

28th ANNUAL REPORT 2020-2021

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	Independent Director
Mr. Anwarahmed Mohammed Javid Daruwala	Independent Director
Mrs. Sabana Amjad Rehmani	Independent Director

COMPANY SECRETARY:

Ms. Shital Dalavadi

AUDITOR:

N. M. Pathak & Co.

Chartered Accountant, Ahmedabad

SECRETARIAL AUDITOR

M/s. Chirag Shah and Associates

Company Secretary, Ahmedabad

PRINCIPAL BANKERS:

Canara Bank

Navrangpura, Ahmedabad

REGISTERED OFFICE

Plot No. 129, Near Kashiram Textile Mill,

Narol Road, Ahmedabad - 382405

Tel : 079-25320781/82/83/86

E-mail : cs@hawaengltd.com

Website : www.hawaengltd.com

CORPORATE IDENTIFICATION NUMBER:

L29120GJ1993PLC019199

REGISTRAR & TRANSFER AGENT:

Bigshare Services Pvt. Ltd

A-802, Samudra Complex, off C G Road,

Navrangpura, Near Girish Cold Drinks

Ahmedabad 380009

Email Id: bssahd2@bigshareonline.com

Website: www.bigshareonline.com

Contents	Page No.
Notice	02
Boards' Report	11
Management Discussion and Analysis	23
Independent Auditors' Report	27
Balance Sheet	34
Statement on Profit and Loss	35
Cash Flow Statement	36
Notes to Financial Statements	38

Notice

Notice is hereby given that the 28th Annual General Meeting of Members of Hawa Engineers Limited will be held on Wednesday, 29th September, 2021 at 04:30 p.m. through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2021, together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Asad Kagdi (DIN: 00006898), who retires by rotation and, being eligible, offers himself for re-appointment.

Registered Office:
Plot No. 129, Near Kas hiram Textile Mill
Narol Road,
Ahmedabad – 382405
CIN :L29120GJ1993PLC019199
Date: August 14, 2021
Place: Ahmedabad

By order of Board of Directors
Hawa Engineers Limited

Sd/-
Aslam Kagdi
Chairman
DIN: 00006879

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08,2020 Circular No.17/2020 dated April 13, 2020 and Circular No.20/2020 dated May 05,2020 and Circular No. 02/2021 dated January 13, 2021 prescribed the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said circulars, the 28th Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no.16 and available at the Company's website www.hawaengltd.com
2. The helpline number regarding any query/assistance for participation in the AGM through VC/OAVM is 1800225533.
3. The relevant details, pursuant to Regulations 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of a Director seeking re-appointment at this AGM are also annexed.
4. As per Section 102 Explanatory Statement is not given, there is no Special business is taken in Notice.
5. Pursuant to the Circular No.14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the member is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
6. The attendance of the Members attending AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. In line with the aforesaid Circulars of the Ministry of Corporate Affairs (MCA) and SEBI Circular No. SEBI/HO/CFD/CMD1/CIRP/2020/79 dated 12th May, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, the Notice of AGM alongwith Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Member may note that Notice and Annual Report 2020-21 has been

uploaded on website of the Company at www.hawaengltd.com . The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com respectively and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com.

8. The Register of members and share transfer books of the Company will remain closed from Wednesday, 22nd September, 2021 to Wednesday, 29th September, 2021 (both days inclusive) for the purpose of Annual General Meeting.
9. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
10. 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 dematerialised form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
11. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual members holding shares in the physical form. The members who are desirous of availing this facility may kindly write to Company's R & T Agent for nomination form by quoting their folio number.
12. The Register of Director's and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection in electronic mode.
13. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the schedule time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Wednesday, 22nd September, 2021, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.

Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC.

14. Process for those shareholders whose email ids are not registered:
 - a) For members holding shares in Physical mode- please provide necessary details like Folio No., Name of shareholder by email to cs@hawaengltd.com/ bssahd@bigshareonline.com.
15. Members holding shares in Demat mode can get their Email-ID registered by contacting their respective Depository Participant.
16. Process and manner for members opting for voting through Electronic means:
 - I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and 13th January, 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL), as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL.

- II. Members whose name are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date (record date) i.e. Wednesday, 22nd September, 2021, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
- III. A person who has acquired the shares and has become a member of the Company after the despatch of the Notice of the AGM and prior to the Cut-off date i.e. Wednesday, 22nd September, 2021 shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.
- IV. The remote e-voting will commence on Sunday, 26th September, 2021 at 9.00 A.M and ends on Tuesday, 28th September, 2021 at 5.00 P.M. During this period, the members of the Company holding shares either in physical form or in demat form as on the Cut-off date i.e. Wednesday, 22nd September, 2021 may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter.
- V. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- VI. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. Wednesday, 22nd September, 2021.
- VII. The Company has appointed CS Chirag Shah, Practising Company Secretary (Membership No. FCS: 5545; CP No. 3498), to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

The instructions for shareholders for remote voting are as under:

- I. The voting period begins on Sunday, 26th September, 2021 at 9.00 A.M and ends on Tuesday, 28th September, 2021. 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 Wednesday, 22nd September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- III. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- IV. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

V. Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	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. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- VI. After entering these details appropriately, click on “SUBMIT” tab.
- VII. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- VIII. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- IX. Click on the EVSN for the relevant Hawa Engineers Limited on which you choose to vote.
- X. 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.
- XI. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- XII. 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.
- XIII. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- XIV. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- XV. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XVI. Facility for Non – Individual Shareholders and Custodians –Remote Voting
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for Remote e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@hawaengltd.com . These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Since 28th AGM of the Company will be held through VC / OAVM Facility, therefore Route Map is not annexed to this Notice.

17. 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.
18. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN details to M/s. Bigshare Services Private Limited.
19. Disclosure under regulation 36(3) of the SEBI (listing obligations and disclosure requirements) regulations, 2015 and secretarial standard on general meetings issued by the institute of company secretaries of India, in respect of a director seeking re-appointment at this AGM are as follows:

ITEM NO. 2

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE 28TH AGM

NAME OF DIRECTOR	Asad Kagdi
DIN	00006898
Date of Birth	28/06/1962
Date of first appointment	26/03/1999
Nationality	Indian
Terms and conditions of re-appointment	In terms of Section 152(6) of the Act, Mr. Asad Kagdi is liable to retire by rotation at the meeting.
No. of Board meeting attended during the financial year 2020-21	5
Expertise in Specific functional area/ Experience	Mr. Asad Kagdi has been working as Director of the company since 26 th March, 1999. Asad Kagdi is one of the key functionaries in the top management team and had been associated with the Company for about 14 years and he has Wide business experience with Leadership Qualities.
Qualification	Commerce Degree and post Graduation in Management
Directorship of other listed companies as of date	None*
Chairman/ Member of Committees (including Audit Committee & Stakeholder Committee)	1*
No of shares held in the Company	172462 Equity Shares of Rs. 10 each.
Remuneration sought to be paid and Remuneration last drawn.	Rs. 12,00,000 Remuneration last drawn.
Relationship with other Directors, Manager and Other Key Managerial Personnel of the Company	Mr. Asad Kagdi is Brother of Mr. Aslam Kagdi, Chairman and Managing Director of the Company.

