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Code to
view the RHP)

This is an abridged prospectus containing salient features of the Red Herring Prospectus of Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited) dated September 7, 2022 filed with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli at Ahmedabad (the “RHP” or “Red Herring Prospectus”). You are encouraged to read greater details available in the RHP, which is available at <https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=3&ssid=15&smid=11>. Unless otherwise specified all capitalised terms used herein and not specifically defined bear the same meaning as ascribed to them in the RHP.

THIS ABRIDGED PROSPECTUS CONSISTS OF FOUR PAGES OF BID CUM APPLICATION FORM ALONG WITH INSTRUCTIONS AND EIGHT PAGES OF ABRIDGED PROSPECTUS. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.



HARSHA ENGINEERS INTERNATIONAL LIMITED

(formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)

Corporate Identity Number: U29307GJ2010PLC063233; **Date of Incorporation:** December 11, 2010

Registered and Corporate office	Contact Person	Email and Telephone	Website
NH-8A, Sarkhej- Bavla Highway, Changodar, Ahmedabad 382213, Gujarat, India	Kiran Mohanty Company Secretary and Chief Compliance Officer	Email: sec@harshaengineers.com Telephone: +91 2717-618200	www.harshaengineers.com

OUR PROMOTERS: RAJENDRA SHAH, HARISH RANGWALA, VISHAL RANGWALA AND PILAK SHAH

Details of Offer to Public

Type of Offer	Fresh Issue Size (by no. of Equity Shares or by amount in ₹)	Offer for Sale size	Total Offer Size (by amount in ₹)	Offer under Regulation 6(1)	Share Reservation among QIBs, NIBs & RIBs		
					QIBs	NIBs	RIBs
Fresh Issue and Offer for Sale	Up to [●] Equity Shares aggregating up to ₹ 4,550.00 million by our Company	Up to [●] Equity Shares aggregating up to ₹ 3,000.00 million	Up to [●] Equity Shares aggregating up to ₹ 7,550.00 million	The Offer is being made pursuant to Regulation 6(1) of SEBI ICDR Regulations. For details in relation to reservation among Qualified Institutional Buyers, Non-Institutional Investors, Retail Individual Investors and Eligible Employees, please see the section entitled “Offer Structure” on page 317 of the RHP.	Not more than 50% of the Net Offer	Not less than 15% of the Net Offer	Not less than 35% of the Net Offer

The Offer includes a reservation of up to [●] Equity Shares, aggregating up to ₹ 25.00 million, for subscription by Eligible Employees (as defined herein) not exceeding 5% of our post-offer paid up Equity Share capital.

The Equity Shares are proposed to be listed on National Stock Exchange of India Limited (Designated Stock Exchange) and BSE Limited.

Details of Offer for Sale by Selling Shareholders:

Name of Selling Shareholder	Type of Selling Shareholder	Number of Shares Offered/Amount (₹ in million)	Average Cost of Acquisition Per Equity Share ^{^*} (In ₹)
Harish Rangwala	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹ 750.00 million	10.85
Rajendra Shah	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹ 667.50 million	6.04
Pilak Shah	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹ 165.00 million	14.32
Charusheela Rangwala	Promoter Group	Up to [●] Equity Shares aggregating up to ₹ 750.00 million	1.85
Nirmala Shah	Promoter Group	Up to [●] Equity Shares aggregating up to ₹ 667.50 million	3.10

^{*} Total investment into the equity shares of Harsha Engineers Limited (one of the transferor companies in the Scheme (as defined below)) made by the respective shareholders at their respective time of acquisition of equity shares of Harsha Engineers Limited, has been considered for the purpose of calculation of the above average cost of acquisition for Equity Shares of our Company which were allotted to the shareholders of Harsha Engineers Limited, pursuant to the NCLT order dated December 23, 2021 approving the Scheme which became effective from December 24, 2021.

[^]As certified by Pankaj R. Shah & Associates, Chartered Accountants, by way of their certificate dated September 7, 2022.

PRICE BAND, MINIMUM BID LOT & INDICATIVE TIMELINES

Price Band	₹ [●] per Equity Share to ₹ [●] per Equity Share of face value of ₹ [●] each.
For details of the Price Band and the basis for the Offer Price, please refer to the price band advertisement and the section titled “Basis for the Offer Price” on page 102 of the RHP.	
Minimum Bid Lot Size	[●] Equity Shares
Bid/Offer Opens On*	Wednesday, September 14, 2022
Bid/ Offer Closes On	Friday, September 16, 2022
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Wednesday, September 21, 2022
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account**	On or about Thursday, September 22, 2022
Credit of Equity Shares to demat accounts of Allottees	On or about Friday, September 23, 2022
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Monday, September 26, 2022

^{*} Our Company and the Promoter Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date i.e. Tuesday, September 13, 2022.

