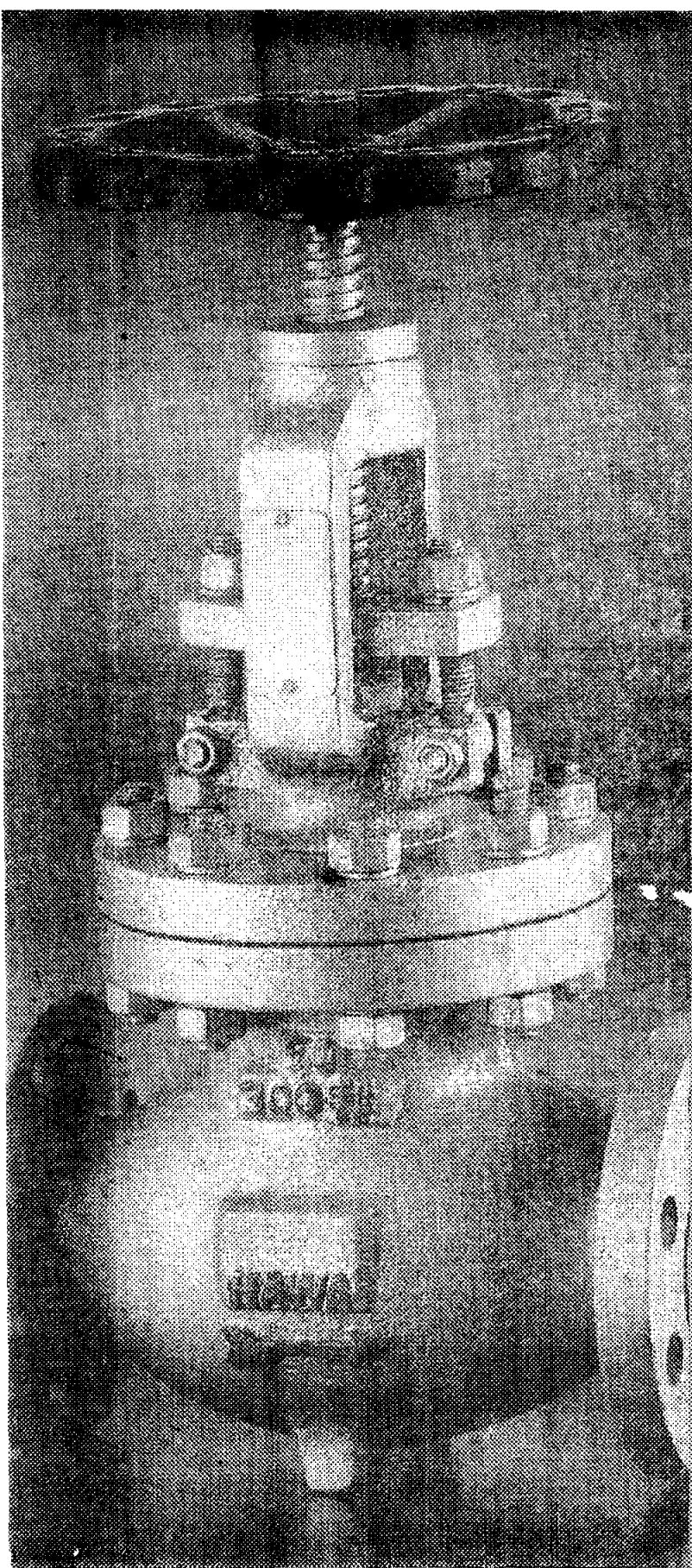


ANNUAL REPORT
2001-2002



Hawa Engineers Ltd.

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Hawa Engineers Ltd.

BOARD OF DIRECTORS

| | |
|-----------------------|-------------------------|
| Fazlurrehman M. Kagdi | Chairman |
| Aslam F. Kagdi | Managing Director |
| Asad F. Kagdi | Joint Managing Director |
| Abdullah M. Kagdi | Director |
| Mohammed F. Kagdi | Director |

PRINCIPAL BANKERS

The Karur Vysya Bank Ltd.
(1) Ashram Road, Ahmedabad.
(2) Fort, Mumbai.
(3) Burra Bazar, Kolkata
(4) Mylapore, Chennai

Bank Of Baroda
(1) Gita Mandir Road, Ahmedabad.

AUDITORS

S. M. Maniar & Co.
Kothi Mohalla, Lal Darwaja,
Ahmedabad

REGISTERED & CORPORATE OFFICE

Highway Commercial Centre,
Danilimda, Ahmedabad.
Tel : 79- 5320781 / 82 / 83 / 84
Fax : 91 - 79 - 5320785
E-mail : helho@usa.net

ADMINISTRATIVE OFFICE & WORKS

Behind Chandola Police Chowky, Chandola,
Ahmedabad-380 028. India
Tel.: 79-5320786/5350723/531293

MUMBAI OFFICE

267, Nagdevi Street, Mumbai-400 003.
Tel. : 344 44 613/ 614/ 614
Fax : 34 44 615

NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the Shareholders of Hawa Engineers Limited will be held on Monday, 30th September 2002 at the Registered office Highway Commercial Centre, Dani limda, Ahmedabad - 380 028 at 3.00 p.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002 and the Profit & Loss Account for the year ended on that date together with the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Aslam F. Kagdi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Auditors and fix their remuneration

SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT Mr. Abdullah M. Kagdi , a Director appointed as an additional Director in the meeting of the Board of Directors and who holds office upto the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company."

Registered Office:
Highway Commercial Centre,
Dani limda,
Ahmedabad - 380 028
Date : 30th August, 2002

By Order of the Board

Fazlurrehman M. Kagdi
Chairman

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A Proxy in order to be effective should be lodged at the Registered Office of the Company not later than 48 hours before the commencement of the Annual General Meeting.

2. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to the Special Business to be transacted at the Annual General Meeting is attached.
3. The Register of members and the Share transfer books of the Company shall remain closed from 23rd September, 2002 to 30th September, 2002 (both days inclusive).
4. Pursuant to Section 205A read with 205C of the Companies Act, 1956, the Company is required to transfer the dividends declared for the financial year ended 31st March, 1996 and onwards which remains unpaid or unclaimed for a period of 7 years to the Investor Education and Protection Fund. It may be noted that no claims will lie against the Company or the Investor Education and Protection Fund in respect of the said unclaimed dividend amount transferred to the fund. The members who have not claimed their dividends for the financial year ended 31st March, 1996 and onwards are requested to lodge their claim with the Company.
7. Members are requested to notify immediately the change in address, if any, to the Company.
8. As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.

EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies Act, 1956]

ITEM NO. 4:

Mr. Abdullah M. Kagdi , appointed as the Additional Directors of the Company with effect from 1st January 2002, pursuant to Section 260 of the Companies Act, 1956 to hold office upto ensuing Annual General Meeting of the Company.

The Company is in receipt of individual notices under Section 257 of the Companies Act, 1956 from the 2 of its members proposing the candidature of the aforesaid persons for directorship of the Company.

Except Mr. Abdullah M. Kagdi, no other director is interested.

INFORMATION REQUIRED AS PER THE LISTING AGREEMENT FOR THE RETIRING & NEWLY APPOINTED DIRECTOR

Name of the Director : Mr. Aslam F. Kagdi

Date of Birth : 21-01-1961

Educational Qualification : B. E.

Works Experience : Technical aspects of production of Industrial Valves.

Mr. Aslam Kagdi is the Managing Director of the Company. He is the Promoter-Director, and associated with the Company since its inception. His guidance and inspiration has taken the company to this height. The Company is likely to be greatly benefited with their association as directors on its Board. Your directors commend passing of the resolutions set out at Item no. 2 of the accompanying notice.

Name of the Director : Mr. Abdullah M. Kagdi

Date of Birth : 10-09-60

Educational Qualification : B. Com.

Mr. Abdullah M. Kagdi is the production supervisor. He is having more than ten years experienced in this field. The Company is likely to be greatly benefited with his association as director on its Board. Your directors commend passing of the resolutions set out at Item no. 4 of the accompanying notice.

Registered Office:
Highway Commercial Centre,
Danilimda,
Ahmedabad - 380 028
Date : 30th August, 2002

By Order of the Board

Fazlurrehman M. Kagdi
Chairman

DIRECTORS' REPORT

To,
The Members,
Hawa Engineers Limited

Your Directors have pleasure in presenting the Ninth Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2002.

1. FINANCIAL HIGHLIGHTS:

| Particulars | Amount in thousand | |
|---|-------------------------|-------------------------|
| | Year ended 31.3.2002 | Year ended 31.3.2001 |
| Sales & Other Income | 36807 | 58954 |
| Profit before Interest, Depreciation and Taxation | 1418 | 3340 |
| Interest | 1251 | 1530 |
| Depreciation | 1299 | 1440 |
| Profit / (Loss) before tax | (1507) | 21 |
| Provision for Taxation | 375 | 350 |
| Profit / (Loss) after tax | (1882) | (329) |

2. DIVIDEND:

Due to depressed position and inadequacy of the profit your Directors are unable to recommend the dividend.

3. OPERATIONAL REVIEW:

The year under review was a tough one. The general industrial climate throughout the year remained sluggish. Moreover, the disturbances in Gujarat have severely affected the operations of the Company especially in the last quarter. The sales and other income for the Financial Year under review were Rs. 368.07 lacs (589.54 lacs). This resulted in loss from operations amounting to Rs. 18.82 lacs. Your Company simultaneously made all endeavors to concentrate on every area of cost reduction, without compromising on the quality. Rationalisation of manpower was one of the areas taken up for cost reduction which was successful. Continued all round efforts are made to review every area of cost reduction in sales, administration as well as input and production cost in the Plant.

4. ISO 9002 :

Your Company continues to enjoy coveted and prestigious ISO 9002 award for its IC Ball Valve Division and has successfully met all the stringent and rigorous evaluation and surveillance measures of TUV India Pvt. Ltd., an affiliate of the German Organization RWTUV.

5. CAPITAL EXPENDITURE OUTLAY:

During the year under review, the Company has incurred Rs.1,86,373/- on Capital Expenditure.

6. TECHNOLOGY:

The Company has excellent level of technology to manufacture Valves. This technology is comparable to the best available technology in other part of the World. The Company also has an excellent team of technical personnel including highly qualified and experienced Engineers in its Quality Assurance and Production & Design Department. The Company has also independent system of quality audit for production at its plants.

7. SALES & SERVICE ORGANISATION:

The Company has a well established sales & service network through its engineers in the area of giving service to major customer with sales offices located at Mumbai, Hyderabad and Pune, and agents in all over India. Thanks to the well accepted quality of Company's products the Company has received a very positive response from large customer groups all over India.

8. HUMAN RESOURCE POLICY AND INDUSTRIAL RELATIONS :

The Company has continued to maintain harmonious and cordial relations with its officers, supervisors and workers enabling the Company to maintain the pace of growth.

9. COMPUTERISATION AND COMMUNICATION :

The Company has fully computerized all its commercial departments with a well established ERP system.

10. INSURANCE:

The Company's properties including building, electrical installations, stocks, stores etc. continue to be adequately insured against risks such as fire, riot, strike, civil commotion, malicious damages etc.

11. DEPOSITS:

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

12. ENVIRONMENT - SAFETY - HEALTH:

The Company is fully conscious and concerned to continuously improve the environment, safety and health aspects for the manpower attached to the Company and improve the working conditions to be more congenial, safe and eco-friendly. Gujarat Pollution Control Board has given necessary clearances to the Company.

13. DIRECTORS:

Mr. Anwar A. Hawa has resigned from the Board with effect from 30-4-2002 Your Directors place on record the gratitude towards Mr. Hawa for the able manner in which he has carried out his duties as a Director of the Company.

Mr. Abdullah M. Kagdi has been appointed as the Additional Director of the Company with effect from 01-01-2002 He holds the office upto the conclusion of this Annual General Meeting and is eligible for reappointment.

14. CORPORATE GOVERNANCE:

The Company is in the process of taking necessary steps for establishing Corporate Governance by way of transparency, independence, accountability, responsibility and fairness in its day-to-day activities. All efforts are being made to adopt policy of transparency and good professional efficiency in the Company. In this direction, the Company is in the process of broad basing of Board of Directors of the Company by appointing experienced and qualified persons as Directors of the Company.

15. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed;
- (ii) appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year ended 31st March 2002 and the Profit and Loss Account for the year ended 31st March 2002;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Annual Accounts have been prepared on a going concern basis.

16. PARTICULARS OF EMPLOYEES:

As there is no employee of the company who was in receipt of remuneration requiring disclosure under the provisions of the Companies (Particulars of Employees) Rules, 1975, no information is required to be submitted.

17. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

18. AUDITORS:

M/s. S. M. Maniar Chartered Accountants Ahmedabad retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment. You are requested to reappoint the Auditors and fix their remuneration. No observations are made by the Auditors in their report and it does not call for further clarifications.

19. ACKNOWLEDGEMENT:

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

For and on behalf of the Board,

Place : Ahmedabad
Date : 30th August, 2002

Fazlurrehman M. Kagdi
Chairman

ANNEXURE TO THE DIRECTORS REPORT

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

A) CONSERVATION OF ENERGY

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

B) TECHNOLOGY ABSORPTION :

Our company has successfully introduced the Investment casting process in steel and Stainless Steel of various grades in the manufacturing of HAWA Valves. The Company's product have been modernised to confirm to international standard of API, BS and DIN.

C) FOREIGN EXCHANGE EARNINGS / OUTGOINGS

There is no foreign exchange transaction involved.

For and on behalf of the Board,

Place : Ahmedabad
Date : 30th August, 2002

Fazlurrehman M. Kagdi
Chairman

REPORT OF AUDITORS

To,
The Members of
HAWA ENGINEERS LIMITED

We have audited the attached Balance Sheet of **HAWA ENGINEERS LIMITED**, as at 31st March 2002 and also the Profit & Loss Account of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit, and we report that:

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and other companies (Auditor's Report) Order, 1988 issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956 and on the basis of the such checks, as are considered appropriate, we state that : -

(A)

1. The company has maintained proper record showing full particulars including quantitative details and situation of the fixed assets. The fixed assets have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on verification were not material and have been properly dealt with in the books of account.
2. None of the fixed assets have been revalued during the year.
3. The stocks of finished goods, stores spare parts, raw materials and components have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
4. In our opinion the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on physical verification of stocks as compared to books records were not material and have been properly dealt with in the books of account.
6. On the basis of our examination of stock records, in our opinion, the valuation of stocks is fair and proper in accordance with normally accepted accounting principals.
7. The Company has not taken any loan from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and from Companies under the same management.
8. According to the information and explanations given to us, the Company has not granted any loans to Companies, firms or any other parties listed in the register maintained under section 301 of the Companies Act, 1956. We are informed that there are no companies under the same management as defined under section 370 (1B) of the Companies Act, 1956.
9. In respect of loans and advance in the nature of loans given by the Company, the parties are repaying principal amounts as stipulated and have also been regular in the payment of interest, where applicable.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets, and for the sale of goods.
11. In our opinion and according to the information and explanations given to us, the transactions for purchases and sales of goods and materials made in pursuance of contracts or arrangements entered into the register maintained under section 301 of the Companies Act, 1956, aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which

are reasonable keeping in view the commercial expediency of each sale transaction in terms of its value, period over which the transaction is spread and the prevailing market condition.

12. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores and raw materials or finished goods.
13. No deposits within the meaning of section 58A of the Companies Act and rules framed thereunder have been accepted by the Company.
14. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of realizable scrap, As explained to us, the Company's operation do not generate any realizable by product.
15. Internal audit is done by a firm of Chartered Accountants and on the basis of their report, we state that in our opinion, the same is commensurate with the size and nature of business.
16. As informed to us, The Central Government has not prescribed maintenance of cost record under Section 209 (1) (d) of the Companies Act, 1956 for any of the products of the company.
17. According to the records of the Company, provident fund and employees state insurance dues have been generally regularly deposited during the year with the appropriate authorities.
18. According to the information and explanations given to us, no undisputed amount payable in respect of wealth tax, sales tax, customs duty and excise duty were outstanding as at 31st March, 2002 for a period of more than six months from the date they became payable. However income tax payable as per Income Tax Return for F. Y. Ending 31st March, 2000 & 31st March, 2001 amounting to Rs. 10,25,104/- (App.) remains to be paid.
19. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue accounts, other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company is not a sick industrial company within the meaning of clause (O) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. According to the information and explanations given to us, there were no damaged goods in the case of goods purchased for resale.

(B)

Further to our comments in paragraph (A) above, We report that :

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of accounts, as required by law have been kept by the Company so far as appears from our examination of the books.
3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
4. In our opinion, the Balance Sheet and Profit & Loss Account comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
5. On the basis of written representations received from the directors of the Company as at 31st March, 2002 and taken on record by the Board of Directors of the Company, we report that none of the director is disqualified as at 31st March, 2002 from being appointed as director in terms of clause (g) of Sub section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes and significant accounting policies as per schedule 18, give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (a) In the case of Balance Sheet, of the state of affairs of the company as at 31st March 2002 and
 - (b) In the case of Profit and Loss Account, of the Loss of the company for the year ended on that date.

For **S. M. MANIAR & CO.,**
Chartered Accountants

Place : Ahmedabad
Date : 30th August, 2002

A. A. Nawab
(Partner)

BALANCE SHEET AS AT 31ST MARCH, 2002

| PARTICULARS | Schedule | Rupees | 31.03.2002 Rupees | 31.03.2001 Rupees |
|---|----------|--------------------|-----------------------|----------------------|
| SOURCES OF FUNDS : | | | | |
| Share holders Funds | | | | |
| Share Capital | 1 | | 35264000.00 | 35264000.00 |
| Reserves and Surplus | 2 | | 2418772.42 | 5569929.87 |
| Loan Funds | | | | |
| Secured Loans | 3 | | 4617177.16 | 5440809.06 |
| Total | | | 42299949.58 | 46274738.93 |
| APPLICATION OF FUNDS : | | | | |
| Fixed Assets | 4 | | | |
| Gross Block | | 21298980.64 | | 21155946.64 |
| Less : Depreciation | | 7708775.06 | | 6427019.06 |
| Net Block | | | 13590205.58 | 14728927.58 |
| Investments | 5 | | 200100.00 | 200100.00 |
| Current Assets, Loans & Advances | | | | |
| Inventories | 6 | 32877559.22 | | 30690574.02 |
| Sundry Debtors | 7 | 19336778.05 | | 21330566.22 |
| Cash and Bank Balances | 8 | 1059129.88 | | 467413.97 |
| Loans & Advances | 9 | 9894401.19 | | 6508808.14 |
| | | 63167868.34 | | 58997362.35 |
| Less : Current Liabilities & Provisions | 10 | 33902885.84 | | 28343451.50 |
| Net Current Assets | | | 29264982.50 | 30653910.85 |
| Deferred Tax Liability (Net) | | | (1,269,242.00) | 0.00 |
| Miscellaneous Expenditure | 11 | | 513903.50 | 691800.50 |
| Total | | | 42299949.58 | 46274738.93 |
| Significant Accounting Policies and Notes on Accounts. | 18 | | | |
| The schedules 1 to 11 and 18 are integral part of the Balance Sheet | | | | |