***Note :** The Directorship held by director mentioned above do not include directorship of Private Limited Company.

Contact details

Company	Hawa Engineers Limited
Regd. Office	Plot No. 129, Near Kashiram Textile Mill, Narol Road, Ahmedabad – 382405
Registrar and Transfer Agent	Bigshare Services Pvt. Ltd ,A-802, Samudra Complex, off C G Road, Navrangpura, Near Girish Cold DrinksAhmedabad 380009
E-voting Agency	Central Depository Services Limited E-mail : helpdesk.evoting@cdslindia.com . Phone : 022-22723333/8588
Scrutinizer	CS Chirag Shah Practising Company Secretary E-mail ID : chi118_min@yahoo.com , pcschirag@gmail.com

Registered Office:

**Plot No. 129, Near Kas hiram Textile Mill
Narol Road,
Ahmedabad – 382405
CIN :L29120GJ1993PLC019199
Date: August 14, 2021
Place: Ahmedabad**

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

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

Board's Report

To,
The Members,
Hawa Engineers Limited

Your Directors have pleasure in presenting the Twenty Eight Annual Report together with the Audited Statements of Accounts for the Year ended 31st March, 2021.

FINANCIAL HIGHLIGHTS AND PERFORMANCE OF THE COMPANY:

(Amounts in rupees)

Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
Revenue from Operations	48,10,70,111	47,19,55,265
Other Income	37,18,509	32,01,992
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	321,12,182	3,01,34,191
Less: Depreciation/ Amortisation/ Impairment	83,02,114	85,27,920
Profit /loss before Finance Costs, Exceptional items and Tax Expense	238,10,068	2,16,06,271
Less: Finance Costs	13,667,532	1,29,68,602
Profit /loss before Exceptional items and Tax Expense	10,142,536	86,37,669
Add/(less): Exceptional items	0	0
Profit /loss before Tax Expense	10,142,536	86,37,669
Less: Tax Expense (Current & Deferred)	21,61,170	1,66,776
Profit /loss for the year (1)	79,81,366	84,70,893
Total Comprehensive Income/loss (2)	0	0
Total (1+2)	79,81,366	84,70,893
Balance carried forward	111,077,204	10,41,41,944

OPERATIONAL OVERVIEW:

During the Year under review, the total revenue from operations (gross) of your Company stood at Rs. 48,10,70,111 as against Rs. 47,19,55,265 for FY 2019-20. However, Earnings before interest, tax, depreciation and amortization (EBITDA) were Rs. 321,12,182 registering a growth as against Rs. 3,01,34,191, in 2019-20. Profit after tax (PAT) for the year was Rs. 79,81,366 over the PAT of Rs. 84,70,893 in 2019-20. 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.

AMOUNT, IF ANY, WHICH THE BOARD PROPOSES TO CARRY TO ANY RESERVES:

The Company proposes to transfer Rs. 40,00,000 to the general reserve out of the amount available for appropriation and an amount of Rs. 40,00,000 is proposed to be retained in the profit and loss account.

DIVIDEND:

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

CHANGE IN THE NATURE OF BUSINESS:

There is no change in the nature of the business of the company.

MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR:

"There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report."

SHARE CAPITAL:

The Paid-up Equity Share Capital of the Company as on 31st March, 2021 is Rs. 3,52,64,000/- comprising of 35,26,400 shares of Rs. 10/- each. During the year under review, the Company has not issued any equity shares.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

DIN/DPID/ PAN	FULL NAME	DESIGNATION	DATE OF APPOINTMENT
00006879	Mr. Aslam Kagdi	Managing Director and CFO	01/06/2000
00006898	Mr. AsadKagdi	Jt. Managing Director	26/03/1999
00006940	Mr. Mohammedkhan Pathan	Whole Time Director	30/04/2004
01989939	Mr. Shad Mdafzal Ranginwala	Independent Director	31/01/2008
06487724	Mr. Anwarahmed Mohammed Javid Daruwala	Independent Director	15/02/2013
06967822	Mrs. Sabana Amjad Rehmani	Independent Woman Director	30/09/2014

Pursuant to the provisions of Section 152 (6) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) Mr. Asad Kagdi (DIN: 00006898) Director of the Company is liable to retire by rotation at the ensuing AGM and being eligible offers himself for reappointment.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of section 164 of the Companies Act, 2013.

Mr. Aslam Kagdi, Chief Financial Officer and Ms. Shital Dalavadi, Company Secretary were Key Managerial Personnel on 31st March, 2021.

A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149:

The Company has received Declaration from Mr. Shad Mdafzal Ranginwala, Mr. Anwarahmed Mohammed Javid Daruwala and Mrs. Sabana Amjad Rehmani, Independent Directors of the Company that they meet with the criteria of independence as prescribed under Sub-section (6) of Section 149 of the Companies Act, 2013 and Reg. 25 (8) & (9) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

NUMBER OF MEETINGS OF THE BOARD:

The Board met Five times during the Financial Year on 29th June, 2020, 2nd September, 2020, 11th September, 2020 10th November, 2020, and 15th February, 2021 the details of which are mentioned below the intervening gap between any two meetings was within the period prescribed under Companies Act, 2013.

MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors met once during the financial year 2020-21. Such meeting was conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE:

The Audit Committee consists of the following members:

1. Mr. Anwarahmed Mohammed Javid Daruwala, Chairman
2. Mr. AsadKagdi, Member
3. Mr. Shad Mdafzal Ranginwala, Member

No. of Meeting of Audit Committee held during the year: 5

The Audit Committee met Five times during the financial year on 29th June, 2020, 2nd September, 2020, 11th September, 2020, 10th November, 2020, and 15th February, 2021.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

The Current Policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board, and separate its functions of Governance and Management. As on 31st March, 2021, the Board consists of 6 Directors, 3 of whom are Executive, Managing Director or Whole-time Directors, and 3 are Non-Executive 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.

FORMAL EVALUATION OF THE PERFORMANCE OF THE BOARD, COMMITTEES OF THE BOARD AND INDIVIDUAL DIRECTORS:

Pursuant to the provisions of 134(3)(p) the Companies Act, 2013 the Board has carried out the annual evaluation of the performance of the Board, its Committees and of individual directors has been made. The Board adopted a formal mechanism for evaluating its performance and 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's 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.

PARTICULARS OF EMPLOYEES:

The ratio of remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this Report as **Annexure-I**.

The details as required under Section 197 (12) of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), 2014 there is no employee (except Managing Director, CFO, CEO and CS) in the Company employed throughout the financial year who has

salary above Rs. 1 Crore 2 lacs per annum or employed in part of the financial year with average salary above Rs. 8.5 lacs per month.

The statement containing particulars of employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request. In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company. If any member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

INTERNAL FINANCIAL CONTROLS:

The Companies Act, 2013 read with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 re-emphasizes the need for an effective Internal Financial Control system in the Company which should be adequate and shall operate effectively. The Company has devised proper system of internal financial control which is commensurate with size and nature of Business.

FRAUDS REPORTED BY THE AUDITOR:

During the Year under review, no frauds were reported by the Auditors (Statutory Auditor, Secretarial Auditor) to the Audit Committee/ Board.

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.

DEPOSITS:

Pursuant to Section 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rule, 2014, the Company has not accepted or renewed any Public Deposits during the year.

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.

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. Accordingly disclosure to be provided in AOC-2 is not enclosed.

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.

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

A) CONSERVATION OF ENGERGY:

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	2020-21	2019-20
Foreign Exchange Earned	251,95,425/-	2,06,33,484/-
Foreign Exchange Out go	8,57,004/-	11,64,686/-

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.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has established a vigil mechanism and overseas through the Committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company. The board has approved a policy for vigil mechanism which has been hosted on the website of the Company at www.hawaengltd.com.

AUDITORS AND AUDITORS' REPORT:

Pursuant to the provision of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s N.M. PATHAK & CO. Chartered Accountants, having ICAI Firm Registration No.107786W as the Statutory Auditor of the Company to hold office for a period of 5 (Five) Consecutive Years, effective from the conclusion of 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting to be held in the calendar year 2025.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The Auditors' Report annexed to the financial statements for the year under review does not contain any qualifications.