****** In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

THE WEIGHTED AVERAGE COST OF ACQUISITION OF ALL EQUITY SHARES TRANSACTED IN THE PRECEDING 18 MONTHS FROM THE DATE OF THE RED HERRING PROSPECTUS

Period	Weighted average cost of acquisition (in ₹)*	Upper end of the price band (₹[●]) is 'X' times the weighted average cost of acquisition	Range of acquisition price: Lowest price – Highest price (in ₹)*#
Last 18 months prior to the date of the Red Herring Prospectus	0.48	[●]	0.00 per Equity Share – 26.83 per Equity Share

*Total investment into the equity shares of Harsha Engineers Limited (one of the transferor companies in the Scheme) made by the respective shareholders at their respective time of acquisition of equity shares of Harsha Engineers Limited, including in the period prior to the 18 months preceding the Red Herring Prospectus has been considered for the purpose of calculation of the above weighted average cost of acquisition for Equity Shares of our Company which were allotted to the shareholders of Harsha Engineers Limited, pursuant to the NCLT order dated December 23, 2021 approving the Scheme which became effective from December 24, 2021, as the Equity Shares were allotted pursuant to above-mentioned Scheme within the 18 months period prior to the Red Herring Prospectus.

#Acquisition pursuant to gift.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each. The Floor Price, the Offer Price or the Price Band (determined by our Company and the Promoter Selling Shareholders in consultation with the BRLMs and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Offer Price" on page 102 of the RHP, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company, or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 27 of the RHP and page 9 of the Abridged Prospectus.

PROCEDURE

You may obtain a physical copy of the Bid-cum-Application Form and the RHP from the Stock Exchanges, Syndicate Members, Registrar to the Offer, Registrar and Share Transfer Agents ("RTAs"), Collecting Depository Participants ("CDPs"), Registered Brokers, Banker to the Offer, Investors' Associations or Self Certified Syndicate Banks ("SCSBs").

If you wish to know about processes and procedures applicable to the Offer, you may request for a copy of the RHP and/or the General Information Document (GID) from the BRLMs or download it from the website of SEBI at www.sebi.gov.in, the websites of NSE and BSE at www.nseindia.com and www.bseindia.com, respectively, and the websites of the BRLMs at www.axiscapital.co.in, www.equirus.com and www.jmfl.com, respectively.

PRICE INFORMATION OF BRLMs

Sr. No.	Issue name	Merchant Banker (s)	+/- % change in closing price, +/- % change in closing benchmark		
			30th calendar day from listing	90th calendar day from listing	180th calendar day from listing
1	Paradeep Phosphates Limited	Axis and JM	-10.24%, [-3.93%]	+27.50%, [+7.65%]	-
2	Prudent Corporate Advisory Services Limited	Axis and Equirus	-20.71%, [-5.46%]	-2.10%, [+10.92%]	-
3	Life Insurance Corporation Of India	Axis and JM	-27.24%, [-3.27%]	-28.12%, [+9.47%]	-