As per our audit report of even date
For **S. M. MANIAR & CO.**,
Chartered Accountants

A. A. Nawab
(Partner)

Place : Ahmedabad
Date : 30th August, 2002

For **Hawa Engineers Limited**

Aslam F. Kagdi Managing Director

Asad F. Kagdi Jt. Managing Director

Place : Ahmedabad
Date : 30th August, 2002

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2002

| Particulars | Schedule | 2001-2002 Rupees | 2000-2001 Rupees |
|--|----------|---------------------|---------------------|
| INCOME : | | | |
| Sales | | 36665033.25 | 58925551.99 |
| Other Income | | 141800.50 | 28773.30 |
| Increase / (Decrease) in stock of finished goods | 12 | (174060.00) | (6977662.00) |
| Total | | 36632773.75 | 51976663.29 |
| EXPENDITURE : | | | |
| Raw Materials Consumed | 13 | 7466037.89 | 8936345.01 |
| Purchases | | 11418914.00 | 17325496.00 |
| Manufacturing Expenses | 14 | 3841534.81 | 6055087.15 |
| Employees Remuneration and Benefits | 15 | 6705738.75 | 7527681.30 |
| Selling and Administrative Expenses | 16 | 5973781.74 | 7702733.65 |
| Interest Finance and Hire Charges | 17 | 1250990.01 | 1529961.03 |
| Preliminary Exp. & Public Issue Exp. Written off | | 177897.00 | 177897.00 |
| Depreciation | | 1298937.00 | 1439378.69 |
| Loss on Sales of Assets | | 5858.00 | 1261226.07 |
| Total | | 38139689.20 | 51955805.90 |
| (Loss) \ PROFIT BEFORE TAXATION | | (1506915.45) | 20857.39 |
| Less : Provision for taxation | | 0.00 | 350000.00 |
| Less : Provision for earlier years | | 375000.00 | 0.00 |
| (Loss) \ PROFIT AFTER TAXATION | | (1881915.45) | (329142.61) |
| Balance brought forward from last year | | 79929.87 | 9072.48 |
| Transfer from General Reserve | | 0.00 | 400000.00 |
| PROFIT AVAILABLE FOR APPROPRIATION | | (1801985.58) | 79929.87 |
| APPROPRIATIONS : | | | |
| Balance carried to Balance Sheet | | (1801985.58) | 79929.87 |
| Total | | (1801985.58) | 79929.87 |

Significant Accounting Policies and Notes on Accounts 18

The schedules 12 to 17 and 18 are integral part of the Profit and Loss Account

As per our audit report of even date
For **S. M. MANIAR & CO.,**
Chartered Accountants
A. A. Nawab
(Partner)
Place : Ahmedabad
Date : 30th August, 2002

For **Hawa Engineers Limited**
Aslam F. Kagdi Managing Director
Asad F. Kagdi Jt. Managing Director
Place : Ahmedabad
Date : 30th August, 2002

SCHEDULES ATTACHED TO BALANCE SHEET AS AT 31ST MARCH, 2002

| PARTICULARS | 31.03.2002 Rupees | 31.03.2001 Rupees |
|-------------|----------------------|----------------------|
|-------------|----------------------|----------------------|

SCHEDULE : 1 SHARE CAPITAL :

| | | |
|---|--------------------|-------------|
| Authorised : | | |
| 40,00,000 Equity Shares of Rs. 10/- each. | 40000000.00 | 40000000.00 |
| Issued, Subscribed and Paid up : | | |
| 35,26,400 Equity Shares of Rs. 10/- each fully paid up. | 35264000.00 | 35264000.00 |
| Total | 35264000.00 | 35264000.00 |

SCHEDULE : 2 RESERVES AND SURPLUS :

| | | |
|--|---------------------|------------|
| General Reserve : | | |
| As per last Balance Sheet | 5490000.00 | 5890000.00 |
| Less : Transfer to Profit and Loss Account | 0.00 | 400000.00 |
| Less : Accumulated Deferred Tax Liability as at 1st April, 2001. | 1269242.00 | 0.00 |
| | 4220758.00 | 5490000.00 |
| Surplus of Profit and Loss Account | (1801985.58) | 79929.87 |
| Total | 2418772.42 | 5569929.87 |

SCHEDULE : 3 SECURED LOANS :

| | | |
|--|-------------------|------------|
| The Karur Vysa Bank Limited : | | |
| Purchase Bill Discounted | 1626162.42 | 1987949.66 |
| Cash Credit | 2991014.74 | 3341127.40 |
| Term Loan Machinery | 0.00 | 111732.00 |
| (Secured by Hypothecation of raw materials, stock in process, and finished goods and book debts, and first charge on existing machineries and guaranteed by all the directors in their personal capacity.) | | |
| Total | 4617177.16 | 5440809.06 |

SCHEDULE : 4 FIXED ASSETS :

| Sr. No. | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|-------------------------|------------------|------------|------------|------------------|------------------|--------------|-----------|------------------|------------------|------------------|
| | As at 01.04.2001 | Additions | Deduction | As at 31.03.2002 | Up to 01.04.2001 | For the Year | Deduction | Up to 31.03.2002 | As at 31.03.2002 | As at 31.03.2001 |
| 1 Land | 84215.00 | 0.00 | 0.00 | 84215.00 | 0.00 | 0.00 | 0.00 | 0.00 | 84215.00 | 84215.00 |
| 2 Buildings | 6379658.69 | 0.00 | 0.00 | 6379658.69 | 781352.56 | 168915.87 | 0.00 | 950268.43 | 5429390.26 | 5598306.13 |
| 3 Plant & Machinery | 11331376.49 | 59647.00 | 18525.00 | 11372498.49 | 4800057.81 | 907086.81 | 4835.00 | 5702309.62 | 5670188.87 | 6531318.68 |
| 4 Electric Installation | 1133341.20 | 0.00 | 0.00 | 1133341.20 | 273503.31 | 53833.72 | 0.00 | 327337.03 | 806004.17 | 859837.89 |
| 5 Furniture & Fittings | 1485571.26 | 21085.00 | 0.00 | 1506656.26 | 458649.17 | 95226.07 | 0.00 | 553875.24 | 952781.02 | 1026922.09 |
| 6 Vehicles | 741784.00 | 105641.00 | 24814.00 | 822611.00 | 113456.21 | 73874.53 | 12346.00 | 174984.74 | 647626.26 | 628327.79 |
| Total Rs. | 21155946.64 | 186373.00 | 43339.00 | 21298980.64 | 6427019.06 | 1298937.00 | 17181.00 | 7708775.06 | 13590205.58 | 14728927.58 |
| PREVIOUS YEAR | 22872005.89 | 1206189.00 | 2922248.25 | 21155946.64 | 5703742.55 | 1439378.69 | 716102.18 | 6427019.06 | 14728927.58 | 17168263.34 |