SECRETARIAL AUDITOR:

The Board has appointed M/s Chirag Shah & Associates, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended 31st March, 2021 is annexed herewith marked as **Annexure II** to this Report. One qualification is raised by the Secretarial Auditor in his Secretarial Audit Report for the year under review and the reply of the same is mentioned below in this Director's report.

INTERNAL AUDITORS:

M/s Jaykishan Darji & Co., Chartered Accountants, Ahmedabad have been re-appointed as Internal Auditor of the Company in terms of Section 138 of the Companies Act, 2013 and rules made thereunder, from Financial Year 2020-21 by the Board of Directors, upon recommendation of the Audit Committee.

EXPLANATIONS OR COMMENTS BY BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE:

- (i) by the auditor in his report; There is no qualification, reservation or adverse remark or disclaimer in audit report issued by the auditors of the Company.
- (ii) By the company secretary in practice in his secretarial audit report; Following qualification raised by the Secretarial Auditor in his Secretarial Audit Report:

Company has not complied with the provision of Regulation 31 of the Securities and Exchange Board of India (Listing Obligations and Disclosures and Requirement) Regulation 2015.

Reply of Director for above qualification raised by secretarial auditor:

Company is in process to make necessary compliance and company has informed the all the promoters to dematerialized it's all promoter shareholding pursuant to Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SECRETARIAL STANDARDS:

Your Company is in compliance with the provisions of the applicable Secretarial Standards issued by the Institute of Company Secretaries of India in terms of the Companies Act, 2013.

ANNUAL RETURN

As required under Section 134(3)(a) of the Act, the Annual Return is available on the Company's website and can be accessed at www.hawaengltd.com.

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.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) read with Section 134 (5) of the Companies Act, 2013, the Board of Directors, state that:

- a. In the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act have been followed and there were no material departures from the same;
- b. the Directors have selected such accounting policies and applied them consistently and made judgements 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, 2021 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 Directors 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 finance controls are adequate and are operating effectively; and
- f. the Directors have devised proper systems devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

FORMAL ANNUAL EVALUATION:

The Board of Directors has carried out an annual evaluation of the performance of the Board, its committees and of individual directors has been made pursuant to the requirements of the Act and the Listing Regulations.

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.

PREVENTION OF INSIDER TRADING:

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

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

CORPORATE GOVERNANCE:

As provided under Regulation 15(2) of the SEBI (LODR) Regulations, 2015, the compliance with Corporate Governance as specified in Regulation 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable to the Company as paid up share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

In accordance with the SEBI (Listing Obligation and Requirement) Regulations, 2015, the Management Discussion and Analysis Report are annexed to this Report as **Annexure-III**.

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.
5. There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2020-21 and the date of this Report.

DISCLOSURE REGARDING MAINTENANCE OF COST RECORDS:

The Company has maintained cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 as the said provision is applicable to Company.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made there under. Your Company has constituted an Internal Complaints Committee across its commercial offices and Manufacturing sites.

There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

INSURANCE

Your Company has taken appropriate insurance for all assets against foreseeable perils.

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.

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

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

**Date: August 14, 2021
Place: Ahmedabad**

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 2020-21 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2020-21:**

Name of Directors/ KMP	Ratio of Remuneration to median Remuneration of Employees	% increase in remuneration in the Financial Year
Executive Directors		
Aslam Kagdi (MD & CFO)	8.67:1	NIL
AsadKagdi	8.67:1	NIL
Mohammedkhan Pathan	4.33:1	NIL
Non – Executive Directors		
Sabana Amjad Rehmani	-	-
Shad Mdafzal Ranginwala	-	N.A.
Anwarahmed Mohammed Javid Daruwala	-	-
	-	N.A.
KMP		
Shital Dalavadi	2.16:1	N.A.

- ii. **The percentage increase in the median remuneration of employees in the financial year:** NIL
- iii. **The number of permanent employees on the rolls of Company:** 91
- iv. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**
- Average increase in remuneration of employees excluding KMPs: NIL
 - Average increase in remuneration of KMPs: NIL
 - KMP salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.
- v. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

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

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

FOR THE FINANCIAL YEAR ENDED 31.03.2021

[Pursuant to section 204(1) of the Companies Act, 2013

and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Hawa Engineers Ltd

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit by using appropriate Information technology tools like virtual data sharing by way of data room and remote desktop access tools, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, 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 herein after. The physical Inspection or Verification of documents and records were taken to the extent possible:

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 31.03.2021 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 there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018(Not Applicable during the audit period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (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);

ANNUAL REPORT 2020-2021

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations 2018 (Not Applicable during the audit period);
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures and Requirement) Regulation 2015; However, Company has not Complied with the provision of Regulation 31 of The Securities and Exchange Board of India (Listing Obligations and Disclosures and Requirement) Regulation 2015.
- (j) Other laws specifically applicable to the company, as per the representation made by the company.
 1. Factories Act, 1948
 2. Gujarat Pollution Control Board (Environment Pollution Act)

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

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

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

We further report that

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

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

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

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

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

Place: Ahmedabad
Date: August 14, 2021

Chirag Shah
Partner
Chirag Shah and Associates FCS No. 5545
C P No.: 3498
UDIN: F005545C000786039

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.

To,
The Members
Hawa Engineers Ltd

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

Management's Responsibility

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

Auditor's Responsibility

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

Disclaimer

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

Place: Ahmedabad
Date: August 14, 2021

Chirag Shah

Partner

Chirag Shah and Associates FCS No. 5545

C P No.: 3498

UDIN: F005545C000786039

MANAGEMENT DISCUSSION AND ANALYSIS

KEY FINANCIAL RATIO:

Pursuant to amendment made in Schedule V to the SEBI Listing Regulations, details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios and any changes in Return on Net Worth of the Company (on standalone basis) including explanations therefore are given below:

Sr	Particulars	F.Y. 2020-21	F.Y. 2019-20	% Changes
	PROFITABILITY RATIOS (%):			
1	Operating Profit Margin	4.95%	4.58%	0.37%
2	Net Profit Margin	2.11%	1.83%	0.28%
3	Return on Net Worth	6.93%	6.20%	0.73%
	WORKING CAPITAL RATIOS:			
4	Debtors Turnover	7.31	7.79	-0.48
5	Inventory Turnover	2.99	4.77	-1.78
	GEARING RATIOS:			
6	Interest Coverage	1.74	1.67	0.07
7	Debt / Equity	2.72	2.59	0.13
	LIQUIDITY RATIO:			
8	Current Ratio	1.86	1.75	0.11

Return on Net worth ration is increased due to increase in net profit of the company.

Global Economy

Global Economy The global economy which was already facing a slowdown received yet another setback due to the COVID-19 outbreak which caused major economic disruptions leading to a contraction of global growth by 3.5% in FY21. Industrial production and global trade declined substantially due to the enforced lockdown and travel restrictions. However, the economy recovered in the second half due to easing of lockdowns and the rapid deployment of policy support at an unprecedented scale by Central banks and Governments around the world. The fiscal support by Governments, extensive rate cuts, liquidity injections, and asset purchases by Central banks helped in restoring confidence and aided demand recovery preventing a full-blown recession. According to the International Monetary Fund (IMF), the global economy is expected to move towards recovery and is predicted to increase by 5.5% in 2021 on the back of policy support and roll out of vaccines which are expected to lift economic activity across the world and lead to pick up in trade and investment. Growth is likely to be boosted by the strong economic rebound in China, and across advanced and emerging economies across the world as the impact of the pandemic begins to fade. Growth is likely to vary across economies and will be driven by the success and speedy deployment of vaccines along with continued accommodative fiscal and monetary policies.

