ranginwala is the Member of the same committee.

## (c) Nomination and Remuneration Committee:

The Board of Directors of the Company in its meeting held on 29th May, 2014, changed the nomenclature of the Remuneration Committee of the Company to "Nomination and Remuneration Committee" and also modified its terms of reference to comply with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The constitution and terms of reference of Nomination and Remuneration Committee of the Company are in compliance with provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The company has set up committee. This committee comprises of three independent Directors. The names of members are as follows:

1. Mr. Sajid Mehboob bhai Sacha
2. Mr. Shad MD Afzal Ranginwala
3. Mr. Anwarahmed Mohammed Javid Daruwala

This committee reviews and makes recommendations on annual salaries, performance commission, perquisites and other employment conditions of Executive Directors.

## (d) General Body Meeting:

The location and time of the Annual general meeting held during the last 3 years is as follows:

Annual General Meeting (AGM)	Date	Time	Venue	No. of Special resolution passed.
18 <sup>th</sup> AGM	30th September, 2011	3.00p.m.	Behind Chandola Police Chowky ChandolaAhmedabad 380 028	—
19 <sup>th</sup> AGM	29th September, 2012	3.00p.m.	Behind Chandola Police Chowky ChandolaAhmedabad 380 028	1
20 <sup>th</sup> AGM	30th September, 2013	3.00p.m.	Behind Chandola Police Chowky ChandolaAhmedabad 380 028	1

21<sup>th</sup> Annual General Meeting to be held on 30<sup>th</sup> September, 2014 at Plot No : 129, B/h. Kashiram Textile Mill, Narol Road, Ahmedabad-382405.

No Special Resolution was put through postal ballot last year. Postal Ballot rules will be complied with when required.

## Disclosure

There were no transactions of a materially significant nature with the promoters, the Directors or the Management, their subsidiaries or relatives that may have potential conflict with the interest of the company at large.

Related party transactions are disclosed in the Notes Forming parts of Accounts in this Annual Report.

There are no non-compliance by the Company on any matter related to capital markets, during the last three years. Similarly, there are no penalties or strictures imposed by Stock Exchange, SEBI or any statutory authority on any matter related to capital markets during the last three years

The company has implemented the Whistle Blower policy and the same has been reviewed by the Audit Committee. No complaint has been received under the policy.

Code of Conduct for Board of Directors were circulated and approved by the Board and same is implemented for one level below the Board and for the Board of Directors.

CEO/CFO certification has been received by the Company for financial statement and the same forms part of this Report.

The Board receives on a quarterly basis, certificates of compliance with the provisions of all applicable laws from the Managing Director and Compliance Officer, which are taken on record by the Board.

Hawa Engineers Limited has complied with mandatory requirements of Corporate Governance Code. Practicing company secretary's certificate regarding compliance of Corporate Governance Code for the financial year 2013-14 is annexed to this report.

#### **Share Transfer System:**

The Company has appointed M/s. Big Share Services Private Limited as registrar and transfer agent of the company during the year and the Investors are requested to make all the future correspondence to M/s. Big Share Services Private Limited, E 2/3, Ansa Industrial Estate, Saki Vihar road, Sakinaka, Andheri (E) Mumbai-400072. Phone No.022-40430200, and Fax no.022-28475207.

#### **Means of communication:**

The company publishes unaudited quarterly/ half yearly and annual audited financial results in newspaper having good circulation. The stock Exchanges are kept informed periodically of various developments.

#### **General Shareholder Information:**

##### **a) Annual General Meeting.**

- Date and Time : 30th September, 2014
- Venue : Plot No: 129, B/h. Kashiram Textile Mill, Narol Road, Ahmedabad: 382 405.

##### **b) Financial Calendar:**

Financial Reporting for

- Quarter ending June 30, 2014 : End of July, 2014
- Half year ending September 30, 2014 : End of October, 2014
- Quarter ending December 31, 2014 : End of January, 2015
- Year ending March 31, 2015 : End of May, 2015

##### **c) Date of Book closure** : 26th September to 29th September, 2014. (Both Days Inclusive)

##### **d) Registered office** : 307 Behind Chandola Police-Chowki, Opp. F K Textile, Danilimda, Ahmadabad: 380 028.

##### **e) Listing of Equity Shares** : Ahmadabad Stock Exchange (Code 23783) Madras Stock Exchange

##### **f) Stock Market Data** : There was no trading of shares at any of the stock exchange during the period 01/04/2013 to 31/03/2014

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## CERTIFICATE OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We have reviewed the financial statements and the cash flow statements for the year 2013-14 and that to the best of our knowledge and belief:

1. These statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that we have indicated to the auditors and the Audit Committee:
  - a. There have been no significant changes in internal control system during the year.
  - b. There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c. There have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

Place : Ahmedabad  
Date : 29th May, 2014

Sd/-  
**Asad F. Kagdi**  
*Chief Executive Officer*

Sd/-  
**Aslam F. Kagdi**  
*Chief Financial Officer*

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## CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance procedures implemented by Hawa Engineers Ltd for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.

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

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

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement (s) with the Stock Exchange have been generally complied with read together with clause 2 (b) and 3 (c) herein above in all material respect by the Company and that no investor grievance (s) is/are pending for the period exceeding one month against the Company as per the records maintained by the Company.

