

## 24<sup>TH</sup> Annual Report 2016-17

### **BOARD OF DIRECTORS**

Mr. Aslam Kagdi	Chairman, Managing Director & CFO
Mr. Asad Kagdi	Joint Managing Director
Mr. Mohammed Khan Pathan	Whole Time Director
Mr. Shad Mdafzal Ranginwala	Director
Mr. Sajid Mehboobbbhai Sacha	Director
Mr. Anwarahmed Mohammed Javid Daruwala	Director
Mrs. Sabana Amjad Rehmani	Director
Mr. Zafar Hawa	Director
Mr. Mahboob Abdul Raheman Shaikh	Director

### **COMPANY SECRETARY**

Mrs. Bharti Rath

### **AUDITOR:**

**Yusuf C. Mansuri & Co.**

Chartered Accountant, Ahmedabad

### **SECRATARIAL AUDITOR**

**Samdani Shah and kabra**

Company Secretary, Ahmedabad

### **PRINCIPAL BANKERS:**

**Canara Bank**

Navrangpura, Ahmedabad

**The Karur Vysya Bank Ltd**

Ashram Road, Ahmedabad

**Bank of Baroda**

Gita Mandir Road, Ahmedabad

### **REGISTERED OFFICE**

Plot No. 129, Near Kashiram Textile Mill,

Narol Road, Ahmedabad - 382405

Tel : 079-25320781/82/83/86

E-mail : [riyaz@hawaengltd.com](mailto:riyaz@hawaengltd.com)

Website : [www.hawaengltd.com](http://www.hawaengltd.com)

### **CORPORATE IDENTIFICATION NUMBER:**

L29120GJ1993PLC019199

### **REGISTRAR & TRANSFER AGENT:**

Big Share Services Private Limited

E 2/3, Ansa Industrial Estate, Saki Vihar road, Sakinaka,

Andheri (E) Mumbai-400072.

Phone No : 022-40430200

E-mail : [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

Website : [www.bigshareonline.com](http://www.bigshareonline.com)

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**NOTICE**

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of Hawa Engineers Limited will be held on Monday, 25<sup>th</sup> September, 2017 at 11:00 p.m. at the registered Office of the Company situated at Plot No. 129, Near Kashiram Textile Mill, Narol Road, Ahmedabad – 382405, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2017 and the Profit and Loss Account for the year ended on that date together with the Report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. MOHAMMEDKHAN PATHAN (DIN: 00006940), who retires by rotation and, being eligible, offers himself for re-appointment.
3. Pursuant to provisions of Section 139 of the Companies Act, 2013 and rules made thereunder and pursuant to the recommendation of the Audit Committee of the Board of Directors, the appointment of M/s. Yusuf C. Mansuri & Co., Chartered Accountants, Ahmedabad, (FRN. 111768W) be and is hereby ratified as Auditor of the Company to hold the office from the conclusion of this Annual General meeting i.e. 24th AGM till the conclusion of the 25th AGM (i.e. for the period of 1 year)

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

**Date:** 29<sup>th</sup> May, 2017

**Place:** Ahmedabad

**DIN:** 00006879

**Registered Office:**

Plot No. 129, Near Kashiram Textile Mill

Narol Road, Ahmedabad – 382405

CIN :L29120GJ1993PLC019199

Sd/-

Aslam Kagdi

**Chairman**

**NOTES:**

1. A Member entitled to attend and vote at The Annual General Meeting (“Meeting/AGM”) is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10 percent of the total share capital of the company. However, A member holding more than 10%, of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member. The instrument appointing proxy in order to be valid and effective should be lodged / deposited with the company at its Registered Office at least 48 (Forty Eight) hours before the commencement of the Meeting.
2. As there being no Special Business to be transacted, disclosure by way of Explanatory Statement as per clause 49 of the listing agreement(s), pursuant to Section 102 of the Companies Act, 2013 is not required.
3. The Register of Members and the Share Transfer Books of the company shall remain closed from **Monday, 18<sup>st</sup> September to Monday, 25<sup>th</sup> September, 2017 (both days inclusive)** (both days inclusive).
4. Members/proxies should bring their copy of the Annual Reports and Accounts along with Attendance Slip (duly completed) when attending the Meeting.
5. Corporate members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to section 113 of the Companies Act, 2013, are requested to send to the company, a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representatives authorized under the said resolution to attend and vote on their behalf at the meeting.
6. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respects of electronic holding with the Depository through their concerned Depository Participants.
7. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information

regarding change of address and bank particulars should be given to their respective Depository Participant.

8. Shareholders desiring any information as regards the Accounts are required to write to the Company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.
9. Mr. MOHAMMEDKHAN PATHAN director retire by rotation and, being eligible, offer themselves for re-appointment at the Annual General Meeting. A brief resume of the said directors is given below.

Name	Mr. MOHAMMEDKHAN PATHAN
Directors Identification Number (DIN)	00006940
Age	40 year
Qualification	M.E Mechanical
Expertise in Specific Area	More than 10 years Experience in the field of Business Relation Marketing, Sales etc.
Date of first Appointment on the Board of the Company	30/04/2004
Shareholding in Hawa Engineers Limited	24300
List of Directorship held in other companies	N.A
Membership/Chairmanships of Audit and stake holders relationship committees	N.A

10. A Route map showing directions to reach the venue of the 24<sup>th</sup> Annual General Meeting is Annexed to the notice of this annual report as per the requirement of the Secretarial Standards -2 on "General Meeting".