PRICE INFORMATION OF BRLMs

Sr. No.	Issue name	Merchant Banker (s)	+/- % change in closing price, +/- % change in closing benchmark		
			30th calendar day from listing	90th calendar day from listing	180th calendar day from listing
4	Vedant Fashions Limited	Axis	+3.99%, [-0.20%]	+14.53%, [-8.54%]	+37.67%, [+2.17%]
5	CMS Info Systems Limited	Axis and JM	+21.99%, [-1.81%]	+25.35%, [+0.74%]	+3.75%, [-8.71%]
6	Supriya Lifescience Limited	Axis	+78.61%, [-0.07%]	+72.12%, [-0.92%]	+20.36%, [-8.93%]
7	Medplus Health Services Limited	Axis	+53.22%, [+3.00%]	+23.06%, [+1.18%]	-6.55%, [-9.98%]
8	Metro Brands Limited	Axis and Equirus	+21.77%, [+4.45%]	+14.57%, [+0.64%]	+7.93%, [-9.78%]
9	C.E. Info Systems Limited	Axis and JM	+70.21%, [+6.71%]	+48.48%, [+2.74%]	+21.40%, [-8.80%]
10	Dreamfolks Services Limited	Equirus	-	-	-
11	Antony Waste Handling Cell Limited	Equirus	-10.14%, [-3.31%]	-22.57%, [+3.43%]	+2.22%, [+9.78%]
12	G R Infraprojects Limited	Equirus	+90.61%, [+6.16%]	+138.67%, [+16.65%]	+132.16%, [+16.50%]
13	Rolex Rings Limited	Equirus & JM	+22.28%, [+6.79%]	+31.50%, [+10.20%]	+45.24%, [+7.74%]
14	Krsnaa Diagnostics Limited	Equirus & JM	-9.42%, [+4.93%]	-27.73%, [+9.30%]	-32.63%, [+4.90%]
16	Campus Activewear Limited	JM	11.92%, [0.70%]	41.71%, [6.72%]	Not Applicable
17	AGS Transact Technologies Limited	JM	-42.97%, [-3.05%]	-28.63%, [-1.64%]	-52.69%, [-0.77%]
18	Data Patterns (India) Limited	JM	29.70%, [3.61%]	13.56%, [1.42%]	14.16%, [-8.03%]

Notes:

- Disclosures subject to recent 7 issues (initial public offerings) in current financial year and two preceding financial years managed by each BRLM with common issues disclosed once.
- Issue Size derived from Prospectus/final post issue reports, as available.
- The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th / 90th / 180th calendar day from listing day.
- In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.
- Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available. For further details, please refer to "Other Regulatory and Statutory Disclosures - Price information of past issues handled by the BRLMs" on page 307 of the RHP.

BOOK RUNNING LEAD MANAGERS

Axis Capital Limited Tel: +(91) 22 4325 2183; E-mail: harsha.ipo@axiscap.in Investor Grievance E-mail: complaints@axiscap.in	Equirus Capital Private Limited Tel: +(91) 22 4332 0700 E-mail: harsha.ipo@equirus.com Investor Grievance E-mail: investorsgrievance@equirus.com	JM Financial Limited Tel: +(91) 22 6630 3030 E-mail: harsha.ipo@jmfl.com Investor Grievance E-mail: grievance.ibd@jmfl.com
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Name of Syndicate Member	Equirus Securities Private Limited and JM Financial Services Limited
Name of Registrar to the Offer	Link Intime India Private Limited Tel: +91 22 4918 6200 E-mail: harshaengineers.ipo@linkintime.co.in Investor grievance E-mail: harshaengineers.ipo@linkintime.co.in
Name of Statutory Auditor	M/s Pankaj R. Shah & Associates, Chartered Accountants
Name of Credit Rating Agency and the rating or grading obtained, if any	Not Applicable
Name of Debenture Trustee	Not Applicable
Self Certified Syndicate Banks	The list of SCSBs notified by SEBI for the ASBA process is available on the SEBI website at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than an RIB using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the ASBA Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 , and at such other websites as may be prescribed by SEBI from time to time.
Eligible SCSBs and mobile applications enabled for UPI Mechanism	In accordance with circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by the SEBI, UPI Bidders using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 , as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI Mechanism is provided on the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 , respectively.

IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

Syndicate SCSB Branches	In relation to Bids (other than Bids by Anchor Investors) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time or any such other website as may be prescribed by SEBI from time to time.
Non Syndicate Registered Brokers	Bidders can submit ASBA Forms in the Offer using the stock broker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and https://www.nseindia.com/products/content/equities/ipo/ipo_mem_terminal.htm . as updated from time to time. For further details, see section titled “Offer Procedure” beginning at page 322 of the RHP.”
Details regarding website address(es)/ link(s) from which the investor can obtain a list of RTAs, CDPs and stock brokers who can accept applications from investors, as applicable:	The list of the RTAs eligible to accept ASBA Forms from Bidders (other than RIBs) at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm, respectively, as updated from time to time. The list of the CDPs eligible to accept ASBA Forms from Bidders (other than RIBs) at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm, or such other websites, as updated from time to time. For further details, see “Offer Procedure” on page 322 of the RHP.