**SAMDANI SHAH & ASSOCIATES**  
*Company Secretaries*

Place : Ahmedabad.  
Date : 29th May, 2014

Sd/-  
**Chirag Shah**  
*Partner*  
CP No. 3498

## COMPLIANCE CERTIFICATE

Registration No. of the Company: CIN No.L29120GJ1993PLC019199      Nominal Capital: Rs. 40,000,000.00

To,  
The Members,  
**HAWA ENGINEERS LTD**  
Ahmedabad

We have examined the registers, records, books and papers of **HAWA ENGINEERS LTD** (the Company) as required to be maintained under the Companies Act, 1956 and The Companies Act, 2013 as applicable and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31/03/2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents and certificate of the management, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained registers as stated in **Annexure 'A'** to this Certificate, as per the provisions and the rules made there under and all entries have been duly recorded.
2. The Company has filed the forms and returns as stated in **Annexure 'B'** to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities.
3. The Company being a public company comments are not required.
4. The Board of Directors duly met Six times on 29.05.2013, 02.08.2013, 01.10.2013, 31.10.2013, 31.01.2014, 31.03.2014 in respect of which meeting proper notices were given and the proceedings were properly recorded and signed including the circular resolution passed in the Minutes Book maintained for the purpose
5. The Company has closed its Register of Members, and/ or Debenture holders in terms of Section 91 of the companies Act, 2013 during the year. However, no advertisement was published in the Newspaper.
6. The Annual General Meeting for the financial year ended on 31/03/2013 was held on 30/09/2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loan to its directors and / or persons or firms or companies referred in the Section 185 of the Companies Act, 2013
9. The Company has entered into contracts in which Directors were interested. However, as per Information and explanations given to us all these transactions were carried out at the Market rate and on cash basis.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Companies Act 1956.
11. As there were no instances falling within the purview of Section 314 of the Companies Act 1956, the Company has not obtained any approvals from the Board of Directors, members or the Central Government, as the case may be.
12. The Company has not issued any duplicate share certificates.
13. the Company has:
  - a. Dematerialized its securities and the work of transfer as per SEBI's order being handled by the Registrar and Transfer Agent. Wherever the physical share certificates were issued, they were in compliance with Act.
  - b. Deposited the amount of dividend declared in a separate Bank Account which is within five days from the date of declaration of such dividend. **-Not Applicable**
  - c. paid / posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to Unpaid Dividend Account of the Company with \_\_\_\_\_ (Bank) on \_\_\_\_\_ **- Not Applicable.**

- d. transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund – **Not Applicable**.
- e. Duly complied with the requirements of Section 217 of the Companies Act 1956.
- 14. The Board of directors of the company is duly constituted and the appointment of additional director and cession of director have been duly made.
- 15. The Company being a Public limited company it has appointed the Managing Director / Whole-time Director in the Company as per the provisions of the Schedule XIII of the Companies Act, 1956 and duly filed the returns in this regard.
- 16. The Company has not appointed any sole-selling agents under the provisions of the Companies Act, 1956.
- 17. As per the information and Explanation provided to us the company was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provision of the Companies Act, 1956.
- 18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Companies Act, 1956 and the rules made there under.
- 19. The Company has not issued any shares during the financial year.
- 20. The Company has not bought back shares during the financial year ending 31/03/2014.
- 21. The Company has not redeemed preference shares / debentures during the year.
- 22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, right shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Companies Act, 1956.
- 23. the Company has not accepted any deposits in terms of the provisions of Section 58A and 58AA of the Companies Act , 1956 read with Companies (Acceptance of Deposit) Rules, 1975 / the applicable directions issued by the Reserve Bank of India / any other authority .
- 24. The amount borrowed by the Company from directors, members, public, financial institution, banks and others during the financial year ending is within the borrowing limit of the company and therefore no resolution as per section 180(1) (a) of the Companies Act , 2013 has been passed.
- 25. the Company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate
- 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
- 27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
- 28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
- 29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
- 30. The Company has not altered its Articles of Association during the year under scrutiny
- 31. There is no prosecution initiated against or show cause notices received by the Company for any offences under the Act.
- 32. The Company has not received any security deposit from its employees during the year under certification.
- 33. The Company has not constituted provident fund for its employees under the provisions of Section 418 of the Act.

Place : Ahmedabad  
Date : 29/05/2014

Signature : Sd/-  
Name of Company Secretary : Chirag Shah  
C. P. No. : 3498

**Annexure 'A'**

Registers maintained by the Company:

1. Register of Application & Allotment of shares.
2. Register of Directors, Managing Director, etc. u/s. 303.
3. Register of Directors' Shareholding u/s. 307.
4. Register of Transfer u/s. 108 - maintained Electronically
5. Register of Members u/s. 150 - maintained Electronically
6. Index of Members u/s. 151 - maintained Electronically
7. Register of Charges u/s 150
8. Register of Contract ,Companies and Firms in which Director of the Company are interested u/s 301
9. Minutes of the meetings of the Board of Directors and there committees.
10. Minutes of the General meetings.

The Shares are in DMAT Mode so, Register of Members and Register of Share Transfer is maintained by RTA.