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

- (i) The voting period begins on **Friday, 22<sup>th</sup> September, 2017 at 9.00 AM** and ends on **Sunday, 24<sup>th</sup> September, 2017 at 5.00 PM** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 18<sup>th</sup> September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

- (iii) Click on Shareholders
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN Field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

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

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

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

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

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

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

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on **Friday, 22<sup>th</sup> September, 2017 at 9.00 AM Sunday, 24<sup>th</sup> September, 2017 at 5.00 PM**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 18<sup>th</sup> September, 2017;, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at

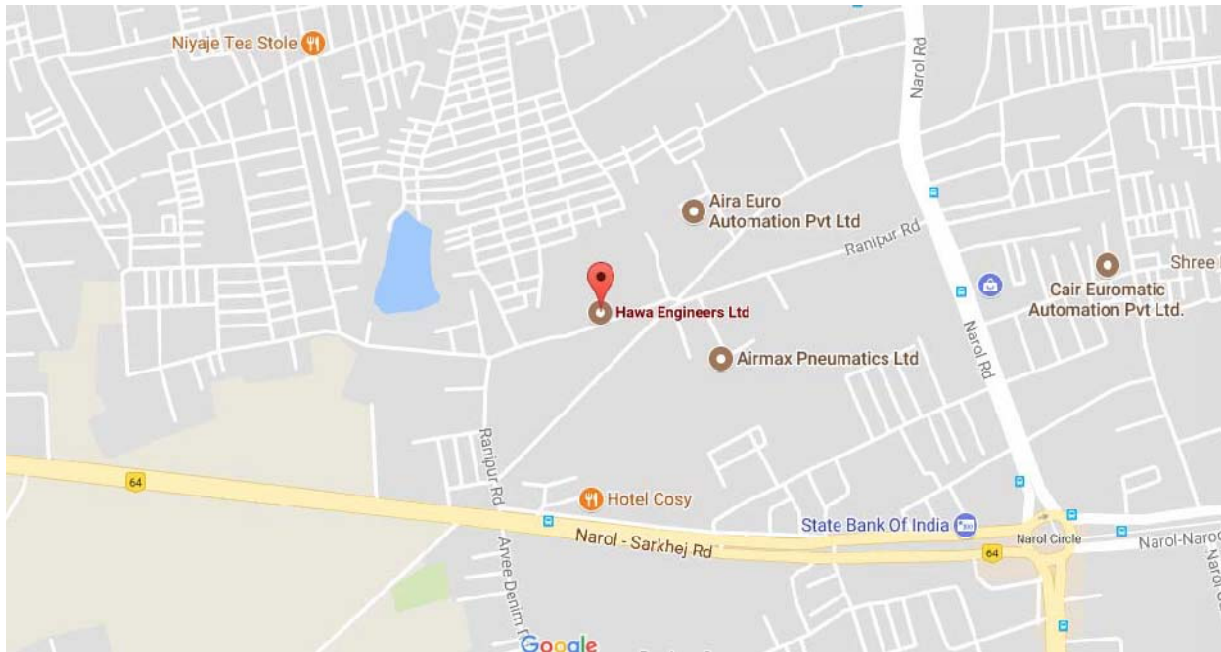
[www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Contact details**

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



**A Route map showing directions to reach the venue of the 24<sup>th</sup> Annual General Meeting**



To,

The Members,

Hawa Engineers Ltd.

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

## FINANCIAL HIGHLIGHTS AND PERFORMANCE OF THE COMPANY:

(Amount in Rs.)

Particulars	Year Ended 31/03/2017	Year Ended 31/03/2016
Sales and other Income	49,95,42,308	43,07,55,985
Total Expenses before interest, Depreciation	46,27,07,259	40,56,21,385
Profit before Interest, Depreciation, Taxation.	2,81,09,448	2,51,34,600
Interest	81,26,069	85,41,562
Depreciation	76,21,078	65,07,040
Profit / (Loss) before tax.	1,23,62,301	1,00,85,999
Provision for taxation	52,94,910	33,11,395
Profit/ (Loss) after tax	70,67,391	67,74,603

## OPERATIONAL OVERVIEW:

During the Year under review, the total revenue from operations (gross) of your Company stood at Rs. 4995.42 lacs as against Rs. 4307.55 lacs for FY 2014-16. However, Earnings before interest, tax, depreciation and amortization (EBITDA) were Rs. 281.094 lacs registering a growth as against Rs. 251.346 lacs in 2015-16. Profit after tax (PAT) for the year was Rs. 70.67 lacs over the PAT of Rs. 67.74 lacs in 2015-16. The movement of finished products from factory,

arrangement of raw materials etc was satisfactory in comparison to previous financial year. The staff and workers put their sincere effort in the operation of the plant and achieving efficiency in the production level.

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

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

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

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

**SHARE CAPITAL:**

The paid up equity capital as on March 31, 2017 was Rs. 352.64 Lakhs during the year under review.

**DIVIDEND:**

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

**TRANSFER TO RESERVES:**

The Company proposes to transfer Rs. 75 lacs to the general reserve out of the amount available for appropriation and an amount of Rs 50 lacs is proposed to be retained in the profit and loss account.

**HUMAN RESOURCE:**

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

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

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

**FIXED DEPOSITS:**

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

**SUBSIDIARIES AND ASSOCIATES:**

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

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

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

**PARTICULARS OF EMPLOYEES:**

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

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

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) the Director's have prepared the annual accounts on a "Going concern basis";
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

Mr. MOHAMMEDKHAN PATHAN (DIN: 00006940) retires by rotation and being eligible has offered himself for re-appointment.

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

**NUMBER OF MEETINGS OF THE BOARD:**

The Board met Five times during the Financial Year on 28<sup>th</sup> May, 2016, 02<sup>nd</sup> September, 2016, 14<sup>th</sup> November, 2016, 14<sup>th</sup> February, 2017 and 31<sup>st</sup> March, 2017 the details of which are mentioned below the intervening gap between any two meetings was within the period prescribed under Companies Act, 2013.

Notices of the meeting with the agenda along with necessary details were sent to the Directors in time. The data of attendance record of the Directors at the Board Meetings held during the Financial Year ended on March 31, 2017 and their directorships with any other Company is given here below.