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.

India's economy is estimated to have contracted by 7.5% in FY21 as lockdowns and other containment efforts to control the COVID-19 pandemic reduced domestic consumption despite substantial fiscal and monetary stimulus. However, there was a sharper recovery in the second half of the fiscal in terms of consumption and investment. The manufacturing sector indicated notable traction as industrial units were able to function with greater capacity. The infrastructure and construction sector also saw resurgence owing to the government's Capex push, easing of movement restrictions, and repressed and festive demand. According to the IMF, the economy is expected to grow 12.5% in FY22 led by favourable policy support and recovery in economic activity. However, the second wave of coronavirus and resultant lockdown has impacted the economic activities in FY22. In order to attract more investments, generate employment and boost exports, the Government introduced production-linked incentive (PLI) scheme to boost cost competitiveness in various manufacturing sectors. The recently announced budget has increased allocation to sectors like infrastructure to revive economic growth. Going forward, rollout of vaccines should lead to increased economic activity and increased mobility which should help in gradual and sustainable economic revival.

U.S. new-light vehicle sales in 2020 declined by around 15% year over year to 14.5 million units. The industry was hit hard due to the COVID-19 pandemic which brought the economy to a standstill and impacted sales. However, the year ended on a surprisingly upbeat note with car and truck sales rebounding sharply in December on the back of positive news related to the passage of the stimulus package, more certainty around the election outcome coupled with news about possible vaccine approval which lifted consumer sentiments. The National Automobile Dealers Association (NADA) expects the U.S. new-vehicle sales to increase by 7% to 15.5 mn in 2021 on the back of improving consumer sentiments, low interest rates, consumer preferences for personal vehicle ownership over rideshare services and public transportation. However, continued increases in COVID-19 cases, global shortage of semiconductor microchips, and tight inventory on dealer lots are some of the headwinds for the auto industry. According to European Automobile Manufacturers' Association (ACEA), the European new-car registrations declined by 24% to 9.9 million units in 2020 due to the COVID-19 pandemic. However, the market share of electric cars went up notably to 10.5% as compared to 3% in 2019. The fallout of pandemic is likely to prevail in the first half of the 2021 but the demand is expected to pick up in the second half as vaccination program progresses with sales expected to rise by 10% compared to 2020. The global automotive industry has been witnessing subdued demand for the last two consecutive years due to shrinking economic activity, rising competition, slowdown in BRIC economies, and tightening lending norms. The COVID-19 pandemic inflicted severe blow to the already struggling industry and brought a decade of expansion in the global automotive industry 20 Annual Report 2020-21 Rane Engine Valve Limited to an abrupt halt. However, the global auto industry is witnessing signs of revival and continues to show resilience boosted by a low interest rate and consumer shift towards personal mobility over public and shared transport. Share of Electric Vehicles is expected to increase in the years ahead with digital transformation expected to be major growth driver going forward. Diverse mobility, connectivity and powertrain choices and increasing level of autonomy are the key disruptive technologies that will shape the future of mobility

OPPORTUNITIES AND THREATS:

- India is poised to grow faster than most of the large economies over the next decade giving rise to tremendous opportunities. The industry is staring at immense growth prospects in terms of exports, enhancing import substitution, expanding aftermarket offerings, developing data-enabled services and solutions, and offering new or modified features in line with constantly shifting market dynamics and changing OEM needs. The automotive value chain is likely to see significant shift to non-traditional sub-segments such as EVs, advanced driver assistance systems (ADAS), data enabled services, etc. in the coming future. Adapting to the required changes to seize these upcoming opportunities, the auto component manufacturers will be in a strategic position to leapfrog into the global arena.
- As uncertainties prevail in the global economy, the industry continues to face a range of business risks related to supply chain and changing customer preference. Delay in economic recovery, increase in commodity prices and forex volatility are some of the headwinds being confronted. Moreover, evolving regulatory and trade environment, technological changes and environmental regulation, continue to pose challenges to the sector.

SEGMENT-WISE PERFORMANCE:

There is no segment in the company.

OUTLOOK:

The Indian economy is expected to rebound and attain a growth of 12.5% in FY22 on the back of improvement in trade and manufacturing against the backdrop of widespread vaccination campaigns. Responding to the recent pandemic crisis, the policymakers announced various fiscal and monetary stimulus to stimulate demand and revive manufacturing growth.

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 2020-21 are as under:

(Amounts in rupees)

Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
Revenue from Operations	48,10,70,111	47,19,55,265
Other Income	37,18,509	32,01,992
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	321,12,182	3,01,34,191
Less: Depreciation/ Amortisation/ Impairment	83,02,114	85,27,920
Profit /loss before Finance Costs, Exceptional items and Tax Expense	238,10,068	2,16,06,271
Less: Finance Costs	13,667,532	1,29,68,602
Profit /loss before Exceptional items and Tax Expense	10,142,536	86,37,669
Add/(less): Exceptional items	0	0
Profit /loss before Tax Expense	10,142,536	86,37,669
Less: Tax Expense (Current & Deferred)	21,61,170	1,66,776
Profit /loss for the year (1)	79,81,366	84,70,893
Total Comprehensive Income/loss (2)	0	0
Total (1+2)	79,81,366	84,70,893
Balance carried forward	111,077,204	10,41,41,944

The financial performance of the Company has been explained in the Directors' Report of the Company for the financial year ended 31st March 2021 appearing separately.

HUMAN RESOURCES:

Human Resources are a key focus area of the Company. The Company endeavours 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 behavioural 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.

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

**Date: August 14, 2021
Place: Ahmedabad**

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

INDEPENDENT AUDITORS' REPORT

To,
The Members of
HAWA ENGINEERS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion:

We have audited the accompanying standalone financial statements of HAWA Engineers Limited ("the Company"), which comprise of the Standalone Balance Sheet as at March 31, 2021, the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us by management of the company, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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, 2021, and profit & other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under: Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Other Information:

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements:

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian

Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting 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 adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements:

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit Procedure that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate Internal financial controls with reference to financial statements in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of Accounting estimates and related disclosures in the standalone financial statements made by Management and Board of Directors.
- Conclude on the appropriateness of management and Board of Directors use of the going Concern basis accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or condition that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our Conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, further events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the Underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ANNUAL REPORT 2020-2021

- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most Significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "**Annexure-A**" a statement on the matters specified in paragraphs 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 it appears from our examination of those books.
 - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure-B**".

For N.M.Pathak & Co
Chartered Accountants
(FRN : 107786W)

Nitin M Pathak
Proprietor

Membership No. : 04-037802
UDIN: 21037802AAAACM5157

Place:Ahmedabad
Date :25th June, 2021

**ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS
– YEAR ENDED MARCH 31, 2021**

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.
- (b) The Company has a programme of physical verification of its property, plant and equipment and investment properties by which all the items are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and the discrepancies were not material and have been properly dealt with in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment as disclosed in the standalone financial statements, are held in the name of the Company.
- (ii) The inventory, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not given any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. Accordingly, compliance under Section 185 of the Act is not applicable to the Company. According to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of the loans given and investment made.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (v) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income Tax, Customs Duty, Goods and Services Tax and other material statutory dues as applicable to the Company, have been generally regularly deposited during the year by the Company with the appropriate authorities, except in the case of Goods and Services Tax, where there have been a few delays. The Company is not having any dues in respect of Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Employees' state insurance, Income Tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable. In respect of Provident Fund, as explained in Note 41 to the standalone financial statements, pending clarity on the matter, the Company is currently unable to determine the extent of arrears of such Provident Fund outstanding as at March 31, 2021 for a period of more than six months from the date they become payable and hence, we are unable to comment on such Provident Fund arrears, if any.