**Annexure 'B'**

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31/03/2014:

<b>Form Filed</b>	<b>Date of filing</b>	<b>Particular</b>	<b>Filed Within Time</b>
FORM – 32	30/10/2013	Appointment , Change in designation & Resignation of Director	YES
FORM-23	16/11/2013	Registration of resolution	YES
FORM-66	16/10/2013	For submission of compliance certificate for FY 2012-13 to the registrar.	YES
FORM-20B	29/11/2013	For filing annual return for FY 2012-13 to the registrar	YES
FORM-23ACA	30/10/2013	For filing Balance-Sheet for FY 2012-13 to the registrar	YES
FORM-23AC	30/10/2013	For filing Balance-Sheet and Profit & Loss account for FY 2012-13 to the registrar	YES

Place : Ahmedabad  
Date : 29/05/2014

Signature : Sd/-  
Name of Company Secretary : Chirag Shah  
C. P. No. : 3498

## INDEPENDENT AUDITORS' REPORT

To,  
The Members of  
**HAWA ENGINEERS LIMITED**  
AHMEDABAD

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

We have audited the accompanying financial statements of **HAWA ENGINEERS LIMITED** ("the company") which comprise the Balance Sheet as at **31<sup>st</sup> March 2014**, the Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

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

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statement that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility :**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

### **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.

- a. In the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2014;
- b. In the case of the Statement of Profit and Loss of the profit for the year ended on that date ; and
- c. In the case of the Cash Flow Statement of the 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, 2003 as amended by 'The companies (Auditor's Report) (Amendment) Order, 2004' issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that :
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211 (3C) of the Act;
- e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(i) (g) of the Act.

**For NAWAB-MEMON & ASSOCIATES**

Chartered Accountants  
(Registration No.: 129819W)

**M. A. MEMAN**

**Partner**

**M. No. : 136525**

**Place :** Ahmedabad

**Date :** 29<sup>th</sup> May, 2014

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**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 1 of the Independent Auditor's Report of even date to the members of the **HAWA ENGINEERS LIMITED** on the financial statements as of and for the year ended March 31, 2014.

1. In respect of its fixed assets :
  - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
  - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - (c) In our opinion, and according to the information and explanation given to us, a substantial part of its fixed assets has not been disposed off by the Company during the year and the going concern status of the Company is not affected.
2. In respect of its inventories :
  - (a) The inventories have been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) On the basis of our examination of inventory records, in our opinion, the company is maintaining proper records of inventory. There was no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. The Company has not granted/taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii) [(b), (c) and (d)]/(f) and (g)] of the said Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
  - (a) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacks in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
6. According to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of Sections 58A and 58AA of the act and the rules framed there under

7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. According to the information and explanations given to us and records of the Company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income-tax, sales-tax, and other statutory dues applicable to it and no undisputed amounts payable were outstanding as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.
10. The Company has no accumulated losses at the end of financial year. And it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. Based on our examination and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions and bank.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, therefore the provisions of Clause 4(xi) of the order are not applicable to the company.
13. As the provisions of any special statute applicable to the chit fund / nidhi / mutual benefit fund / societies are not applicable to the company, the provisions of clause 4 (xiii) of the Order are not application to the Company.
14. In our opinion the company is not dealing or trading in shares, securities, debentures & Other Investments during the year. All shares and other investments are held by the Company in its own name. Accordingly, the provisions of Clause 4(xiv) of the order are not applicable to the company.
15. In our opinion, and according the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year. Accordingly, the provisions of Clauses 4(xv) of the order are not applicable to the company.
16. In our opinion and according to the information and explanations given to us, term loans have been applied for the purpose for which they were raised.
17. According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that the funds raised on short-term basis have not been used for long-term investment and vice versa;
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the order are not applicable to the company.
19. The Company has not issued any debentures during the year and at the year end or in past years. Accordingly, the provision of Clause 4(xix) of the order is not applicable to the company.
20. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the order are not applicable to the company.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have we been informed of any such case by the management.

**For NAWAB-MEMON & ASSOCIATES**  
Chartered Accountants  
(Registration No.: 129819W)

**M. A. MEMAN**  
Partner

**M. No. : 136525**

**Place :** Ahmedabad  
**Date :** 29<sup>th</sup> May, 2014

**BALANCE SHEET AS AT 31ST MARCH, 2014**

Particulars	Note	As at 31st March, 2014	As at 31st March, 2013
<b>I EQUITY AND LIABILITIES :</b>			
<b>1 SHAREHOLDERS' FUNDS :</b>			
Share Capital	3	35264000	35264000
Reserves and Surplus	4	60223299	52064090
		95487299	87328090
<b>2 NON-CURRENT LIABILITIES :</b>			
Long-Term Borrowings	5	6289932	5230697
Deferred Tax Liabilities (Net)	6	6772966	6523166
Other Long-Term Liabilities	7	48717444	71701339
Long-Term Provisions	8	4532416	3688021
		66312758	87143223
<b>3 CURRENT LIABILITIES :</b>			
Short-Term Borrowings	9	66527839	35897014
Trade Payables	10	54491316	80903110
Other Current Liabilities		0	0
Short-Term Provisions	11	4361415	9249899
		125380570	126050023
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>287180627</b>	<b>300521335</b>
<b>II ASSETS :</b>			
<b>1 NON-CURRENT ASSETS :</b>			
Fixed Assets	12	60589329	63172640
Non-Current Investments	13	600	600
Long Term Loans and Advances		0	0
		60589929	63173240
<b>2 CURRENT ASSETS :</b>			
Inventories	14	44174354	42485357
Trade Receivables	15	91695011	152941589
Cash and Bank Balances	16	64924666	25772724
Short Term Loans and Advances	17	21558499	13786388
Other Current Assets	18	4238168	2362038
		226590698	237348095
<b>TOTAL ASSETS</b>		<b>287180627</b>	<b>300521335</b>