Name of Director	No. of Board Meeting Held	No. of Board Meeting Attended
ASLAM KAGDI	05	05
ASAD KAGDI	05	05
MOHAMMEDKHAN PATHAN	05	05

SHAD MDAFZAL RANGINWALA	05	03
MAHBOOB ABDUL RAHEMAN SHAIKH	05	04
SAJID MEHBOOBBHAI SACHA	05	03
ANWARAHMED MOHAMMED JAVID DARUWALA	05	04
SABANA AMJAD REHMANI	05	03
ZAFAR HAWA	05	05

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

The Current Policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board, and separate its functions of Governance and Management. As on 31<sup>st</sup> March, 2017, the Board consists of 9 Directors, 3 of whom are Executive or Whole-time Directors, and 6 are Non-Executive Directors, of which 4 are Independent Directors. The Board periodically evaluates the need for change in its composition and size.

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

#### **EVALUATION OF PERFORMANCE OF BOARD:**

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

#### **COMMITTEES OF THE BOARD:**

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

#### **FAMILIARISATION PROGRAMME**

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

#### **RISK MANAGEMENT:**

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

#### **AUDITORS AND AUDITORS' REPORT:**

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

#### **SECRETARIAL AUDITOR:**

The Board has appointed M/s Samdani Shah & Associates, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2017 is annexed herewith marked as **Annexure II** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### **PREVENTION OF INSIDER TRADING:**

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

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of

unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Directors and the designated employees have confirmed compliance with the Code.

### **Corporate Social Responsibility**

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

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

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

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

### **EXTRACT OF ANNUAL RETURN**

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

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

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

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

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



ii. **Steps taken by the Company for utilizing alternative sources of energy:**

Not Applicable

iii. **Capital Investment on energy conservation equipments:**

Not Applicable

**B) TECHNOLOGY ABSORPTION:**

i. **Efforts made towards Technology Absorption:**

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

ii. **the benefits derived like product improvement, cost reduction, product development or import substitution:**

Not Applicable

iii. **in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

Not Applicable

iv. **the expenditure incurred on Research and Development:**

Not Applicable

**C) FOREIGN EXCHANGE EARNINGS AND OUTGOING:**

Particulars	2016-17	2015-16
Foreign Exchange Earned	1,49,75,984/-	2,24,10,724/-
Foreign Exchange Out go	50,34,895/-	50,34,895/-

**BUSINESS RISK MANAGEMENT:**

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

**DISCLOSURES:**

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

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.

3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

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

**ACKNOWLEDGEMENT:**

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

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

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

Place: Ahmedabad  
Date: 29<sup>th</sup> May, 2017

Sd/-  
**AslamKagdi**  
Chairman and Managing Director  
**DIN: 00006879**

**ANNEXURE I**

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

- i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2016-17:

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

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

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

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

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

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

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

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

Particulars	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	% change
Market Capitalisation	234505600	165740800	-
Price Earnings Ratio	33.25	24.48	-

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

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

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

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

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

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

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

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

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

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

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

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31.03.2017  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule  
No.9 of the Companies (Appointment and Remuneration Personnel)  
Rules, 2014]

To,  
The Members,  
Hawa Engineers Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hawa Engineers Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company (books, papers, minute books, forms and returns filed and other records maintained by the company) and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ***(Not Applicable during the audit period);***
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ***(Not Applicable during the audit period);***
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ***(Not Applicable during the audit period);***
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - ***(Not Applicable during the audit period);***
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ***(Not Applicable during the audit period);***
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures and Requirement) Regulation 2015;
- (j) Other laws specifically applicable to the company, as per the representation made by the company.
  - 1. Factories Act, 1948
  - 2. Gujarat Pollution Control Board (Environment Pollution Act)

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

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

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

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

**We further report that** the company needs to appoint its Key Managerial Personnel within 3 months from the date of vacancy and within 6 months from the date of vacancy as per the provision of SEBI (Listing Obligations and Disclosure Requirements), 2015 and Companies Act 2013. However the company has still not appointed the said Key Managerial Personnel till 2<sup>nd</sup> September, 2016. i.e. a Company Secretary.

Place: Ahmedabad  
Date: 29<sup>th</sup> May, 2017

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

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



‘Annexure A’

To,  
The Members  
Hawa Engineers Limited

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

#### Management’s Responsibility

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

#### Auditor’s Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtain from the Company’s management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

#### Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad  
Date: 29<sup>th</sup> May, 2017

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

**ANNEXURE III**

**Form MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on Financial Year ended 31<sup>st</sup> March, 2017**

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

**I. REGISTRATION AND OTHER DETAILS:**

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

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

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

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
N.A.					

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

**(i) Category - wise Share Holding**

	Category of Shareholder	No. of Shares held at the beginning of the year (As on 31-March-2016)				No. of Shares held at the end of the year (As on 31-March-2017)				% change during the Year
		Physical	Demat	Total	% of total shares	Physical	Demat	Total	% of total shares	
<b>A.</b>	<b>Promoters</b>									
<b>1.</b>	<b>Indian</b>									
a.	Individuals / Hindu Undivided Family	929800	931610	1861410	52.78	760900	1104710	1865610	52.90	0.12
b.	Central Government /State Governments	-	-	-	-	-	-	-	-	-
c.	Bodies Corporate	-	-	-	-	-	-	-	-	-
d.	Banks/ FIs	-	-	-	-	-	-	-	-	-
e.	Others	-	-	-	-	-	-	-	-	-
<b>Sub- total (A) (1)</b>		929800	931610	1861410	52.78	760900	1104710	1865610	52.90	0.12