PROMOTERS OF OUR COMPANY

Sr. No.	Name	Individual / Corporate	Experience & Educational Qualification
1	Rajendra Shah	Individual	Rajendra Shah is the Chairman and Whole-time Director of our Company. He holds a bachelor’s degree in Mechanical Engineering from Lukhdirji Engineering College, Morbi. He was awarded the AMA Atlas Dycechem “Outstanding Entrepreneur of the Year Award 2001” by the Ahmedabad Management Association. Currently, he is looking after overall management of our Company, particularly all financial matters. He is associated with Blind People’s Association, Ahmedabad as President. He was Chairman of CII Gujarat for 2019-20. He has over 35 years of experience in the precision engineering business for bearing cages and stamped components.
2	Harish Rangwala	Individual	Harish Rangwala is the Managing Director of our Company. He holds a bachelor’s degree in Mechanical Engineering from Lukhdirji Engineering College, Morbi. He served at Tata Chemicals and thereafter joined our Company. Currently, he is looking after overall management of our Company along with Renewable energy division. He has over 35 years of experience in the precision engineering business for bearing cages and stamped components.
3	Vishal Rangwala	Individual	Vishal Rangwala is the Chief Executive Officer and Whole-time Director of our Company. He holds a bachelor’s degree in Mechanical Engineering from University of Pune. He further holds a Master of Science degree in Engineering Management from University of Southern California. In 2005, he was appointed as a senior staff analyst at United Service - a division of United Airlines. Thereafter he joined our Company in September 2007, as a manager for marketing. He is responsible for the overall strategic directions for the Harsha group and is currently leading marketing and corporate functions. He has over 13 years of experience in the precision engineering business for bearing cages and stamped components.
4	Pilak Shah	Individual	Pilak Shah is the Chief Operating Officer and Whole-time Director of our Company. He holds a bachelor’s degree in Mechanical Engineering from Nirma Institute of Technology. He further holds a master’s degree in Integrated Manufacturing Systems Engineering from North Carolina State University. Thereafter he joined our Company in 2006, as a manager for resource management. and was thereafter, appointed as director on the Board of our Company on February 5, 2006. He is responsible for the overall strategic directions of the Harsha Group. He has over 13 years of experience in the precision engineering business for bearing cages and stamped components.

OUR BUSINESS OVERVIEW AND STRATEGY

Company Overview: We are the largest manufacturer of precision bearing cages, in terms of revenue, in organised sector in India, and amongst the leading manufacturers of precision bearing cages in the world. (Source: CARE Advisory Report). We offer diversified suite of precision engineering products across geographies and end-user industries. Our business comprises: (i) engineering business, under which we manufacture bearing cages (in brass, steel and polyamide materials), complex and specialised precision stamped components, welded assemblies and brass castings and cages & bronze bushings; and (ii) solar EPC business, under which we provide complete comprehensive turnkey solutions to all solar photovoltaic requirements.

Service Offerings: Our Company manufactures bearing cages, semi-finished brass castings, specialty stamping components and bronze castings and bushings. Also our Company is engaged in solar EPC business, under which we provide complete comprehensive turnkey solutions to all solar photovoltaic requirements.

Geographies Served: We supply products to customers in over 25 countries covering five continents i.e., North America, Europe, Asia, South America and Africa.

Key Performance Indicators:

(in ₹ million, except for percentages)

Particulars	For Fiscal 2022	For Fiscal 2021	For Fiscal 2020
Revenue from operations	13,214.81	8,737.54	8,858.53
EBITDA ¹	1,865.77	1,249.62	1,000.55
EBITDA margins ²	14.12%	14.30%	11.29%
PAT	919.44	454.39	219.09
PAT margin ³	6.87%	5.18%	2.44%
Return on Average Equity ⁴	19.13%	11.20%	6.10%

1 $EBITDA = PBT + depreciation\ and\ amortisation + finance\ cost + loss/ (profit)\ on\ sale\ of\ fixed\ assets$

2 $EBITDA\ margin = EBITDA / revenue\ from\ operations$

3 $PAT\ margin = PAT / total\ income$

4 $Return\ on\ Average\ Equity = PAT / ((Beginning\ Equity + Ending\ Equity)/2)$

Client Profile: As part of our engineering business operations, we manufacture and sell bearing cages to customers who primarily operate in the automotive, aviation & aerospace, railways, construction, mining, renewable energy, agriculture and other industrial sectors.

Industries Served: Automotive, aviation & aerospace, railways, construction, mining, renewable energy, agriculture and other industrial sectors.

Intellectual Property: We view our mark, “Harsha Engineers”, as a material asset. As such, we registered our mark and logo with the Trademark Registry in Ahmedabad and have been granted a Certificate of Registration under class 7. Additionally, we also have a registered trademark for our mark and logo “Harsha Abakus Solar” under class 37 and class 42. For further details, see “Government Approvals” on page 298 of the RHP.