ANNUAL REPORT 2020-2021

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Goods and Services Tax as at March 31, 2021, which have not been deposited with the appropriate authorities on account of any dispute.
- (vii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to the banks, financial institutions and dues to debenture holders during the year. The Company did not have any outstanding loans and borrowings to Government during the year.
- (viii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, no term loans were taken by the Company during the year.
- (ix) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Company's management.
- (x) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / accrued for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act
- (xi) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Ind AS.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions within the meaning of section 192 of the Act, with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For N.M.Pathak & Co
Chartered Accountants
(FRN : 107786W)

Nitin M Pathak
Proprietor

Membership No. : 04-037802
UDIN: 21037802AAAACM5157

Place:Ahmedabad
Date :25th June, 2021

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of Hawa Engineers Ltd. ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, 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 N.M.Pathak & Co
Chartered Accountants
(FRN : 107786W)

Nitin M Pathak
Proprietor
Membership No. : 04-037802
UDIN: 21037802AAAACM5157

Place:Ahmedabad
Date :25th June, 2021

BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars		Note	As at 31 st March, 2021		As at 31 st March, 2020	
I	ASSETS :-					
	NON-CURRENT ASSETS :					
	Property, Plant and Equipment	3	6,58,22,679		7,49,03,488	
	Financial Assets :					
	Investments	4	50,00,600		50,00,600	
				7,08,23,279		7,99,04,088
	CURRENT ASSETS :					
	Inventories	5	16,08,14,148		9,88,86,661	
	Financial Assets :					
	Trade Receivables	6	6,57,69,916		6,06,08,256	
	Cash and Cash Equivalents	7	4,56,28,535		7,06,70,004	
	Loans and Advances	8	2,40,33,712		3,08,12,883	
	Other Current Assets	9	3,10,88,402		2,05,99,798	
				32,73,34,713		28,15,77,602
	TOTAL ASSETS			39,81,57,992		36,14,81,690
II	EQUITY AND LIABILITIES :					
	SHAREHOLDERS' FUNDS :					
	Equity Share Capital	10	3,52,64,000		3,52,64,000	
	Other Equity	11	11,10,77,204		10,41,41,944	
				14,63,41,204		13,94,05,944
	NON-CURRENT LIABILITIES :					
	Financial Liabilities :					
	Borrowings	12	2,27,66,020		82,30,114	
	Deferred Tax Liabilities (Net)	13	63,77,064		67,68,770	
	Other Non-Current Liabilities	14	3,58,86,256		3,61,42,632	
	Provisions	15	1,09,91,615		97,74,240	
				7,60,20,955		6,09,15,756
	CURRENT LIABILITIES :					
	Financial Liabilities :					
	Borrowings	16	6,75,76,624		6,73,45,526	
	Trade Payables	17	10,05,83,373		8,46,16,840	
	Provisions	18	76,35,836		91,97,623	
				17,57,95,833		16,11,59,990
	TOTAL EQUITY AND LIABILITIES			39,81,57,992		36,14,81,690
	(Significant Accounting Policies & Notes forming Part of the Financial Statements)	1 & 2				

As per our Report of even date
For N. M. Pathak & Co
Chartered Accountants
(FRN : 107786W)

Nitin M Pathak
Proprietor
Membership No. : 037802
UDIN: 21037802AAAACM5157
Place :AHMEDABAD
Date :25/06/2021

Hawa Engineers Limited

ASLAM F. KAGDI
Chairman, M. D. and CFO
(DIN:00006879)

SHITAL DALAVADI
Company Secretary

ASAD F. KAGDI
Jt. Managing Director
(DIN:00006898)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars		Note	Year ended 31.03.2021	Year ended 31.03.2020
I	Revenue From Operations	19	48,10,70,111	47,19,55,265
II	Other Income	20	37,18,509	32,01,992
III	Total Revenues		48,47,88,620	47,51,57,257
IV	Expenses :			
	Cost of Materials Consumed	21	33,93,04,728	29,30,16,701
	Purchases of Stock-in-Trade		-	-
	Change in Inventories of Finished Goods	22	(2,91,47,300)	(50,82,009)
	Employee Benefits & Expense	23	2,28,33,098	2,30,31,586
	Finance Costs	24	1,36,67,532	1,29,68,602
	Depreciation	3	83,02,114	85,27,920
	Other Expenses	25	11,96,85,912	13,40,56,788
	Total Expenses		47,46,46,084	46,65,19,588
V	Total profit before exceptional items and tax		1,01,42,536	86,37,669
	Exceptional items		-	-
VI	Total Profit Before Tax (III - IV)		1,01,42,536	86,37,669
VII	Tax Expenses :			
	Current Tax		25,52,876	20,00,000
	Deferred Tax		(3,91,706)	(18,33,224)
	Total Tax Expense		21,61,170	1,66,776
	Net movement in regulatory deferral account balances related to profit or loss and the related deferred tax movement		-	-
VIII	Net Profit (Loss) for the period from continuing operations		79,81,366	84,70,893
	Profit (Loss) from discontinued operations before tax		-	-
	Tax expense of discontinued operations		-	-
IX	Net Profit (Loss) from discontinued operation after tax		-	-
	Share of profit (loss) of associates and joint ventures accounted for equity method		-	-
X	Total Profit for the year		79,81,366	84,70,893
	Other Comprehensive Income		-	-
XI	Total other comprehensive income for the year		-	-
XII	Total Comprehensive Income for the year		79,81,366	84,70,893
XIII	Earnings per equity share of face value of Rs. 10 each Basic and Diluted (in Rs.)			
	Basic EPS		2.26	2.40
	Diluted EPS		2.26	2.40
	(Significant Accounting Policies & Notes forming Part of the Financial Statements)	1 & 2		

As per our Report of even date
For N. M. Pathak & Co
Chartered Accountants
(FRN : 107786W)

Nitin M Pathak
Proprietor
Membership No. : 037802
UDIN: 21037802AAAACM5157
Place :AHMEDABAD
Date :25/06/2021

Hawa Engineers Limited

ASLAM F. KAGDI
Chairman, M. D. and CFO
(DIN:00006879)

ASAD F. KAGDI
Jt. Managing Director
(DIN:00006898)

SHITAL DALAVADI
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR 2020 - 2021

Particulars		Year Ended 31.03.2021 (Rupees)		Year Ended 31.03.2020 (Rupees)	
A	CASH FLOW FROM OPERATING ACTIVITIES :				
	Profit before Tax		1,01,42,536		86,37,669
	Adjustments for:				
	Depreciation	83,02,116		85,27,920	
	Profit on Sale of Assets (net)	-		-	
	Finance Costs	1,36,67,532		1,29,68,602	
			2,19,69,648		2,14,96,522
	Interest Income	(37,18,509)		32,01,992	
			(37,18,509)		32,01,992
	Operating Profit before Working Capital Changes		2,83,93,675		2,69,32,199
	Adjustments for (Increase)/ decrease of assets:				
	Trade and Other Receivables	(1,56,50,264)		(18,24,781)	
	Inventories	(6,19,27,487)		(90,21,159)	
	Movement in Loans and Advances	67,79,171		(19,65,897)	
	Adjustments for Increase/ (decrease) of liabilities:				
Trade and Other Payables	1,53,65,745		(56,44,993)		
		(5,54,32,835)		(1,84,56,830)	
Cash Generated from Operations		(2,70,39,160)		84,75,369	
Taxes Paid (Net)		35,98,982		26,47,592	
Net Cash from Operating Activities (A)		(3,06,38,142)		58,27,777	
B	CASH FLOW FROM INVESTING ACTIVITIES :				
	Sale of Fixed Assets	17,28,041		5,00,000	
	Interest Income	37,18,509		32,01,992	
			54,46,550		37,01,992
	Purchase of Fixed Assets	(9,49,345)		4,08,321	
	Investment for M F	-		(5,00,000)	
		(9,49,345)		(91,679)	
Net Cash Flow used in Investing Activities (B)		44,97,204		37,93,671	