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

**As per our Report of even date  
For NAWAB MEMON & ASSOCIATES**

**Chartered Accountants**  
(FRN.: 129819W)

**M. A. MEMAN**  
**Partner**

**Membership No. : 136525**  
**AHMEDABAD**  
**MAY 29, 2014**

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

**ASLAM F. KAGDI**

**Chairman & M. D.**

**ASAD F. KAGDI**

**Jt. Managing Director**

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note	Year ended 31.03.2014	Year ended 31.03.2013
<b>I Revenue From Operations (Gross)</b>	19	532986064	646240034
Less : Excise Duty		49628704	62423505
<b>Revenues From Operations (Net)</b>		483357360	583816529
<b>II Other Income</b>	20	2428708	1771289
<b>III Total Revenues (I+II)</b>		<b>485786068</b>	<b>585587818</b>
<b>IV Expenses :</b>			
Cost of Materials Consumed	21	374705104	450710879
Purchases of Stock-in-Trade		437500	10090938
Change in Inventories of Finished Goods	22	(609,361)	732386
Employee Benefits & Expense	23	18006553	14989554
Finance Costs	24	9403849	8416571
Depreciation & Impairment of Assets	12	4133759	6686821
Other Expenses	25	68397935	74845560
<b>Total Expenses</b>		<b>474475338</b>	<b>566472709</b>
<b>V Profit Before Tax (III-IV)</b>		<b>11310730</b>	<b>19115109</b>
<b>VI Tax Expenses :</b>			
Current Tax		2000000	5500000
Deferred Tax		249800	931000
<b>VII Profit for the year (V-VI)</b>		<b>9060930</b>	<b>12684109</b>
<b>VIII Earnings per equity share of face value of Rs. 10 each Basic and Diluted (in Rs.)</b>		2.57	3.60
(Significant Accounting Policies & Notes forming Part of the Financial Statements)	1 & 2		

As per our Report of even date  
For NAWAB MEMON & ASSOCIATES  
Chartered Accountants  
(FRN.: 129819W)  
**M. A. MEMAN**  
Partner  
Membership No. : 136525  
AHMEDABAD  
MAY 29, 2014

For and on behalf of the Board of Directors

ASLAM F. KAGDI

Chairman & M. D.

ASAD F. KAGDI

Jt. Managing Director

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Year Ended 31.03.2014 (Rupees)	Year Ended 31.03.2013 (Rupees)
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax as per statement of Profit and Loss	11310730	19115109
<b>Add :</b>		
Depreciation	4133759	6686821
Loss on Sale of Assets (net)	102056	4290
Finance Costs	9403849	8419372
	<u>13639664</u>	<u>15110483</u>
<b>Less :</b>		
Interest Income	2428708	1771289
	<u>2428708</u>	<u>1771289</u>
<b>Operating Profit before Working Capital Changes</b>	<b>22521685</b>	<b>32454303</b>
<b>Adjusted for :</b>		
Trade and Other Receivables	59370447	(385,510)
Inventories	(1,688,997)	4546198
Movement in Loans and Advances	(7,772,111)	(4,269,015)
Trade and Other Payables	(53,439,778)	(12,880,450)
	<u>(3,530,439)</u>	<u>(12,988,777)</u>
<b>Cash Generated from Operations</b>	<b>18991247</b>	<b>19465526</b>
Income Tax (Net)	2901720	5081458
<b>Net Cash from Operating Activities (A)</b>	<b>16089527</b>	<b>14384068</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale of Fixed Assets	77000	67500
Interest Income	2428708	1771289
	<u>2505708</u>	<u>1838789</u>
<b>Less :</b>		
Purchase of Fixed Assets	1729503	12593101
	<u>1729503</u>	<u>12593101</u>
<b>Net Cash (used in) Investing Activities (B)</b>	<b>776205</b>	<b>(10,754,312)</b>

Particulars	Year Ended 31.03.2014 (Rupees)	Year Ended 31.03.2013 (Rupees)
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Issue of Share Capital	0	0
Proceeds from Long Term Borrowings	1059235	2841842
Repayment of Long Term Borrowings	0	0
Short Term Borrowings (net)	30630825	14156628
Finance Costs	(9,403,849)	(8,419,372)
<b>Net Cash (used in) / from Financing Activities (C)</b>	<b>22286211</b>	<b>8579098</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>39151943</b>	<b>12208854</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>25772724</b>	<b>13563870</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>64924667</b>	<b>25772724</b>

As per our Report of even date  
For NAWAB MEMON & ASSOCIATES  
Chartered Accountants  
(FRN.: 129819W)  
M. A. MEMAN  
Partner  
Membership No. : 136525  
AHMEDABAD  
MAY 29, 2014

For and on behalf of the Board of Directors

ASLAM F. KAGDI

Chairman & M. D.

ASAD F. KAGDI

Jt. Managing Director

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**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

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**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 at Ahmedabad, Gujarat.

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

These financial statements have been prepared in accordance with the generally accepted accounting principles in India (GAAP) under the historical cost convention on an accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211 (3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current and non-current as per the company's normal operating cycle and other criteria set out in the schedule VI to the Companies Act, 1956.

The Accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**II. Use of Estimates :**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the end of the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**III. Tangible Assets :**

Fixed assets are stated at their original cost of acquisition/revalued cost wherever applicable less accumulated depreciation and impairment losses.