2.	Foreign									
a.	Individuals (NRIs / Foreign Individuals)	-	-	-	-	-	-	-	-	-
b.	Bodies Corporate	-	-	-	-	-	-	-	-	-
c.	Institutions	-	-	-	-	-	-	-	-	-
d.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e.	Others	-	-	-	-	-	-	-	-	-
<b>Sub - total (A) (2)</b>		-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A) (2)</b>		929800	931610	1861410	52.78	760900	1104710	1865610	52.90	0.12
<b>B.</b>	<b>Public Shareholding</b>									
<b>1.</b>	<b>Institutions</b>									
a.	Mutual Funds	-	-	-	-	-	-	-	-	-

b.	Banks/ FIs	-	-	-	-	-	-	-	-	-
c.	Central / State Government	-	-	-	-	-	-	-	-	-
d.	Venture Capital Funds	-	-	-	-	-	-	-	-	-
e.	Insurance Companies	-	-	-	-	-	-	-	-	-
f.	FII's	-	-	-	-	-	-	-	-	-
g.	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h.	Others	-	-	-	-	-	-	-	-	-
<b>Sub - total (B) (1)</b>		-	-	-	-	-	-	-	-	-
<b>2.</b>	<b>Non - Institutions</b>									
a.	Bodies Corporate									
i.	Indian	37600	10517	48117	1.36	40400	4305	44705	1.27	0.09
ii.	Overseas	-	-	-	-	-	-	-	-	-
b.	Individuals									

i.	Individual shareholders holding Nominal Share Capital upto Rs. 1 Lacs	1163190	113257	1276447	36.21	783884	222372	1006256	28.53	7.68
ii.	Individual shareholders holding Nominal Share Capital in excess of Rs. 1 Lacs	219900	115100	335000	9.50	259206	323940	583146	16.54	-
c.	Others	-	5426	5426	0.15	-	26683	26683	0.75	-
<b>Sub - total (B) (2)</b>		1383090	228357	1611447	45.71	1043090	546312	1589402	45.07	-
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>		1420690	244300	1664990	47.22	1083490	577300	1660790	47.10	-
<b>C</b>	<b>Shares held by Custodian for ADRs and GDRs</b>	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A) + (B) + (C)</b>		2350490	1175910	3526400	100	1844390	1682010	3526400	100	-

*(ii) Shareholding of Promoters*

	Name of Shareholder	No. of Shares held at the beginning of the year (31-March-2016)			No of Shares held at the beginning of the year (31-March-2017)			% change during the Year
		No.of Shares	% of total Shares of the company	% of Shares Pledged/encumbered To total shares	No.of Shares	% of total Shares of the company	% of Shares Pledged/encumbered To total shares	
1.	Fazlurehman Mohammedmiya Kagdi	103800	2.94	0	103800	2.94	0	-
2.	Mohammed Fazlurrehman Kagdi	112800	3.20	0	112800	3.20	0	-
3.	Jamilabibi Fazlurrehman Kagdi	209700	5.95	0	209700	5.95	0	-
4.	Aslam F. Kagdi	178110	5.05	0	178110	5.05	0	-
5.	Asad F. Kagdi	172200	4.88	0	172700	4.90	0	-
6.	Aaminah Mohamed Zakaria kagdi	139700	3.96	0	139700	3.96	0	-
7.	Tehseen Mohammedasad Kagdi	99500	2.82	0	100700	2.86	0	-
8.	Asfak Mrangoonwala	78000	2.21	0	78000	2.21	0	-
9.	Sarah Aslam Kagdi	172800	4.90	0	172800	4.90	0	-



10.	M Zakariya Kagdi	56200	1.59	0	56200	1.59	0	-
11.	Ilias A Kagdi	53300	1.51	0	55800	1.58	0	-
12.	Siddiqua Aslam Kagdi	53300	1.51	0	53300	1.51	0	-
13.	Zubir A Kagdi	48400	1.37	0	48400	1.37	0	-
14.	Abdullah M. Kagdi	33400	0.95	0	33400	0.95	0	-
15.	Aasia A Rangoonwala	28000	0.79	0	28000	0.79	0	-
16.	Tariq A Kusiwala	27900	0.79	0	27900	0.79	0	-
17.	Wasim M. Shaikh	27900	0.79	0	27900	0.79	0	-
18.	Sohel Sadik Maniar	25300	0.72	0	25300	0.72	0	-
19.	M N Pathan	24300	0.69	0	24300	0.69	0	-
20.	Fowzia Hawa	24200	0.69	0	24200	0.69	0	-
21.	Humaira Mohammed Kagdi	43200	1.23	0	43200	1.23	0	-
22.	Sufiyan A Payawala	11700	0.33	0	11700	0.33	0	-
23.	Sumaiya Aslam	9100	0.26	0	9100	0.26	0	-
24.	Zafar Abdullah Hawa	6800	0.19	0	6800	0.19	0	-
25.	Bismilakhan N Pathan	4900	0.14	0	4900	0.14	0	-

26.	Khalik Yahyabhai Hawa	4400	0.12	0	4400	0.12	0	-
27.	Haseeb Yusufbhai Kapadia	4000	0.11	0	4000	0.11	0	-
28.	Mujiba Zafar Hawa	3900	0.11	0	3900	0.11	0	-
29.	Ibrahim Mohammed Kagdi	3400	0.10	0	3400	0.10	0	-
30.	Zunnun Hawa	3100	0.09	0	3100	0.09	0	-
31.	Ismail Keriwala	2500	0.07	0	2500	0.07	0	-
32.	Sajid Mehboobbhai Sacha	2800	0.08	0	2800	0.08	0	-
33.	Sabera Hawa	1100	0.03	0	1100	0.03	0	-
34.	Safiya Keriwala	91500	2.59	0	91500	2.59	0	-
35.	Gulamhussain Mohammedesmail Keriwala	200	0.01	0	200	0.01	0	-

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. Of shares	% of total shares of the company	No. Of shares	% of total shares of the company
1.	At the Beginning of the Year	1861410	52.78	1861410	52.90
2.	Date wise Increase / Decrease in Promoters	4200	0.12		

	Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			1865610	52.90
3.	At the end of the year	1865610	52.90	1865610	52.90

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

Sr. No.	Name of Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. Of shares	% of total shares of the company	No. Of shares	% of total shares of the company
1.	BISHMA MOHAMMED ILYAS KAGDI	125700	3.5645	125700	3.5645
2.	VIJAY V MEHTA	60000	1.7015	60000	1.7015
3.	SHAMSUDDIN KADRI	48900	1.3867	48900	1.3867
4.	ZAID KAGDI	45841	1.2999	45841	1.2999
5.	MOHAMMED KASAM RUSHNAIWALA	43100	1.2222	43100	1.2222
6.	RUSHNAIWALA AZHAR	33000	0.9358	33000	0.9358

7.	FAIYAZ MOHD AIYUB KOTHAWALA	28220	0.8002	28220	0.8002
8.	MUSTAKINA PAYAWALA	28000	0.7940	28000	0.7940
9.	TALHA MOHMEDKASAM RUSHNAIWALA	27975	0.7933	27975	0.7933
10.	AIYUB MOHMMEDBHAI KOTHAWALA	25261	0.7163	25261	0.7163

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

Sr. No.	Shareholder's Name	Date	Shareholding at the beginning of the year		Date wise Increase/Decrease during the Year	Cumulative Shareholding during the year	
			No. Of shares	% of total shares of the company		No. Of shares	% of total shares of the company
1.	Aslam Kagdi (MD & CFO)	As on 01.04.2016	178110	5.05	NIL	178110	5.05
		As on 31.03.2017				178110	5.05
2.	Asad Kagdi (MD & CEO)	As on 01.04.2016	172200	4.88	500	172700	4.90

		As on 31.03.2017	172700	4.90		172200	4.88
3.	Mohammed Khan Pathan	As on 01.04.2016	24300	0.69	NIL	24300	0.69
		As on 31.03.2017				24300	0.69
4.	Zafar Abdullamiya Hawa (Resign)	As on 01.04.2016	6800	0.19	NIL	6800	0.19
		As on 31.03.2017				6800	0.19
5.	Shad Mdafzal Ranginwala	As on 01.04.2016	0	0	NIL	0	0
		As on 31.03.2017				0	0
6.	Sabana Amjad Rehmani	As on 01.04.2016	0	0	NIL	0	0
		As on 31.03.2017				0	0
7.	Sajid Mehboobbhai Sacha	As on 01.04.2016	2800	0.08	NIL	2800	0.08

		As on 31.03.2017				2800	0.08
8.	Mahboob Abdul Rehman Shaikh	As on 01.04.2016	0	0	NIL	0	0
		As on 31.03.2017				0	0
9.	Anwarahmed Mohammed JavidDaruwala	As on 01.04.2016	0	0	NIL	0	0
		As on 31.03.2017				0	0

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	<b>76127747</b>	<b>2765296</b>	<b>0</b>	<b>78893043</b>
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0

<b>Total (i+ii+iii)</b>	<b>76127747</b>	<b>2765296</b>	<b>0</b>	<b>78893043</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	36928390	2062139	0	<b>38990529</b>
* Reduction	-	-	0	-
Net Change	<b>36928390</b>	<b>2062139</b>	<b>0</b>	<b>38990529</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	113056137	4827435	0	117883572
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>113056137</b>	<b>4827435</b>	<b>0</b>	<b>117883572</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager/other Executive Director					Total Amount (in Rs.)
		Aslam Kagdi (M.D. & C.F.O.*)	Asad Kagdi (M.D. & C.E.O.)	Mohammed khan Pathan (W.T.D.)	ZAFAR ABDULLAMIYA HAWA (Non- Executive	Sajid Mehboobbbhai Sacha	

					Director)		
1.	Gross salary						
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	9,00,000	9,00,000	6,00,000	0	0	39,91,155
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0	0	0		0
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	0	0	0	0		0
2.	Stock Option	0	0	0	0		0
3.	Sweat Equity	0	0	0	0		0
4.	Commission	0	0	0	0		0



	- as % of profit						
5.	Other Allowances	0	0	0	0	0	751155
	<b>TOTAL (A)</b>	<b>9,00,000</b>	<b>9,00,000</b>	<b>6,00,000</b>	<b>0</b>	<b>0</b>	<b>39,91,155</b>
	Ceiling as per the Section 197(3) and Schedule V of the Companies Act, 2013	42,00,000					

**B. Remuneration to other directors:**

Sr. No.	Name of Director	Particulars of Remuneration			Total Amount (in Rs.)
		Fee for attending board/committee meetings	Commission	Others, please specify	
1.	Independent Directors				

		0	0	0	0
	Sabana Amjad Rehmani	0	0	0	0
	Mahboob Abdul RehmanShaikh	0	0	0	0
	Shad Mdafzal Ranginwala	0	0	0	0
	Anwarahmed Mohammed Javid Daruwala	0	0	0	0
	<b>Total (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2.</b>	<b>Non - Executive Director</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	Zafar Abdullamiya Hawa	0	0	0	0
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>TOTAL (1+2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013)	1,13,107.3			

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

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

\*Company Secretary has been appointed as on 02<sup>nd</sup> September, 2016

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

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **VALVE INDUSTRY STRUCTURE AND DEVELOPMENTS:**

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

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

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

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

### **OPPORTUNITIES AND THREATS:**

Although the general economic environment is not conducive for strong growth, your Company has a competitive advantage in the market due to its superior technology, large installed capacities in all product categories, high quality products, competitive pricing etc. The market scenario in India is likely to continue to be subdued in the year ahead. Under these circumstances, payments from some customers can tend to be delayed. This can adversely

affect cash-flows and can put an additional interest burden on the Company due to increased utilization of working capital. The primary raw materials used in manufacturing valves are highly volatile commodities, namely brass which is a Carbon Steel, Alloy Steel & Stainless Steel. Continued volatility in the prices of these commodities can pose a threat to profitability.