Particulars		Year Ended 31.03.2021 (Rupees)		Year Ended 31.03.2020 (Rupees)	
C	CASH FLOW FROM FINANCING ACTIVITIES :				
	Proceeds from Issue of Share Capital		-		-
	Proceeds from Long Term Borrowings		1,45,35,906		(27,33,519)
	Repayment of Long Term Borrowings		-		-
	Short Term Borrowings (net)		2,31,097		6,79,244
	Finance Costs		(1,36,67,532)		(1,29,68,602)
	Net Cash Flow used in Financing Activities (C)		10,99,471		(1,50,22,877)
	Net Increase in Cash and Cash Equivalents (A+B+C)		(2,50,41,466)		(54,01,428)
Opening Balance of Cash and Cash Equivalents		7,06,70,004		7,60,71,433	
Closing Balance of Cash and Cash Equivalents		4,56,28,538		7,06,70,004	

**As per our Report of even date
For N. M. Pathak & Co**
Chartered Accountants
(FRN : 107786W)

Nitin M Pathak
Proprietor
Membership No. : 037802
UDIN: 21037802AAAACM5157
Place :AHMEDABAD
Date :25/06/2021

Hawa Engineers Limited

ASLAM F. KAGDI
Chairman, M. D. and CFO
(DIN:00006879)

ASAD F. KAGDI
Jt. Managing Director
(DIN:00006898)

SHITAL DALAVADI
Company Secretary

1. CORPORATE INFORMATION :

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

2. SIGNIFICANT ACCOUNTING POLICIES :

I. Basis of Preparation of Financial Statements :

For all periods upto and including the year ended March 31, 2021, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013.

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2018 and the Company is required to prepare its financial statements in accordance with Ind ASs for the year ended March 31, 2021. These financial statements as and for the year ended March 31, 2021 (the "Ind AS Financial Statements") are the first financial statements, the Company has prepared in accordance with Ind AS.

II. Use of Estimates :

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

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

III. Property, plant and equipment :

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

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

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

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

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

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

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

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

IV. Depreciation :

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

V. Valuation of Inventories :

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

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

VI. Investments :

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

VII. Sales :

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

VIII. Impairment of Assets :

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

IX. Employee Benefits :

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

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

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

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

X. Taxation :

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

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

XI. Provisions and Contingencies :

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

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

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

XII. Foreign Currency Transactions :

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

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

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

XIV. In the opinion of the Board, the current assets, loans and advances and other receivables are approximately of the value stated if realized in the ordinary course of business and all known liabilities have been adequately provided for.

XV. The disclosures as required by Ind AS-19 on Employees Benefits are as under :

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

Particulars	31.03.2021	31.03.2020
Provident Fund & Other Funds	₹ 23,91,274/-	₹ 28,38,620/-
Gratuity	₹ 12,97,079/-	₹ 10,28,381/-

In respect of employees who have completed five years continuous service as on 31st March 2021, Provision for gratuity payable in respect of them is made on the basis of the calculation made in accordance with the provision of payment of Gratuity Act up to 31st March 2021 ₹ 1,09,91,615 (Previous year ₹ 97,74,240/-)

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

ITEM	VALUE	PERCENTAGE	TOTAL VALUE
RAW-MATERIALS	₹ 33,93,04,728/-	100%	₹ 33,93,04,728/-
	₹ (29,30,16,701/-)	(100%)	₹ (29,30,16,701/-)
STORES & PACKING MATERIALS	₹ 72,93,509/-	100%	₹ 72,93,509/-
	₹ (53,39,895/-)	(100%)	₹ (53,39,895/-)

XVII. RELATED PARTY INFORMATION :

The Management has identified the following entities and individuals as related parties of the Company for the year ended March 31, 2021 for the purposes of reporting as per IND AS 24 - Related Party Transactions, which are as under:

A. Subsidiary Company :- Nil

B. Partnership Firms / Proprietary Concern / Associates Companies:

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

C. KEY MANAGEMENT PERSONNEL :

Chairman & Managing Director : Aslam F. Kagdi

Jt. Managing Director : Asad F. Kagdi

Whole Time Director : Mohammed Khan Pathan

D. TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR 2020-21 :

NATURE OF TRANSACTIONS COMPANY	ASSOCIATE COMPANIES	FIRMS	KEY MANAGEMENT	RELATIVES OF KEY MANAGEMENT PERSONNEL
Purchase	₹ 1,56,03,730/-	₹ 13,84,48,720/-	---	---
Previous Year	₹ 1,49,58,654/-	₹ 13,59,73,374/-	---	---
Sales	₹ 1,49,49,292/-	₹ 23,87,77,701/-	---	---
Previous Year	₹ 86,31,992/-	₹ 20,72,82,204/-	---	---
Sales Commission	-	₹ 3,08,387,45/-	---	---
Previous Year	₹ 2,10,407/-	₹ 2,31,03,299/-	---	---
Office Rent	---	---	₹ 13,20,000/-	₹ 16,10,000/-
Previous Year	---	---	₹ 15,84,000/-	₹ 19,32,000/-
Trade Discount	---	₹ 36,03,201/-	---	---
Previous Year	---	₹ 2,22,00,043/-	---	---

NATURE OF TRANSACTIONS COMPANY	ASSOCIATE COMPANIES	FIRMS	KEY MANAGEMENT	RELATIVES OF KEY MANAGEMENT PERSONNEL
Managerial Remuneration/ Seating Fees/ Other Benefits	---	---	₹ 24,00,000/-	---
Previous year	---	---	₹ 26,48,306/-	---
OUTSTANDINGS :				
Payables	₹ 56,88,050/-	₹ 8,00,64,287/-	---	---
Previous Year	₹ 94,63,212/-	₹ 9,70,20,551/-	---	---
Receivables	₹ 41,070/-	₹ 13,26,81,448/-	---	---
Previous Year	₹ 23,81,404/-	₹ 13,04,61,229/-	---	---

XVIII. DEFERRED TAX :

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

Particulars	As at March 31, 2020	For the year	As at March 31, 2021
Tax effect of items constituting Deferred Tax liability :			
On difference between book balance and Tax balance of fixed assets	₹ 67,68,770/-	₹ (391706/-)	₹ 63,77,064/-

XIX. EARNINGS PER SHARE :

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

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

PARTICULARS	31.03.2021	31.03.2020
1. Net Profit after tax	79,81,366/-	84,70,893/-
2. Number of Equity Shares	35,26,400	35,26,400
3. Nominal Value of Shares (Rs.)	10/-	10/-
4. Earnings Per Share (Rs.)	2.26	2.40

XX. SEGMENT REPORTING :

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

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

XXII. CONTINGENT LIABILITIES NOT PROVIDED FOR :

Counter Guarantees, against Bank Guarantees given by the bankers ₹ 6, 95,33,112/- (Previous year ₹ 6,91,77,703/-)

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

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

Particulars	31.03.2021	31.03.2020
Salary, Allowances & Benefits	₹ 30,00,000/-	₹ 32,48,306/-

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

Particulars	31.03.2021	31.03.2020
A P I Expenses	₹ 8,57,004/-	₹ 11,64,686/-

XXVI. Details of Auditors Remuneration :

Particulars	31.03.2021	31.03.2020
Statutory Audit Fees	₹ 1,00,000/-	₹ 50,000/-
Tax Audit Fees	----	₹ 17,000/-
Total Rs.	₹ 1,00,000/-	₹ 67,000/-