Cost comprises of all costs incurred to bring the asset to their location and working condition. Net of CENVAT / VAT credit is capitalized to the cost of asset.

Exchange differences relating to acquisition of fixed assets are adjusted in the cost of assets.

**IV. Depreciation :**

Depreciation on fixed assets is provided on straight-line method at the rates provided by Schedule XIV to the Companies Act, 1956. Depreciation on assets disposed off during the year is charged up to the disposal.

**V. Valuation of Inventories :**

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

Finished goods and work-in-process are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of overheads based on normal operating capacity. Cost of finished goods include excise duty and are determined on a weighted average basis.

## **VI. Investments :**

Long term investments are stated at cost less permanent diminution in value, if any.

## **VII. Sales :**

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 considered as impaired in accordance with Accounting Standard 28 on Impairment of Asset when at balance sheet date there are indications of impairment and the carrying amount of asset exceeds its recoverable amount. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the statement of Profit and Loss Account.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

## **IX. Employee Benefits :**

Short-term Employee Benefits (i.e. benefits payable within one year) are recognized in the period in which employee services are rendered.

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 consists of both current as well as deferred tax. The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the company.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences that result between the profit offered for income tax and the profit as per the financial statements. Deferred tax assets and liabilities are measured as per the tax rates / laws that have been enacted by or substantially enacted as on the Balance Sheet date.

## **XI. Cenvat Benefit :**

The value of eligible cenvat benefit is being reduced from the cost of raw materials / Fixed Assets.

## **XII. Provisions and Contingencies :**

Provisions involving a substantial degree of estimation are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are recognized but are disclosed in the accounts by way of notes.

**XIII. 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.

**XIV.** The cost of land has been stated as per banakhat executed and includes expenses for registration of banakhat and lawyer's fees.

**XV.** Investments held by the Company are long-term investments.

**XVI.** 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.

**XVII.** The disclosures as required by AS-15 (Revised) on Employees Benefits are as under :

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

Particulars	31.03.2014	31.03.2013
Provident Fund & Other Funds	14,91,602/-	13,09,361/-
Gratuity	9,33,315/-	6,92,000/-

In respect of employees who have completed five years continuous service as on 31<sup>st</sup> March 2014, Provision for gratuity payable in respect of them is made on the basis of the calculation made in accordance with the provision of payment of Gratuity Act up to 31<sup>st</sup> March 2014 Rs. 45,32,416/- (Previous year Rs. 36,88,021/-)

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

ITEM	VALUE	PERCENTAGE	TOTAL VALUE
RAW-MATERIALS	37,47,05,104/- (45,07,10,879)	100% (100%)	37,47,05,104/- (45,07,10,879)
STORES & PACKING MATERIALS	81,27,096/- (66,63,819)	100% (100%)	81,27,096/- (66,63,819)

**XIX. RELATED PARTY INFORMATION :**

In accordance with the Accounting Standard 18 (AS-18) 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India, the disclosures are as under:

**A. Subsidiary Company :** - Nil

**B. Partnership Firms / Proprietary Concern / Associates Companies:**

Hydint Valve Automation, Orbit Engineers, Aira Controls, Marck & Care Engineers, Airmax Pneumatics Ltd., Hawa Control Enterprises, Hawa Control International, Hawa & Marck Engineers, Luft Techno Cast Limited, Aira Automation Engineers, Airmax Controls, Marck & Aira Engineers, Flange-N-Flange, A. S. Engineers, Aira Euro Automation Pvt. Ltd., Marck & Aira Trading.

## C. KEY MANAGEMENT PERSONNEL :

Chairman & Managing Director : Aslam F. Kagdi

Jt. Managing Director : Asad F. Kagdi

## D. TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR 2013-14 :

NATURE OF TRANSACTIONS COMPANY	ASSOCIATE COMPANIES	FIRMS	KEY MANAGEMENT
Purchase	11,11,16,098/-	3,93,85,581/-	
Previous Year	12,66,54,207/-	6,84,60,712/-	
Sales	52,94,135/-	13,95,08,836/-	
Previous Year	43,82,078/-	15,91,82,839/-	
Managerial Remuneration /Seating Fees/Other Benefits	—	—	33,04,945/-
Previous year	—	—	28,27,417/-

### OUTSTANDINGS :

- Payables	2,24,27,281/-	1,57,905/-
Previous Year	6,66,85,806/-	35,12,686/-
- Receivables	58,620/-	5,48,02,968/-
Previous Year	3,84,759/-	5,82,91,336/-

## XX. DEFERRED TAX :

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

Particulars	As at March 31, 2013	For the year	As at March 31, 2014
<b>Tax effect of items constituting Deferred Tax liability :</b>			
On difference between book balance and Tax balance of fixed assets	65,23,166/-	2,49,800/-	67,72,966/-

## XXI. EARNINGS PER SHARE :

In accordance with the Accounting Standard 20 (AS-20) 'Earnings Per Share' issued by the Institute of Chartered Accountants of India, the earnings per share is computed as under :

Particulars	31.03.2014	31.03.2013
1. Net Profit after tax	90,60,930/-	1,26,84,109/-
2. Number of Equity Shares	35,26,400	35,26,400
3. Nominal Value of Shares (Rs.)	10/-	10/-
4. Earnings Per Share (Rs.)	2.57	3.60

**XXII. SEGMENT REPORTING :**

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

**XXIII.** 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.

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

Counter Guarantees, against Bank Guarantees given by the bankers Rs. 83,55,806/- (Previous year Rs. 2,44,14,202/-)