SCHEDULE : 5 INVESTMENTS :

| | | |
|---|------------------|-----------|
| In Equity Shares (Quoted) | | |
| 5700 Equity Shares of Shreyans Resources Ltd. each of Rs. 10/- at a Premium of Rs. 25/- (Market Value on 31.03.2002 Rs. 1,25,400/-) | 199500.00 | 199500.00 |
| In Equity Shares (Unquoted) | | |
| 60 Equity Shares of the Bombay Mercantile Co-Operative Bank Ltd., each of Rs. 10/- fully paid up. | 600.00 | 600.00 |
| Total | 200100.00 | 200100.00 |

Hawa Engineers Ltd.

| PARTICULARS | 31.03.2002 Rupees | 31.03.2001 Rupees |
|---|----------------------|----------------------|
| SCHEDULE : 6 INVENTORIES : | | |
| (As taken, valued and certified by the management) | | |
| Finished goods | 15060478.00 | 15234538.00 |
| Raw Materials | 17077537.87 | 14717743.16 |
| Consumable Stores | 729890.15 | 733970.51 |
| Packing Materials | 9653.20 | 4322.35 |
| Total | 32877559.22 | 30690574.02 |
| SCHEDULE : 7 SUNDRY DEBTORS : | | |
| (Unsecured, Considered Goods) | | |
| Over six months | 10758047.83 | 5633890.13 |
| Others | 8578730.22 | 15696676.09 |
| Total | 19336778.05 | 21330566.22 |
| SCHEDULE : 8 CASH & BANK BALANCES : | | |
| Cash on hand | 920666.41 | 390956.49 |
| In Current account with schedule banks | 138463.47 | 76457.48 |
| Total | 1059129.88 | 467413.97 |
| SCHEDULE : 9 LOANS AND ADVANCES : | | |
| (Unsecured, Considered Good) | | |
| Amounts recoverable in cash or kind, or for value to be received | 9884019.19 | 6500982.14 |
| Tax deducted at source receivable | 10382.00 | 7826.00 |
| Total | 9894401.19 | 6508808.14 |
| SCHEDULE : 10 CURRENT LIABILITIES & PROVISIONS : | | |
| A. CURRENT LIABILITIES | | |
| Deferred Payment Scheme : | | |
| (Procured under hire purchase Scheme (installments due for less than 12 months Rs. 96,665/-) (Previous year Rs. 1,16,880/-) | 105161.98 | 253205.42 |
| Sundry Creditors | 30045882.54 | 25346034.11 |
| Unpaid Expenses | 2682580.75 | 2049951.40 |
| Share Application money refundable | 8000.00 | 8000.00 |
| Unpaid Dividend | 36260.57 | 36260.57 |
| Total OF (A) | 32877885.84 | 27693451.50 |
| B. PROVISIONS | | |
| Provision for taxation | 1025000.00 | 650000.00 |
| Total OF (B) | 1025000.00 | 650000.00 |
| Total OF (A) + (B) | 33902885.84 | 28343451.50 |
| SCHEDULE : 11 MISCELLANEOUS EXPENDITURE : | | |
| (To the extent not written-off, or adjusted) | | |
| 1. Preliminary Expenses | 46684.00 | 63302.00 |
| Less : Written off | 16618.00 | 16618.00 |
| Total OF (1) | 30066.00 | 46684.00 |
| 2. Public Issue Expenses | 645116.50 | 806395.50 |
| Less : Written off | 161279.00 | 161279.00 |
| Total OF (2) | 483837.50 | 645116.50 |
| Total OF (1) + (2) | 513903.50 | 691800.50 |

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| Particulars | 2001-2002 Rupees | 2000-2001 Rupees |
|--|---------------------|---------------------|
| SCHEDULE : 12 INCREASE / (DECREASE) IN STOCK : | | |
| Stock at the Commencement | 15234538.00 | 22212200.00 |
| Stock at the Close | 15060478.00 | 15234538.00 |
| Increase / (Decrease) in Stock | (174060.00) | (6977662.00) |
| SCHEDULE : 13 RAW MATERIALS CONSUMED : | | |
| Raw Materials Consumed : | | |
| Stock at the Commencement | 14717743.16 | 12078723.81 |
| Add : Purchases | 9825832.60 | 11575364.36 |
| | 24543575.76 | 23654088.17 |
| Less : Stock at the Close | 17077537.87 | 14717743.16 |
| Total | 7466037.89 | 8936345.01 |
| SCHEDULE : 14 MANUFACTURING EXPENSES : | | |
| Labour Charges | 2643773.00 | 4053633.64 |
| Transport Inward | 253344.00 | 738966.00 |
| Consumption of stores and Packing Materials | 572647.51 | 664722.67 |
| Power | 371770.30 | 588192.84 |
| Design, Drawing and Development Charges | 0.00 | 9572.00 |
| Total | 3841534.81 | 6055087.15 |
| SCHEDULE : 15 EMPLOYEES REMUNERATION & BENEFITS : | | |
| Salaries, Wages and Bonus | 5663622.79 | 6205326.89 |
| Contribution to Provident fund & Other funds | 680898.85 | 733896.60 |
| Staff welfare Expenses | 41485.00 | 174145.10 |
| Gratuity : | | |
| Total Gratuity paid during the year | 129081.11 | 333895.71 |
| Less : Adjusted to provision already made in earlier years | 45539.00 | 207363.00 |
| Total | 83542.11 | 126532.71 |
| Add : Further Provision for Existing Employees | 236190.00 | 287780.00 |
| | 319732.11 | 414312.71 |
| Total | 6705738.75 | 7527681.30 |