XXVII. Income earned in foreign exchange :

Particulars	31.03.2021	31.03.2020
Export of own products	₹ 2,51,95,425/-	₹ 2,06,33,484/-

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

As per our Report of even date

For N. M. Pathak & Co

Chartered Accountants

(FRN : 107786W)

Nitin M Pathak

Proprietor

Membership No. : 037802

UDIN: 21037802AAAACM5157

Place :AHMEDABAD

Date :25/06/2021

Hawa Engineers Limited

ASLAM F. KAGDI

Chairman, M. D. and CFO

(DIN:00006879)

SHITAL DALAVADI

Company Secretary

ASAD F. KAGDI

Jt. Managing Director

(DIN:00006898)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE : 3 : PROPERTY, PLANT AND EQUIPMENT

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2020	Addition	Impair- ment	Dedu- ction	As at 31.03.2021	As at 01.04.2020	For the year	Deduction	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
TANGIBLE ASSETS :											
(OWN ASSETS)											
Freehold Land	84,215	-	-	-	84,215	-	-	-	-	84,215	84,215
Buildings	2,80,89,887	-	-	-	2,80,89,887	88,30,565	7,43,386	-	95,73,951	1,85,15,936	1,92,59,322
Plant & Machinery	8,92,30,340	3,27,371	-	2,12,426	8,93,45,286	4,45,39,795	57,53,703	1,81,792	5,01,11,706	3,92,33,580	4,46,90,545
Electric Installation	24,05,236	-	-	-	24,05,236	19,51,710	1,18,130	-	20,69,840	3,35,396	4,53,526
Furniture & Fittings	74,65,155	-	-	-	74,65,155	54,15,656	4,52,572	-	58,68,228	15,96,927	20,49,499
Veehicles	1,35,15,717	6,21,974	37,12,624	-	1,04,25,067	51,49,336	12,34,323	20,15,217	43,68,442	60,56,625	83,66,381
TOTAL	14,07,90,550	9,49,345	37,12,624	2,12,426	13,78,14,845	6,58,87,062	83,02,114	21,97,009	7,19,92,167	6,58,22,679	7,49,03,488

NOTE : 4 : INVESTMENTS

Sr. No.	Particulars	As at			
		31 st March, 2021		As at 31 st March, 2020	
1	IN EQUITY SHARES - UNQUOTED FULLY PAID UP : 60 Shares of the Bombay Mercantile Co-Operative Bank Ltd. Of Rs. 10/- each		600		600
2	CANARA BANK ROBACCO FUND: Mutual Fund		50,00,000		50,00,000
	TOTAL		50,00,600		50,00,600

NOTE : 5 : INVENTORIES

Sr. No.	Particulars	As at			
		31 st March, 2021		As at 31 st March, 2020	
1	Raw Materials		9,64,29,526		6,37,30,986
2	Finished Goods		6,42,02,433		3,50,55,133
3	Stores and Spares		-		-
4	Packing Materials		1,82,189		1,00,542
	TOTAL		16,08,14,148		9,88,86,661

NOTE : 6 : TRADE RECEIVABLES

Sr. No.	Particulars	As at			
		31 st March, 2021		As at 31 st March, 2020	
A	Outstanding for a period exceeding six months from the date they are due for payment (Unsecured Considered Good)		85,58,686		1,55,11,592
B	Others (Unsecured Considered Good)		5,72,11,229		4,50,96,664
	TOTAL		6,57,69,916		6,06,08,256

NOTE : 7 : CASH AND CASH EQUIVALENTS

Sr. No.	Particulars	As at			
		31 st March, 2021		As at 31 st March, 2020	
1	CASH AND CASH EQUIVALENTS: Balances with Banks In Current Accounts		62,82,898		58,98,546
2	Cash on hand		21,28,667		2,75,67,443
3	OTHER BANK BALANCES : Fixed Deposit (Under Lien)	3,72,16,971		3,72,03,515	
	Fixed Deposit & Recurring Deposit	-		500	
		-		-	
			3,72,16,971		3,72,04,015
	TOTAL		4,56,28,536		7,06,70,004

ANNUAL REPORT 2020-2021**NOTE : 8 : LOANS AND ADVANCES**

Sr. No.	Particulars	As at		As at	
		31 st March, 2021		31 st March, 2020	
1	DEPOSIT		89,17,704		1,57,22,747
2	LOANS AND ADVANCES TO EMPLOYEES : (Unsecured, considered good)		3,91,442		45,000
3	BALANCES WITH GOVERNMENT AUTHORITIES : (Unsecured, considered good) CENVAT/GST credit receivable VAT credit receivable	22,28,749 1,02,72,464		8,66,392 1,02,72,464	
4	ADVANCE INCOME TAX & TDS : (Unsecured, considered good)		1,25,01,213 22,23,353		1,11,38,855 39,06,280
	TOTAL		2,40,33,712		3,08,12,883

NOTE : 9 : OTHER CURRENT ASSETS

Sr. No.	Particulars	As at		As at	
		31 st March, 2021		31 st March, 2020	
1	Advance to Suppliers		2,87,92,113		1,90,88,568
2	Interest accrued but not received on deposits to Banks & Service providers		12,92,296		13,91,316
3	Other Advances		10,03,994		1,19,914
	TOTAL		3,10,88,402		2,05,99,798

NOTE : 10 : EQUITY SHARE CAPITAL

Sr. No.	Particulars	As at		As at	
		31 st March, 2021		31 st March, 2020	
1	AUTHORISED : 40,00,000 Equity Shares of Rs. 10/- each		4,00,00,000		4,00,00,000
2	ISSUED, SUBSCRIBED AND PAID UP : 35,26,400/- Equity Shares of Rs. 10/- each fully paid up		3,52,64,000		3,52,64,000
	TOTAL		3,52,64,000		3,52,64,000

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

Particulars	As at		As at	
	31 st March, 2021		31 st March, 2020	
Number of shares at the beginning		35,26,400		35,26,400
Number of shares at the end		35,26,400		35,26,400
Amount of Share Capital at the beginning		3,52,64,000		3,52,64,000
Amount of Share Capital at the end		3,52,64,000		3,52,64,000

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

Particulars	As at		As at	
	31 st March, 2021		31 st March, 2020	
Jameela F. Kagdi (5.95%)		2,09,700		2,09,700
Mohammed Aslam F. Kagdi (5.03%)		1,77,210		1,77,210

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 eqity shares is entitled to one vote per share.