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

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

Particulars	31.03.2014	31.03.2013
Salary, Allowances & Benefits	33,04,945/-	28,27,417/-

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

Particulars	31.03.2014	31.03.2013
A P I Expenses	12,41,843/-	8,11,115/-
Import Purchase	NIL	24,46,778/-

**XXVIII.** Details of Auditors Remuneration :

Particulars	31.03.2014	31.03.2013
Statutory Audit Fees	50,000/-	50,000/-
Tax Audit Fees	17,000/-	17,000/-
Internal Audit Fees	65,000/-	65,000/-

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

Particulars	31.03.2014	31.03.2013
Export of own products FOB	2,65,37,679/-	2,18,56,736/-

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

# Hawa Engineers Ltd.

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE : 3 : SHARE CAPITAL</b>		
<b>1 AUTHORIZED :</b>		
40,00,000 Equity Shares of Rs. 10/- each	<b>40000000</b>	<b>40000000</b>
<b>2 ISSUED, SUBSCRIBED AND PAID UP :</b>		
35,26,400/- Equity Shares of Rs. 10/- each fully paid up	35264000	35264000
<b>TOTAL</b>	<b>35264000</b>	<b>35264000</b>
<b>Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period:</b>		
Number of shares at the beginning	3526400	3526400
Number of shares at the end	3526400	3526400
Amount of Share Capital at the beginning	35264000	35264000
Amount of Share Capital at the end	35264000	35264000
<b>Details of Share holders holding more than 5% equity shares :</b>		
Jameela F. Kagdi (5.95%)	209700	209700
Mohammed Aslam F. Kagdi (5.03%)	177210	159410
<b>Terms / Rights attached to Shares :</b>		
The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- per Share. Each holder of equity shares is entitled to one vote per share.		
<b>NOTE : 4 : RESERVES AND SURPLUS</b>		
<b>1 GENERAL RESERVE :</b>		
As per last Balance Sheet	47390000	37390000
Add : Transferred from Profit & Loss Account	7500000	10000000
	<b>54890000</b>	<b>47390000</b>
<b>2 SURPLUS IN THE STATEMENT OF PROFIT &amp; LOSS :</b>		
As per last Balance Sheet	4674090	1571439
Add : Short Provision for Tax	(901,720)	418542
Profit for the year	9060930	12684109
	<b>12833299</b>	<b>14674090</b>
<b>Less : Appropriations :</b>		
Transferred to General Reserve	7500000	10000000
	<b>5333299</b>	<b>4674090</b>
<b>TOTAL</b>	<b>60223299</b>	<b>52064090</b>

**ANNUAL REPORT 2013-2014**

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE : 5 : LONG-TERM BORROWINGS</b>		
<b>1 FROM BANK : (Secured)</b>		
Canara Bank - Term Loan	0	639198
	<u>0</u>	<u>639198</u>
<b>2 FROM OTHER PARTIES : (Unsecured)</b>		
Bajaj Finance Ltd.	1431028	259255
Magma Fincorp Ltd.	1126610	0
Religare Finvest Ltd.	1141023	0
Kotak Mahindra Prime Ltd.	1322898	3733446
Tata Capital Ltd.	1268373	598798
	<u>6289932</u>	<u>4591499</u>
<b>TOTAL</b>	<b><u>6289932</u></b>	<b><u>5230697</u></b>

- 1 Term loan from Canara Bank Rs. 6,39,198/- : gross interest @ canara bank base rate p.a. The loan is secured by hypothecation of specific movable Plant & Machinery. The loan has been guaranteed by the personal guarantee of three Directors. The loan is repayable in monthly installments along with the interest @ Canara Bank base rate payable in 5 Years.

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE : 6 : DEFERRED TAX LIABILITIES</b>		
<b>1 DERERRED TAX LIABILITIES</b>		
Related to Fixed Assets (Note No. 2.1 {XX})	6772966	6523166
<b>TOTAL</b>	<b><u>6772966</u></b>	<b><u>6523166</u></b>

**NOTE : 7 : OTHER LONG-TERM LIABILITIES**

1 Trade Advances	38234646	55261602
2 Trade Security Deposit	525000	525000
3 Advances from Customers	3957027	9693732
4 Others	6000771	6221005
<b>TOTAL</b>	<b><u>48717444</u></b>	<b><u>71701339</u></b>

**NOTE : 8 : LONG-TERM PROVISIONS**

**1 PROVISION FOR EMPLOYEE BENEFIT :**

Provision for Gratuity	4532416	3688021
<b>TOTAL</b>	<b><u>4532416</u></b>	<b><u>3688021</u></b>