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

#### **SEGMENT-WISE PERFORMANCE:**

There is no segment in the company.

#### **OUTLOOK:**

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

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

#### **RISKS AND CONCERNS:**

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

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

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

#### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The details of the financial performance of the Company appear in the Balance Sheet, Statement of Profit and Loss and other Financial Statements. Highlights for the year 2016-17 are as under:

Particulars	Year Ended 31/03/2017

Sales and other Income	49,95,42,308
Total Expenses before interest, Depreciation	47, 14,32,860
Profit before Interest, Depreciation, Taxation	33, 84, 846
Interest	81,26,069
Depreciation	76,21,078
Profit / (Loss) before tax	1,23,62,301
Provision for taxation	52,94,910
Profit/ (Loss) after tax	70,67,391

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

#### **HUMAN RESOURCES**

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

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

#### **CAUTIONARY STATEMENT**

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



## **INDEPENDENT AUDITORS' REPORT**

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

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

We have audited the accompanying financial statements of HAWA ENGINEERS LIMITED ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

#### **Auditor's Responsibility**

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

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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2017, and its profit and cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2017 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g) With respect to the other matters included in the Auditor’s Report and to our best of our information and according to the explanations given to us:
- I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. – Refer Note 2(XXII) to the financial statements.
  - II. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
  - III. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
  - IV. The company has provided required disclosure in its financial statement for dealing in Specified Bank Notes during the periods from 9 November 2016 to 30 December 2016 and those are in accordance with the books of accounts maintained by the company. Refer to the Note no. 2 (XXIX) to the financial statements.

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

**Place : Ahmedabad**  
**Date : 29<sup>th</sup> May, 2017**

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

**ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT**

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

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

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on such verification.  
  
(c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties as disclosed in notes to financial statement are held in the name of company.
2. (a) The inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of such physical verification is reasonable. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. The company has not granted loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the of the Companies Act 2013.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
6. We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues to the appropriate authorities have generally been regularly deposited. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax which have not been deposited on account of any disputes.
8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank.
  9. In our opinion and according to the information and explanations given to us, the amount raised by way of the terms loans have been applied for the purpose for which loans were obtained, other than temporary deployment pending application.
  10. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year, nor we have been informed of such case by the management.
  11. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.
  12. In our opinion and according to information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
  13. The company has entered into transactions with related parties in compliance with the provision of Section 177 and 188. The details of such related party transaction have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  14. In our opinion and according to information and explanation given to us, the company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures. Therefore, the provision of Clause 3(xiv) of the Order is not applicable to the Company.
  15. In our opinion and according to information and explanation given to us, the company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly the provision of Clause 3(xv) of the Order is not applicable to the Company.
  16. In our opinion and according to information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

**Place : Ahmedabad**  
**Date : 29<sup>th</sup> May, 2017**

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

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Hawa Engineers Ltd. ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place : Ahmedabad  
Date : 29<sup>th</sup> May, 2017**

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



**BALANCE SHEET AS AT 31ST MARCH, 2017**

Particulars	Note	As at 31st March, 2017		As at 31st March, 2016	
<b>I EQUITY AND LIABILITIES :</b>					
<b>1 SHAREHOLDERS' FUNDS :</b>					
Share Capital	3	35264000		35264000	
Reserves and Surplus	4	79062347		71994956	
			114326347		107258956
<b>2 NON-CURRENT LIABILITIES :</b>					
Long-Term Borrowings	5	26176502		17688949	
Deferred Tax Liabilities (Net)	6	7794671		6869761	
Other Long-Term Liabilities	7	29050655		26151359	
Long-Term Provisions	8	6999391		6043081	
			70021219		56753151
<b>3 CURRENT LIABILITIES :</b>					
Short-Terms Borrowings	9	91707070		61204094	
Trade Payables	10	96971553		78617440	
Other Current Liabilities		0		0	
Short-Term Provisions	11	7389364		4955363	
			196067987		144776897
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>380415554</b>		<b>308789004</b>
<b>II ASSETS :</b>					
<b>1 NON-CURRENT ASSETS :</b>					
Fixed Assets	12	80593123		68010875	
Non-Current Investments	13	3500600		3500600	
Long Term Loans and Advances		0		0	
			84093723		71511475
<b>2 CURRENT ASSETS :</b>					
Inventories	14	79525447		71107027	
Trade Receivables	15	95099955		95478828	
Cash and Bank Balances	16	63324796		35666994	
Short Term Loans and Advances	17	28798570		25417605	
Other Current Assets	18	29573064		9607076	
			296321831		237277529
<b>TOTAL ASSETS</b>			<b>380415554</b>		<b>308789004</b>
(Significant Accounting Policies & Notes forming Part of the Financial Statements)	1 & 2				

As per our Report of even date

For and on behalf of the Board of Directors

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

Chartered Accountants

(FRN : 111768W)

Yusuf C. Mansuri

Proprietor

Membership No. : 38309

AHMEDABAD

MAY 29, 2017

ASLAM F. KAGDI

Chairman & M. D.