| Particulars | 2001-2002 Rupees | 2000-2001 Rupees |
|---|---------------------|---------------------|
| SCHEDULE : 16 SELLING & ADMINISTRATIVE EXPENSES: | | |
| Rent, Rates and Taxes | 68230.00 | 68116.00 |
| Insurance | 26999.12 | 29762.00 |
| Advertisement | 47159.00 | 61717.50 |
| Repairs and Maintenance : | | |
| Building | 39965.00 | 5024.00 |
| Machinery | 191852.00 | 299308.00 |
| Vehicles | 293938.72 | 316227.66 |
| Others | 128974.00 | 225201.20 |
| | 654729.72 | |
| Stationary, Printing & Postage Etc. | 567040.00 | 673956.00 |
| Telegrams & Telephone Etc. | 410247.90 | 646299.05 |
| Travelling and Conveyance | 676842.92 | 783270.04 |
| Payments to Auditors : | | |
| As the Auditors | 42000.00 | 47250.00 |
| In other capacity | 10500.00 | 36750.00 |
| | 52500.00 | |
| Professional Fees and Legal Charges | 127610.00 | 241005.00 |
| General Charges | 357726.42 | 1134353.42 |
| Transport Outward | 689721.00 | 956157.90 |
| Sales Commission | 1740439.50 | 1493401.20 |
| ISO-9002 Charges | 8050.00 | 20500.00 |
| Sales Promotion | 257428.11 | 267170.31 |
| Cash Discount | 153724.11 | 365570.37 |
| Bad Debts Written Off | 135219.94 | 22726.00 |
| Sales Tax Assessment | 114.00 | 8968.00 |
| Total | 5973781.74 | 7702733.65 |
| SCHEDULE : 17 INTEREST, FINANCE & HIRE CHARGES: | | |
| Interest | 981674.21 | 1104374.25 |
| Finance Charges | 230336.05 | 346440.60 |
| Hire Purchase Charges | 38979.75 | 79146.18 |
| Total | 1250990.01 | 1529961.03 |

SCHEDULE : 18 : NOTES AND SIGNIFICANT ACCOUNTING POLICIES**A. SIGNIFICANT ACCOUNTING POLICIES :**

1. Basis of Preparation of Financial Statements :
 - a. The financial statements are prepared under the historical cost of convention in accordance with the generally accepted accounting principles and the provision for the Company Act, 1956, as adopted consistently by the company.
 - a. The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
2. Fixed Assets :
Fixed Assets are accounted at cost net of modvat less depreciation. Assets acquired under Hire Purchase Agreements are capitalized to the extent of their principal value, while hire charges are charged to revenue in the years in which they are payable. Purchases of Books are treated as revenue expenditure.
3. Depreciation :
Depreciation is provided on Straight Line Method in accordance with the rates as per schedule XIV of the Companies Act, 1956.
4. Valuation of Inventories :
Stocks are valued at :

| | |
|---|---|
| * Raw materials, Packing materials, Stores and spares | At cost on FIFO basis |
| * Work-in-process | At cost (incl. Proportionate Direct Expenses) |
| * Finished goods | At lower of cost or net realizable Value. |
5. Investments :
Investments are stated at cost. Dividend income from investment is accounted for on declaration basis.
6. Deferred Payments :
Deferred payments viz. Preliminary expenses and Public Issue expenses are charged over a period of ten years.
7. Sales :
Sales of goods are recognized on despatch to customer. Sales exclude excise duty and state/central sales tax recovered on sales, wherever applicable and stand net of rate differences, sales returns etc.
8. Retirements Benefits :
In respect of employees who have completed five years continuous service as on 31st March 2002, provision for gratuity payable in respect of them is made on the basis of the calculation made by the company in accordance with the provision of Payment of Gratuity Act up to 31st March 2002 Rs. 8,39,187/- (Previous year Rs. 6,48,536/-)
9. Research and Development Expenditure :
Revenue expenditure on research and development is charged to Profit and Loss Account in the year in which it is incurred.
10. Excise duty :
Excise duty on the goods manufactured is accounted for at the time of their clearance. No provision is therefore made for duty on finished goods, lying unsold and not cleared from the factory at the close of the year.
11. Export Benefits :
Export benefits / incentives are accounted on cash basis.
12. Modvat Benefit :
The value of eligible modvat benefit is being reduced from the cost of raw materials.
13. Sales Tax Set-off :
Sales tax set-off has been adjusted against purchases of raw materials.

B. NOTES ON ACCOUNTS :

1. Tax provision towards income tax liability has been made on the basis of taxable income worked out as per the provisions of Income Tax Act after considering the available tax benefits.
2. The cost of land has been stated as per banakhat executed and include expenses for registration of banakhat and lawyer's fees. Document of titles is yet to be executed. Similar treatment is given for cost of Factory Shed.

3. Investments held by the Company are long-term investments and the management is of the view that the short fall in the book value of the investments is temporary and therefore no provision of short fall is made.
4. In the opinion of Board, the current assets, loans and advances are approximately of the value as stated if realized in the ordinary course of business and all known liabilities have been adequately provided for.
5. The Company has been accounting liability for Excise Duty on finished goods as and when cleared. The liability for Excise Duty on finished goods lying in stock at the close of the year, estimated at Rs. 24,09,676/-, has not been provided for in the accounts and the same has also not been included in valuation of inventory of such goods. However, the said liability if accounted, would have no effect on the Loss for the year.
6. Previous year's figures have been regrouped wherever necessary.
7. Additional information pursuant of the provisions of paragraph 3, 4c and 4d of part II Schedule VI of the Companies Act, 1956. (As certified by management) :
(A) LICENSED CAPACITY : (Unit numbers)

| Items | Licensed Capacity | Installed Capacity |
|--------|-------------------|--------------------|
| Valves | Not Ascertained | Not Ascertained |

- (B) Production, Sales Opening / Closing Stock of Finished Goods :
(i) Mfg. Goods Valves etc. (Unit in Nos.)

| Opening Stock | | Production | | Sales | | Closing Stock | |
|---------------|------------|------------|-----------|---------|------------|---------------|------------|
| Qty. | Value Rs. | Qty. | Value Rs. | Qty. | Value Rs. | Qty. | Value Rs. |
| 5425 | 15234538 | 13158 | — | 13556 | 22205762 | 5027 | 15060478 |
| (9906) | (22212200) | (15586) | — | (20067) | (33783949) | (5425) | (15234538) |