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE : 9 : SHORT-TERM BORROWINGS</b>		
<b>1 FROM BANK : (Secured)</b>		
Canara Bank - Cash Credit	55917069	29314738
Canara Bank - Term Loan (Note No. 5)	0	682000
	<u>55917069</u>	<u>29996738</u>
<b>2 FROM OTHER PARTIES : (Unsecured)</b>		
Bajaj Finance Ltd.	1687212	894217
Magma Fincorp Ltd.	1429965	0
Religare Finvest Ltd.	1442411	0
Kotak Mahindra Prime Ltd.	4349671	3908867
Tata Capital Ltd.	1701511	1097192
	<u>10610770</u>	<u>5900276</u>
<b>TOTAL</b>	<b><u>66527839</u></b>	<b><u>35897014</u></b>
Cash Credit from Canara Bank @ Canara Bank base rate. The loan is secured by hypothecation of inventories, book debts and other receivables, both present and future and by way of a first charge on the Company's movable properties. Personal guarantee of three directors. The Cash Credit is repayable on demand.		
<b>NOTE : 10 : TRADE PAYABLES</b>		
<b>1 Micro, Small and Medium Enterprises &amp; Others (Note No. 2.1 {XXIII})</b>		
- For Goods	37465765	55833394
- For Expenses	17025551	25069716
	<u>54491316</u>	<u>80903110</u>
<b>TOTAL</b>	<b><u>54491316</u></b>	<b><u>80903110</u></b>
<b>NOTE : 11 : SHORT-TERM PROVISIONS</b>		
<b>1 PROVISION FOR EMPLOYEE BENEFIT :</b>		
Provision for Bonus	0	1129122
Provision for other Employee Benefit	868889	1559671
	<u>868889</u>	<u>2688793</u>
<b>2 PROVISION OTHERS :</b>		
Provision for Income Tax	3211031	6245318
Provision for Expenses	281495	315788
	<u>3492526</u>	<u>6561106</u>
<b>TOTAL</b>	<b><u>4361415</u></b>	<b><u>9249899</u></b>

**NOTE : 12 : FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at	Addition	Impair-	Deduction	As at	As at	For	Deduction	Upto	As at	As at
	01.04.2013		ment		31.03.2014	01.04.2013	the year		31.03.2014	31.03.2014	31.03.2013
TANGIBLE ASSETS :											
(OWN ASSETS)											
Freehold Land	84215	0	0	0	84215	0	0	0	0	84215	84215
Buildings	18043432	1204573	0	0	19248005	4250037	577139	0	4827176	14420829	13793395
Plant & Machinery	55294499	372057	0	0	55666556	16061990	2457767	0	18519757	37146799	39232509
Electric Installation	2405236	0	0	0	2405236	963913	114249	0	1078162	1327074	1441323
Furniture & Fittings	6165227	33708	0	0	6198935	2085874	392206	0	2478080	3720856	4079354
Veichcles	6201694	119165	0	258067	6062792	1659849	592398	79011	2173236	3889556	4541845
TOTAL	88194304	1729503	0	258067	89665740	25021663	4133759	79011	29076411	60589329	63172641

Particulars	As at 31st March, 2014	As at 31st March, 2013
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**NOTE : 13 : NON CURRENT INVESTMENTS****1 IN EQUITY SHARES - UNQUOTED FULLY PAID UP :**

60 Shares of the Bombay Mercantile  
Co-Operative Bank Ltd. Of Rs. 10/- each

	600	600
<b>TOTAL</b>	<b>600</b>	<b>600</b>

**NOTE : 14 : INVENTORIES**

1 Raw Materials	33495281	32074070
2 Finished Goods	9762971	9153610
3 Stores and Spares	571688	798988
4 Packing Materials	344414	458689
<b>TOTAL</b>	<b>44174354</b>	<b>42485357</b>

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

(Unsecured Considered Good) 22189179 11474464

**B Others**

(Unsecured Considered Good) 69505832 141467125

<b>TOTAL</b>	<b>91695011</b>	<b>152941589</b>
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**NOTE : 16 : CASH AND BANK BALANCES****CASH AND CASH EQUIVALENTS :****1 Balances with Banks**

In Current Accounts 38216630 1993396

**2 Cash on hand**

1075094 466083

**3 OTHER BANK BALANCES :**

Fixed Deposit (Under Lien) 5500015 5394817

Fixed Deposit (Margin Money Deposit) 16657928 14943428

Recurring Deposit 3475000 2975000

	25632943	23313245
<b>TOTAL</b>	<b>64924666</b>	<b>25772724</b>

# Hawa Engineers Ltd.

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE : 17 : SHORT TERM LOANS AND ADVANCES</b>		
1 Deposit (Given as Security)	2029843	1076343
2 LOANS AND ADVANCES TO EMPLOYEES : (Unsecured, considered good)	56000	15000
3 BALANCES WITH GOVERNMENT AUTHORITIES : (Unsecured, considered good)		
CENVAT credit receivable	12001308	7915012
VAT credit receivable	6012737	4378313
	18014045	12293325
4 ADVANCE INCOME TAX & TDS : (Unsecured, considered good)	1458611	401720
<b>TOTAL</b>	<b>21558499</b>	<b>13786388</b>
<b>NOTE : 18 : OTHER CURRENT ASSETS</b>		
1 Advance to Suppliers	359539	139661
2 Interest accrued but not received on deposits to Banks & Service providers	3878629	2222377
<b>TOTAL</b>	<b>4238168</b>	<b>2362038</b>
<b>NOTE : 19 : REVENUE FROM OPERATIONS</b>		
1 SALES OF PRODUCTS :		
Domestic Sales	505927710	623759623
Export Sales	26537679	21856736
	532465389	645616359
2 OTHER OPERATING REVENUES :		
Sale of Scrape	520675	623675
	532986064	646240034
Less : Excise Duty	49628704	62423505
<b>Revenue From Operations (Net)</b>	<b>483357360</b>	<b>583816529</b>
<b>NOTE : 20 : OTHER INCOME</b>		
1 Interest	2124465	1491252
2 Other Non Operating Income	304243	280037
<b>TOTAL</b>	<b>2428708</b>	<b>1771289</b>
<b>NOTE : 21 : COST OF MATERIALS CONSUMED :</b>		
1 Opening Stock	32074070	35787177
Add : Purchases	376126315	446997772
	408200385	482784949
Less : Closing Stock	33495281	32074070
<b>TOTAL</b>	<b>374705104</b>	<b>450710879</b>