ASAD F. KAGDI

Jt. Managing Director

BHARTI RATHI

Company Secretary

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

Particulars	Note	Year ended 31.03.2017	Year ended 31.03.2016
<b>I Revenue From Operations (Gross)</b>	19	553713928	475132800
Less : Excise Duty		56985235	47537298
<b>Revenues From Operations (Net)</b>		496728693	427595502
<b>II Other Income</b>	20	2813615	3160483
<b>III Total Revenues (I+II)</b>		<b>499542308</b>	<b>430755985</b>
<b>IV Expenses :</b>			
Cost of Materials Consumed	21	354879532	312811370
Purchases of Stock-in-Trade		198350	0
Change in Inventories of Finished Goods	22	3518017	(18,29,791)
Employee Benefits & Expense	23	16346679	21691213
Finance Costs	24	12765127	10797951
Depreciation	12	7621078	6507040
Other Expenses	25	91851224	70692204
<b>Total Expenses</b>		<b>487180007</b>	<b>420669987</b>
<b>V Profit Before Tax (III-IV)</b>		<b>12362301</b>	<b>10085999</b>
<b>VI Tax Expenses :</b>			
Current Tax		4370000	3251000
Deferred Tax		924910	60395
<b>VII Profit for the year (V-VI)</b>		<b>7067391</b>	<b>6774604</b>
<b>VIII Earnings per equity share of face value of Rs. 10 each Basic and Diluted (in Rs.)</b>		2.00	1.92
(Significant Accounting Policies & Notes forming Part of the Financial Statements)	1 & 2		

As per our Report of even date

For and on behalf of the Board of Directors

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

Chartered Accountants

(FRN : 111768W)

Yusuf C. Mansuri

Proprietor

Membership No. : 38309

AHMEDABAD

MAY 29, 2017

ASLAM F. KAGDI

Chairman & M. D.

ASAD F. KAGDI

Jt. Managing Director

Bharti Rathi

Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR 2016 - 2017

Particulars	Year Ended 31.03.2017 (Rupees)		Year Ended 31.03.2016 (Rupees)	
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit before tax as per statement of Profit and Loss		12362301		10085999
<b>Add :</b>				
Depreciation	7621078		6507040	
Loss on Sale of Assets (net)	(1,51,815)		20517	
Finance Costs	12765127		10797951	
		20234390		17325508
<b>Less :</b>				
Interest Income	2813615		3160483	
		2813615		3160483
<b>Operating Profit before Working Capital Changes</b>		<b>29783077</b>		<b>24251023</b>
<b>Adjusted for :</b>				
Trade and Other Receivables	(1,95,87,114)		(87,45,264)	
Inventories	(84,18,421)		(2,56,74,495)	
Movement in Loans and Advances	-3380965		21,99,878	
Trade and Other Payables	24643720		1,74,95,181	
		(67,42,781)		(1,47,24,700)
<b>Cash Generated from Operations</b>		<b>23040296</b>		<b>9526323</b>
Income Tax (Net)		4370000		3251000
<b>Net Cash from Operating Activities ( A )</b>		<b>18670296</b>		<b>62,75,323</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Sale of Fixed Assets	300106		57000	
Interest Income	2813615		3160483	
		3113721		3217483
<b>Less :</b>				
Purchase of Fixed Assets	20351617		9235481	
Investment for M F	0		3500000	
		20351617		12735481
<b>Net Cash (used in) Investing Activities ( B )</b>		<b>(1,72,37,896)</b>		<b>(95,17,998)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Proceeds from Issue of Share Capital		0		0
Proceeds from Long Term Borrowings		84,87,553		1,59,05,629
Repayment of Long Term Borrowings		0		0
Short Term Borrowings (net)		3,05,02,976		(51,32,132)
Finance Costs		(1,27,65,127)		(1,07,97,951)
<b>Net Cash (used in) / from Financing Activities ( C )</b>		<b>2,62,25,402</b>		<b>(24,454)</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>		<b>2,76,57,802</b>		<b>(32,67,128)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>		<b>35666994</b>		<b>38934122</b>
<b>Closing Balance of Cash and Cash Equivalents</b>		<b>63324796</b>		<b>35666994</b>

As per our Report of even date

For and on behalf of the Board of Directors

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

Chartered Accountants

(FRN : 111768W)

Yusuf C. Mansuri

Proprietor

Membership No. : 38309

AHMEDABAD

MAY 29, 2017

ASLAM F. KAGDI

Chairman & M. D.

ASAD F. KAGDI

Jt. Managing Director

Bharti Rathi  
Company Secretary

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

NOTE : 3 : SHARE CAPITAL

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

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

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

Details of Share holders holding more than 5% equity shares :

Jameela F. Kagdi (5.95%)	209700	209700
Mohammed Aslam F. Kagdi (5.03%)	177210	159410

Terms / Rights attached to Shares :

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

NOTE : 4 : RESERVES AND SURPLUS

Sr. No.	Particulars	As at 31st March, 2017		As at 31st March, 2016	
1	<b><u>GENERAL RESERVE :</u></b> As per last Balance Sheet	67390000		62390000	
	<b><u>Add :</u></b> Transferred from Profit & Loss Account	7500000		5000000	
			74890000		67390000
2	<b><u>SURPLUS IN THE STATEMENT OF PROFIT &amp; LOSS :</u></b> As per last Balance Sheet	4604956		2830352	
	<b><u>Add :</u></b> Short Provision for Tax	7067391		6774604	
	Profit for the year	11672347		9604956	
	<b><u>Less : Appropriations :</u></b> Transferred to General Reserve	7500000		5000000	
			4172347		4604956
	<b>TOTAL</b>		79062347		71994956

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

NOTE: 5 : LONG-TERM BORROWINGS

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

NOTE: 6 : DEFERRED TAX LIABILITIES

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

NOTE: 7 : OTHER LONG-TERM LIABILITIES

Sr. No.	Particulars	As at 31st March, 2017		As at 31st March, 2016	
1	Trade Advances		0		2727213
2	Trade Security Deposit		1548741		200000
3	Advances from Customers		21713313		17550210
4	Others		5788601		5673936
	<b>TOTAL</b>		<b>29050655</b>		<b>26151359</b>

NOTE: 8 : LONG-TERM PROVISIONS

Sr. No.	Particulars	As at 31st March, 2017		As at 31st March, 2016	
1	<b><u>PROVISION FOR EMPLOYEE BENEFIT :</u></b> Provision for Gratuity		6999391		6043081
	<b>TOTAL</b>		<b>6999391</b>		<b>6043081</b>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