- (ii) Traded Goods : Valves (Unit in Nos.)

| Opening Stock | | Purchase | | Sales | | Closing Stock | |
|---------------|-----------|----------|------------|---------|------------|---------------|-----------|
| Qty. | Value Rs. | Qty. | Value Rs. | Qty. | Value Rs. | Qty. | Value Rs. |
| Nil | Nil | 30488 | 11418914 | 30488 | 14334073 | Nil | Nil |
| (3) | (5736) | (38681) | (17325496) | (38681) | (24876002) | (Nil) | (Nil) |

- (C) Raw Materials Consumed (Unit-M / Tonnes)

| Item | Qty. | Value (Rupees) |
|---------------|-----------|----------------|
| Casting Metal | 289.762 | 7466038 |
| | (308.402) | (8936345) |

- (D) Consumption of Indigenous and Imported Goods (In-Value)

| Item | Value | Percentage | Total Value |
|----------------------------|-----------------|--------------|-------------|
| Raw- Materials | Nil 7466038 | Nil 100% | 7466038 |
| | (Nil) (8936345) | (Nil) (100%) | (8936345) |
| Stores & Packing Materials | Nil 572647 | Nil 100% | 572647 |
| | (Nil) (664723) | (Nil) (100%) | (664723) |

8. Related Party Information :

Name of related parties, their relationship and Transactions with related parties.

- A. Subsidiary Company : Nil
- B. Associate Companies : Hawa Hydraulics & Pneumatics P Ltd.
Airmax Pneumatics Ltd.
- C. Partnership Firms / Proprietary Concern : Orbit Valves
Orbit Engineers
Aira Pneumatics
Aira Controls
Hydint Pneumatics
Steelmec Controls
Hydint Lloyds Controls
Suzhik Industries
Marck & Care Engineers

- D. Key Management Personnel :
- Chairman : Fazlurrehman M. Kagdi
- Managing Director : Aslam F. Kagdi
- Jt. Managing Director : Asad F. Kagdi
- Director : Mohammed F. Kagdi
- Non-Executive Directors : Abdullah M. Kagdi
- E. Transactions with related parties during the year 2001-2002

| Nature of Transactions Company | Associate Companies | Firms | Key Management |
|---|--------------------------------|--------------|---------------------------|
| Purchase | 1577600 | 1294498 | Nil |
| Sales | Nil | 4424854 | Nil |
| Managerial Remuneration/Seating Fees | Nil | Nil | 420000 |
| Outstanding : | | | |
| - Payable | Nil | 770382 | Nil |
| - Receivables | 6391683 | 5137752 | Nil |

Note : Being the first year of application of Accounting Standard (AS 18) - Related Parties Disclosures, the previous year's figures have not been disclosed.

9. Pursuant to the Accounting Standard (AS 22) - Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India, which is mandatory with effect from 1st April, 2001, There is Loss for the year ended 31.03.2002, as per books as well as per I. T. Return, the deferred tax liability for the year ended 31.03.2002 will be Nil. However the accumulated deferred tax liability of Rs. 12,69,242/- up to 31.03.2001 has been charged to revenue reserves. The major components of deferred tax assets and liabilities as at 31st March, 2002 are as follows: (Rs. In Thousand)

Particulars As at
1st April, 2001

Deferred tax liabilities :

Tax effect due to :

Difference between the Straight Line Method of assets under the Companies Act, 1956 and the Income Tax Act, 1961. 1269.24

Deferred tax assets Nil

Deferred tax Liability (Net) 1269.24

10. Receivable, Loans and Advances, Creditors and Deposits are subject to conformation and adjustments, if any.
11. Total dues to small scale industrial undertakings for more than 30 days, where such dues exceed Rs.1 lakh, is Rs. 83,13,390/- (Previous year Rs. 98,54,508/-)
12. Contingent Liabilities not provided for :
- Counter Guarantees given to the Bankers. Rs. 6,63,991/- (Previous year Rs. 12,99,970/-)
13. Estimated amount of contracts remaining to be executed on capital account and provided for Rs. Nil (Previous year Rs. Nil)
14. Earnings in foreign currency :
- Export of own products of F. O. B. Value Rs. Nil (Previous Year Rs. Nil) being amount received against Export Turnover.
15. Expenditure in foreign currency Rs. Nil

Signatures to Schedules 1 to 18

As per our audit report of even date
For **S. M. MANIAR & CO.,**
Chartered Accountants

A. A. Nawab
(Partner)

Place : Ahmedabad

Date : 30th August, 2002

For **Hawa Engineers Limited**

Aslam F. Kagdi Managing Director

Asad F. Kagdi Jt. Managing Director

Place : Ahmedabad

Date : 30th August, 2002

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :**I. REGISTRATION DETAILS :**

| | | | |
|--------------------|--------------|------------|----|
| Registration No. | 19199 | State Code | 04 |
| Balance Sheet Date | 31- 03- 2002 | | |

II. CAPITAL RAISED DURING THE YEAR (Rs. In Thousand)

| | | | |
|--------------|-----|-------------------|-----|
| Public Issue | NIL | Reights Issue | NIL |
| Bonus Issue | NIL | Private Placement | NIL |

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs. In Thousand)

| | | | |
|-------------------|-------|--------------|-------|
| Total Liabilities | 42300 | Total Assets | 42300 |
|-------------------|-------|--------------|-------|

SOURCES OF FUNDS :

| | | | |
|-----------------|-------|--------------------|------|
| Paid-up Capital | 35264 | Reserves & Surplus | 2419 |
| Secured Loans | 4617 | Unsecured Loans | NIL |

APPLICATION OF FUNDS :

| | | | |
|------------------------|--------|--------------------|-----|
| Net Fixed Assets | 13590 | Investments | 200 |
| Net Current Assets | 29265 | Misc. Expenditure | 514 |
| Deferred Tax Liability | (1269) | Accumulated Losses | NIL |

IV. PERFORMANCE OF COMPANY (Rs. In Thousand)

| | | | |
|---------------------------|--------|--------------------------|--------|
| Turnover | 36665 | Total Expenditure | 38140 |
| Profit/ (Loss) Before Tax | (1507) | Profit/ (Loss) After Tax | (1882) |
| Earning Per Share | NIL | Dividend Rate | NIL |