**ANNUAL REPORT 2013-2014**

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE : 22 : CHANGES IN INVENTORIES</b>		
<b>OF FINISHED GOODS :</b>		
<b>1 Inventories at the beginning of the year</b>		
Finished Goods	9153610	9885996
<b>2 Inventories at the end of the year</b>		
Finished Goods	9762971	9153610
<b>(Increase) in Inventories</b>	<b>(609,361)</b>	<b>732386</b>
<b>NOTE : 23 : EMPLOYEE BENEFITS &amp; EXPENSE</b>		
1 Salaries and Wages	13803159	11376558
2 Contribution to Provident and Other Funds (Note No. 2.1 {XVII})	1491602	1309361
3 Staff Welfare Expenses	1353532	1364218
4 Gratuity (Note No. 2.1 {IX})	933315	692000
5 Other Benefits	424945	247417
<b>TOTAL</b>	<b>18006553</b>	<b>14989554</b>
<b>NOTE : 24 : FINANCE COSTS</b>		
1 Interest	5060491	4656697
2 Bank Charges	4343358	3528757
3 Hire Purchase Charges	0	231117
<b>TOTAL</b>	<b>9403849</b>	<b>8416571</b>
<b>NOTE : 25 : OTHER EXPENSES</b>		
<b>1 Manufacturing Expenses :</b>		
Labour Expenses	4822200	8113082
Transport Inward	11669	12659
Consumption of Stores and Packing Materials	8127096	6663819
Electric Power	4109585	4431934
Gas Charges	52249	22659
Repairs to Building	283866	156233
Repairs to Machinery	531967	794188
	17938632	20194574
<b>2 Selling and Distribution Expenses :</b>		
Excise, Income Tax & Vat Assessment	440264	(197,042)
Other Selling and Distribution Expenses	32956386	33679784
	33396650	33482742
<b>3 Establishment Expenses :</b>		
Professional Fees	565176	367367
General Expenses	9482451	14055238
Insurance	140229	126183
Rent & Taxes	1178823	330286
Other Reapirs	2584549	4166320
Travelling & Conveyance Expenses	2872369	1983560
Payment to Auditors	132000	132000
Loss on Sale of Fixed Assets	102056	4290
Donation	5000	3000
	17062653	21168244
<b>TOTAL</b>	<b>68397935</b>	<b>74845560</b>

# *Hawa Engineers Ltd.*

[CIN: L29120GJ1993PLC019199]

Regd. Office: 307 Behind Chandola Police-Chowki, Opp F K Textile Danilimda , Ahmedabad-380028

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

## ATTENDANCE SLIP

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

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

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

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

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

I hereby record my presence at the Annual General Meeting held at Plot No: 129, B/h. Kashiram Textile Mill, Narol Road, Ahmedabad – 382405 on Tuesday, 30th September, 2014 at 03.00 p.m.

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: 307 Behind Chandola Police-Chowki, Opp F K Textile Danilimda , Ahmedabad-380028

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

## PROXY FORM

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

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

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

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

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

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

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

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

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

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

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

as my /our proxy to attend and vote for my / our behalf at the 21st Annual General Meeting of the shareholders of Hawa Engineers Ltd will be held on Tuesday, 30th September, 2014 at 3.00 p.m. at the Corporate Office, Plot No: 129, B/h. Kashiram Textile Mill, Narol Road, Ahmedabad – 382405 and at any adjournment thereof in respect of resolutions as are indicated overleaf:

Resolution No.	Particulars of Resolution	Optional	
		For	Against
	<b>ORDINARY BUSINESS</b>		
1.	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2014		
2.	Appointment of Statutory Auditors.		
3.	Re-appointment of Mr. Aslam Kagdi, Director retires by rotation.		
	<b>SPECIAL BUSINESS</b>		
4.	Appointment of Mr. Zafar Abdullamiya Hawa as a Director liable to retire by rotation.		
5.	Appointment of Mr. Sajid Mehboobhai Sacha as an Independent Director.		
6.	Appointment of Mr. Shad Mafzal Ranginwala as an Independent Director.		
7.	Appointment of Mr. Anwarahmed Mohammed Javid Daruwala as an Independent Director.		
8.	Appointment of Mr. Mahboob Abdul Raheman Shaikh as an Independent Director.		
9.	Appointment of Mrs. Sabana Amjad Rehmani as an Independent Director.		
10.	Borrowing Limits of the Company Under Section 180(1)(C) of the Companies Act, 2013		
11.	Creation of charge on the asset of the company under section 180(1)(a) of the Companies Act, 2013		
12.	Adoption of new Articles of Association of the Company		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

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

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

Affix  
Re 1  
revenue  
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**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. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 21st Annual General Meeting.
3. 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.
4. Please complete all details including details of member (s) in the above box before submission.

# *Hawa Engineers Ltd.*

**CIN : L29120GJ1993PLC019199**

**Corporate Office**

Narol Road, Ahmedabad-382405.  
(Gujarat) India.

**Registered Office & Works**

Chandola, Ahmedabad-380028.  
(Gujarat) India.

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