NOTE : 9 : SHORT-TERM BORROWINGS

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

NOTE : 10 : TRADE PAYABLES

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

NOTE : 11 : SHORT-TERM PROVISIONS

Sr. No.	Particulars	As at 31st March, 2017		As at 31st March, 2016	
1	<b><u>PROVISION FOR EMPLOYEE BENEFIT :</u></b>				
	Provision for Bonus	0		0	
	Provision for other Employee Benefit	1359169		1007475	
			1359169		1007475
2	<b><u>PROVISION OTHERS :</u></b>				
	Provision for Income Tax	5277776		3646184	
	Provision for Expenses	752419		301704	
			6030195		3947888
	<b>TOTAL</b>		<b>7389364</b>		<b>4955363</b>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

NOTE : 13 : NON CURRENT INVESTMENTS

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

NOTE : 14 : INVENTORIES

Sr. No.	Particulars	As at 31st March, 2017		As at 31st March, 2016	
1	Raw Materials		69025696		56663618
2	Finished Goods		10165365		13683382
3	Stores and Spares		258691		653871
4	Packing Materials		75695		106156
	<b>TOTAL</b>		<b>79525447</b>		<b>71107027</b>

NOTE : 15 : TRADE RECEIVABLES

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

NOTE : 16 : CASH AND BANK BALANCES

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

NOTE : 17 : SHORT TERM LOANS AND ADVANCES

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

NOTE : 18 : OTHER CURRENT ASSETS

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



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

NOTE : 19 : REVENUE FROM OPERATIONS

Sr. No.	Particulars	As at 31st March, 2017		As at 31st March, 2016	
1	<b><u>SALES OF PRODUCTS :</u></b>				
	Domestic Sales	538122081		452250751	
	Export Sales	15253274		22410724	
			553375355		474661475
2	<b><u>OTHER OPERATING REVENUES :</u></b>				
	Sale of Scrape		338573		471325
			553713928		475132800
	<b><u>Less</u> : Excise Duty</b>		56985235		47537298
	<b>Revenue From Operations (Net)</b>		<b>496728693</b>		<b>427595502</b>

NOTE : 20 : OTHER INCOME

Sr. No.	Particulars	As at 31st March, 2017		As at 31st March, 2016	
1	Interest		2454149		2471571
2	Other Non Operating Income		359466		688912
	<b>TOTAL</b>		<b>2813615</b>		<b>3160483</b>

NOTE : 21 : COST OF MATERIALS CONSUMED :

Sr. No.	Particulars	As at 31st March, 2017		As at 31st March, 2016	
1	Opening Stock	56663618		32939880	
	<b><u>Add</u> : Purchases</b>	367241610		336535108	
			423905228		369474988
	<b><u>Less</u> : Closing Stock</b>		69025696		56663618
	<b>TOTAL</b>		<b>354879532</b>		<b>312811370</b>

NOTE : 22 : CHANGES IN INVENTORIES OF FINISHED GOODS

Sr. No.	Particulars	As at 31st March, 2017		As at 31st March, 2016	
1	<b>Inventories at the beginning of the year</b>				
	Finished Goods		13683382		11853591
2	<b>Inventories at the end of the year</b>				
	Finished Goods		10165365		13683382
	<b>(Increase) in Inventories</b>		<b>35,18,017</b>		<b>(18,29,791)</b>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

NOTE : 23 : EMPLOYEE BENEFITS & EXPENSE

Sr. No.	Particulars	As at 31st March, 2017		As at 31st March, 2016	
1	Salaries and Wages		11557642		17466124
2	Contribution to Provident and Other Funds (Note No. 2.1 {XV})		1841693		1657662
3	Staff Welfare Expenses		1391964		731794
4	Gratuity (Note No. 2.1 {XV})		956310		1084478
5	Other Benefits		599070		751155
	<b>TOTAL</b>		<b>16346679</b>		<b>21691213</b>

NOTE : 24 : FINANCE COSTS

Sr. No.	Particulars	As at 31st March, 2017		As at 31st March, 2016	
1	Interest		8126069		8541562
2	Bank Charges		4467167		2242761
3	Hire Charges		171892		13628
	<b>TOTAL</b>		<b>12765127</b>		<b>10797951</b>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

NOTE : 25 : OTHER EXPENSES

Sr. No.	Particulars	As at 31st March, 2017		As at 31st March, 2016	
<b>1</b>	<b><u>Manufacturing Expenses :</u></b>				
	Labour Expenses	9347173		8494347	
	Transport Inward	33014		22293	
	Consumption of Stores and Packing Materials	9162452		6371288	
	Electric Power	5018284		5326726	
	Gas Charges	76858		120354	
	Repairs to Building	0		0	
	Repairs to Machinery	1459088		590474	
			25096869		20925482
<b>2</b>	<b><u>Selling and Distribution Expenses :</u></b>				
	Excise, Income Tax & Vat Assessment	334797		1138909	
	Other Selling and Distribution Expenses	43569685		32138099	
			43904482		33277008
<b>3</b>	<b><u>Establishment Expenses :</u></b>				
	Professional Fees	1362772		2104304	
	General Expenses	11423783		5704828	
	Insurance	167626		40369	
	Rent & Taxes	3797581		3573011	
	Other Reapirs	3206759		2242289	
	Travelling & Conveyance Expenses	2682167		1874794	
	Payment to Auditors	117000		117000	
	Loss / (Profit) on Sale of Fixed Assets	(1,51,815)		20517	
	Donation	15000		0	
			22620873		15677112
<b>4</b>	<b>B S E Expenses :</b>		229000		812602
	<b>TOTAL</b>		<b>91851224</b>		<b>70692204</b>