V. GENERIC NAMES OF THREE PRINCIPAL OF COMPANY : (As per monetary terms)

| | |
|--------------------------|---------------------|
| Item Code No. (ITC Code) | : 8481.80 |
| Product Description | : INDUSTRIAL VALVES |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2002

| Particulars | 2001-2002 Rupees | 2000-2001 Rupees |
|--|------------------------|---------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net (Loss) / Profit before Tax and Extra ordinary items | (1,506,915) | 20,857 |
| Adjustments for : | | |
| Depreciation | 1,298,937 | 1,439,379 |
| (Profit) / Loss on sale of Assets | 5,858 | 1,261,226 |
| Miscellaneous Expenditure | 177,897 | 177,897 |
| Interest Paid | 1,250,990 | 1,529,961 |
| | <u>2,733,682</u> | <u>4,408,463</u> |
| Operating Profit before Working Capital Change (a) | 1,226,767 | 4,429,320 |
| Adjustments for : | | |
| Add / (Less) : (Increase) / Decrease in Current Assets :- | | |
| Inventories | (2,186,985) | 4,465,853 |
| Debtors | 1,993,788 | 1,618,438 |
| Loans & Advances | (3,383,037) | (5,552,386) |
| | <u>(b) (3,576,234)</u> | <u>531,905</u> |
| Add / (Less) : Increase / (Decrease) in Current Liabilities and Provisions (c) | 5,184,434 | (6,465,819) |
| Cash Generated from Operations (a+b+c) | 2,834,967 | (1,504,594) |
| Interest paid | (1,250,990) | (1,529,961) |
| Direct Taxes Paid | (2,556) | (4,982) |
| | <u>(1,253,546)</u> | <u>(1,534,943)</u> |
| Net Cash from Operating Activities 'A' | 1,581,421 | (3,039,537) |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (186,373) | (1,206,189) |
| Proceeds from Sale of Fixed Assets | 20,300 | 944,920 |
| Net Cash from Investing Activities 'B' | (166,073) | (261,269) |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net Proceeds from Short Term Borrowing | (823,632) | (1,035,743) |
| Dividend & Dividend Tax Paid | - | (1,335) |
| Net Cash From Financing Activities 'C' | (823,632) | (1,037,078) |
| NET CHANGES IN CASH AND CASH EQUIVALENT (A+B+C) | 591,716 | (4,337,884) |
| CASH AND CASH EQUIVALENTS | | |
| Cash and Bank Balance at the beginning of the year | 467,414 | 4,805,298 |
| Cash and Bank Balance at the end of the year | 1,059,130 | 467,414 |
| Net Increase | <u>591,716</u> | <u>(4,337,884)</u> |

Note : All figures in brackets are outflow.

Place : Ahmedabad
Date : 30th August, 2002

For and on behalf of the Board
Aslam F. Kagdi **Asad F. Kagdi**
Managing Director Jt. Managing Director

AUDITORS' REPORT

To The Board of Directors,
HAWA ENGINEERS LIMITED, Ahmedabad.

We have examined the above Cash Flow Statement of **HAWA ENGINEERS LIMITED** for the year ended on 31st March, 2002. The Statement has been prepared by the Company in accordance with the requirement of Clause 32 of Listing Agreement with the Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 30th August, 2002 to the members of the Company.

For **S. M. MANIAR & CO.**,
Chartered Accountants
A. A. Nawab
(Partner)

Place : Ahmedabad
Date : 30th August, 2002

General Share Holders Information

1. Listing at Stock Exchanges

The company's Equity Shares are listed on the following three stock exchanges

1. The Stock Exchange, Ahmedabad
"Kamdhenu Complex",
Opp. Shajanand College,
Panjarapole, Ahmedabad-380015
2. Madras Stock Exchange Limited
11, Second Line Beach,
Exchange Building.
Chennai : 600 001
3. Vadodara Stock Exchange Ltd.
3rd Floor Fortune Tower,
Sayaji Gunj,
Vadodara-390 005.

Due to negligible trading at the stock exchange at Vadodara and Madras, your directors proposes to delist the Equity Shares of the Company from these two exchanges.

2. Annual General Meeting :

Date & Time : 30th September 2002 3.00 P.M.

Venue : Highway Commercial Centre, Danilimda, Ahmedabad-380 028.

3. Financial Calender (Tentative) :

| | |
|--|----------------------------|
| Annual General Meeting | 30th September 2002, |
| Result for the quarter ended 30th June 2002 | Last week of July 2002, |
| Result for the quarter ended 30th September 2002 | Last week of October 2002, |
| Result for the quarter ended 31st December 2002 | Last week of January 2003, |
| Result for the year ended 31st March, 2003 | Last week of April 2003, |

4. Book Closure Date :

23rd September 2002 to 30th September 2002 (Both days inclusive)

5. Stock Code :

Trading symbol at Ahmedabad Stock Exchange : 23783/Hawa Eng.

6. Correspondence regarding share transfer, other investors related complain & query on Annual Report may be addressed to :

Secretarial Department,
Hawa Engineers Limited,
Highway Commercial centre,
Danilimda,
Ahmedabad-380 028.

HAWA ENGINEERS LIMITED

Registered office Highway Commercial Centre, Dani limda, Ahmedabad - 380 028

ATTENDANCE SLIP

9th Annual General Meeting

Monday, the 30th September, 2002 at 03.00 p.m.

Place : Registered office Highway Commercial Centre, Dani limda, Ahmedabad - 380 028

Signature of Member/ Proxy attending the meeting _____

Notes:

1. This meeting is only for members. Please, therefore, do not bring person in the meeting who is not a member.
2. Please bring this attendance slip duly signed and hand it over to the representative of the Company at the entrance of the meeting place

HAWA ENGINEERS LIMITED

Registered office Highway Commercial Centre, Dani limda, Ahmedabad - 380 028

FORM OF PROXY

I/We _____

of _____ in the district of _____

being member/s of the above named Company hereby appoint _____

of _____ in the district of _____

or failing him _____

of _____ in the district of _____

as my/our Proxy to attend and vote for me/us on my/our behalf at the 9th Annual General Meeting of the Company, to be held on Monday, the 30th September, 2002 and/or at any adjournment thereof.

Signed the _____ day of _____ 2002.

Affix
Revenue
Stamp

Signature _____

N.B.: This Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

If undelivered, please return to :

Hawa Engineers Ltd.

Registered office :
Highway Commercial Centre,
Dani limda, Ahmedabad - 380 028

ANAPATI, A'bad. Ph-(079)6568111, 6447697