NOTE : 11 : OTHER EQUITY

Sr. No.	Particulars	As at		As at	
		31 st March, 2021		31 st March, 2020	
1	GENERAL RESERVE :				
	As per last Balance Sheet	9,73,90,000		8,98,90,000	
	Add : Transferred from Profit & Loss Account	40,00,000		75,00,000	
			10,13,90,000		9,73,90,000
2	SURPLUS IN THE STATEMENT OF PROFIT & LOSS :				
	As per last Balance Sheet	67,51,944		64,28,643	
	Add : Short Provision for Tax	(10,46,105)		(6,47,592)	
	Profit for the year	79,81,366		84,70,893	
		1,36,87,204		1,42,51,944	
	Less : Appropriations :				
Transferred to General Reserve	40,00,000		75,00,000		
			96,87,204		67,51,944
	TOTAL		11,10,77,204		10,41,41,944

ANNUAL REPORT 2020-2021**NOTE : 12 : BORROWINGS**

Sr. No.	Particulars	As at		As at	
		31 st March, 2021		31 st March, 2020	
1	FROM OTHER PARTIES : (Unsecured) Luft Capital Ltd.		47,05,657		57,36,087
2	FROM BANK : (Secured) H D F C Bank - Car Loan Canara Bank - Term Loan	3,15,474 1,77,44,889	1,80,60,363	8,17,405 16,76,622	24,94,027
	TOTAL		2,27,66,020		82,30,114

NOTE : 13 : DEFERRED TAX LIABILITIES (NET)

Sr. No.	Particulars	As at		As at	
		31 st March, 2021		31 st March, 2020	
1	DERERRED TAX LIABILITIES Related to Fixed Assets (Note No. 2.1 {XVIII})		63,77,064		67,68,770
	TOTAL		63,77,064		67,68,770

NOTE : 14 : OTHER NON-CURRENT LIABILITIES

Sr. No.	Particulars	As at		As at	
		31 st March, 2021		31 st March, 2020	
1	Trade Advances		-		52,63,548
2	Trade Security Deposit		-		12,75,598
3	Advances from Customers	3,58,86,256			2,70,98,445
4	Others		-		25,05,041
	TOTAL		3,58,86,256		3,61,42,632

NOTE : 15 : PROVISIONS

Sr. No.	Particulars	As at		As at	
		31 st March, 2021		31 st March, 2020	
1	PROVISION FOR EMPLOYEE BENEFIT : Provision for Gratuity		1,09,91,615		97,74,240
	TOTAL		1,09,91,615		97,74,240

NOTE : 16 : BORROWINGS

Sr. No.	Particulars	As at		As at	
		31 st March, 2021		31 st March, 2020	
1	FROM BANK : (Secured) Canara Bank	6,75,76,624		6,73,45,526	
			6,75,76,624		6,73,45,526
2	FROM OTHER PARTIES : (Unsecured)		-		-
			-		-
	TOTAL		6,75,76,624		6,73,45,526

Cash Credit from Canara Bank @ Canara Bank base rate. The loan is secured by hypothecation of inventories, book debts and other receivables, both present and future and by way of a first charge on the Company's movable properties. Personal guarantee of three directors. The Cash Credit is repayable on demand.

NOTE : 17 : TRADE PAYABLES

Sr. No.	Particulars	As at		As at	
		31 st March, 2021		31 st March, 2020	
1	Micro, Small and Medium Enterprises & Others (Note No. 2.1 {XXI})				
	- For Goods		7,52,80,570		6,08,61,084
	- For Expenses		2,53,02,803		2,37,55,756
	TOTAL		10,05,83,373		8,46,16,840

NOTE : 18 : PROVISIONS

Sr. No.	Particulars	As at		As at	
		31 st March, 2021		31 st March, 2020	
1	PROVISION FOR EMPLOYEE BENEFIT :				
	Provision for Bonus	-		-	
	Provision for other Employee Benefit	33,00,388		24,46,482	
			33,00,388		24,46,482
2	PROVISION OTHERS :				
	Provision for Income Tax	39,45,318		63,99,361	
	Provision for Expenses	3,90,130		3,51,780	
			43,35,448		67,51,141
	TOTAL		76,35,836		91,97,623

NOTE : 19 : REVENUE FROM OPERATIONS

Sr. No.	Particulars	As at		As at	
		31 st March, 2021		31 st March, 2020	
1	SALES OF PRODUCTS :				
	Domestic Sales	45,26,49,832		44,09,72,592	
	Export Sales	2,79,59,765		3,05,23,167	
			48,06,09,597		47,14,95,759
2	OTHER OPERATING REVENUES :				
	Sale of Scrape	4,60,514		4,59,506	
			4,60,514		4,59,506
	Less : Excise Duty		-		-
	Revenue From Operations (Net)		48,10,70,111		47,19,55,265

ANNUAL REPORT 2020-2021**NOTE : 20 : OTHER INCOME**

Sr. No.	Particulars	As at		As at	
		31 st March, 2021		31 st March, 2020	
1	Interest		17,61,595		27,86,765
2	Other Non Operating Income		11,49,474		4,15,227
3	Bad debts recovered		8,07,440		-
	TOTAL		37,18,509		32,01,992

NOTE : 21 : COST OF MATERIALS CONSUMED

Sr. No.	Particulars	As at		As at	
		31 st March, 2021		31 st March, 2020	
1	Opening Stock	6,37,30,986		5,97,73,233	
	Add : Purchases	37,20,03,268		29,69,74,454	
			43,57,34,254		35,67,47,687
	Less : Closing Stock		9,64,29,526		6,37,30,986
	TOTAL		33,93,04,728		29,30,16,701

NOTE : 22 : CHANGES IN INVENTORIES OF FINISHED GOODS

Sr. No.	Particulars	As at		As at	
		31 st March, 2021		31 st March, 2020	
1	Inventories at the beginning of the year				
	Finished Goods		3,50,55,133		2,99,73,124
2	Inventories at the end of the year				
	Finished Goods		6,42,02,433		3,50,55,133
	(Increase) in Inventories		(2,91,47,300)		(50,82,009)

NOTE : 23 : EMPLOYEE BENEFITS & EXPENSE

Sr. No.	Particulars	As at		As at	
		31 st March, 2021		31 st March, 2020	
1	Salaries and Wages		1,43,00,770		1,69,79,120
2	Contribution to Provident and Other Funds (Note No. 2.1 {XV})		23,91,274		28,38,620
3	Staff Welfare Expenses		45,95,669		19,37,159
4	Gratuity (Note No. 2.1 {XV})		12,97,079		10,28,381
5	Other Benefits		2,48,306		2,48,306
	TOTAL		2,28,33,098		2,30,31,586

ANNUAL REPORT 2020-2021

NOTE : 24 : FINANCE COSTS

Sr. No.	Particulars	As at		
		31 st March, 2021	31 st March, 2020	
1	Interest		1,10,91,495	97,06,805
2	Bank Charges		23,86,070	29,52,946
3	Hire Charges		1,89,967	3,08,851
	TOTAL		1,36,67,532	1,29,68,602

NOTE : 25 : OTHER EXPENSES

Sr. No.	Particulars	As at		
		31 st March, 2021	31 st March, 2020	
1	Manufacturing Expenses :			
	Labour Expenses	4,63,08,487		3,35,90,055
	Transport Inward	-		2,581
	Consumption of Stores and Packing Materials	72,93,509		53,39,896
	Electric Power	43,30,286		51,17,831
	Gas Charges	84,332		86,092
	Repairs to Building	23,11,443		20,83,415
	Repairs to Machinery	24,47,498		13,89,337
	Design, Drawing & Development Charges	-		-
	Late Delivery Charges	5,89,123		40,38,455
	Trade Discount	-		2,40,34,511
		6,33,64,678		7,56,82,172
2	Selling and Distribution Expenses :			
	Excise, Income Tax, GST & Vat Assessment	7,51,688		27,56,984
	Other Selling and Distribution Expenses	4,08,84,197		3,85,26,380
		4,16,35,885		4,12,83,364
3	Establishment Expenses :			
	Professional Fees	15,30,200		8,07,669
	General Expenses	63,03,469		74,53,762
	Insurance	1,96,795		1,03,511
	Rent & Taxes	32,54,738		39,85,118
	Other Repairs	24,85,692		30,32,407
	Travelling & Conveyance Expenses	7,46,003		12,35,785
	Payment to Auditors	1,00,000		1,23,000
	Loss / (Profit) on Sale of Fixed Assets	(2,50,003)		-
	Donation	-		-
		1,43,66,893		1,67,41,252
4	B S E Expenses		3,00,000	3,50,000
5	GST Diff Rounding off.		18,456	-
	TOTAL		11,96,85,912	13,40,56,788