Market Share: We have approximately 50-60% of the market share in the organised segment of the Indian bearing cages market and 6.5% of the market share in the global organised bearing cages market for brass, steel and polyamide cages in CY 2021 (Source: CARE Advisory Report).

Manufacturing Plant, if any: We presently have a total of four production units for our engineering business, of which, two of our primary production units are located at NH-8A, Sarkhej-Bavla Highway, Changodar and Moraiya, Ahmedabad. Additionally, we have one production unit in China and one production unit in Romania.

Employee Strength: As on March 31, 2022, we have a total of 2,198 employees, of whom approximately, 1,955 employees are skilled and technically qualified employees in our engineering business and 68 employees are skilled and technically qualified employees in our solar EPC business. For details see ‘Our Business – Human Resources’ on page 158 of the RHP.

BOARD OF DIRECTORS			
Sr. No.	Name and Designation	Experience & Educational Qualification	Directorships in other companies
1	Rajendra Shah Designation: Chairman and Whole-time Director	Rajendra Shah is the Chairman and Whole-time Director of our Company. He holds a bachelor's degree in Mechanical Engineering from Lukhdhirji Engineering College, Morbi. He was awarded the AMA Atlas Dyechem “Outstanding Entrepreneur of the Year Award 2001” by the Ahmedabad Management Association. Currently, he is looking after overall management of our Company, particularly all financial matters. He is associated with Blind People's Association, Ahmedabad as President. He was Chairman of CII Gujarat for 2019-20. He has over 35 years of experience in the precision engineering business for bearing cages and stamped components.	- AIA Engineering Limited - Transformers and Rectifiers (India) Limited - Welcast Steels Limited - Dishman Carbogen Amics Limited - Changodar Green Enviro Projects Association
2	Harish Rangwala Designation: Managing Director	Harish Rangwala is the Managing Director of our Company. He holds a bachelor's degree in Mechanical Engineering from Lukhdhirji Engineering College, Morbi. He served at Tata Chemicals and thereafter joined our Company. Currently, he is looking after overall management of our Company along with Renewable energy division. He has over 35 years of experience in the precision engineering business for bearing cages and stamped components.	- First Light Asset Management Private Limited - Day Light Solar Private Limited - Harsha Engineers Europe SRL, Romania
3	Vishal Rangwala Designation: Chief Executive Officer and Whole-time Director	Vishal Rangwala is the Chief Executive Officer and Whole-time Director of our Company. He holds a bachelor's degree in Mechanical Engineering from University of Pune. He further holds a Master of Science degree in Engineering Management from University of Southern California. In 2005, he was appointed as a senior staff analyst at United Service - a division of United Airlines. Thereafter he joined our Company in September 2007, as a manager for marketing. He is responsible for the overall strategic directions for the Harsha group and is currently leading marketing and corporate functions. He has over 13 years of experience in the precision engineering business for bearing cages and stamped components.	- Hues Hub Online Private Limited - First Light Asset Management Private Limited - Daylight Solar Power Private Limited - Harsha Engineers B.V., Netherland - Harsha Precision Bearing Components (China) Co. Ltd, China
4	Pilak Shah Designation: Chief Operating Officer and Whole-time Director	Pilak Shah is the Chief Operating Officer and Whole-time Director of our Company. He holds a bachelor's degree in Mechanical Engineering from Nirma Institute of Technology. He further holds a master's degree in Integrated Manufacturing Systems Engineering from North Carolina State University. Thereafter he joined our Company in 2006, as a manager for resource management, and was thereafter, appointed as director on the Board of our Company on February 5, 2006. He is responsible for the overall strategic directions of the Harsha Group. He has over 13 years of experience in the precision engineering business for bearing cages and stamped components.	- Harsha Precision Bearing Components (China) Co. Ltd - Harsha Engineers B.V., Netherland - Harsha Engineers Europe SRL, Romania
5	Hetal Ukani Designation: Whole-time Director	Hetal Ukani is a Whole-time Director of our Company. She holds the bachelor's degree in Mechanical Engineering from L.D. Engineering College and has completed Master of Technology in Mechanical Engineering with specialization in Design Engineering. She has been associated with our Company since 2015 She has extensive knowledge and technical skills in Designing Software's, Design Failure Mode and Effect Analysis (DFMEA), Automotive Engineering, Lean Manufacturing, Geometric Dimensioning and Tolerancing (GD&T), Sheet Metal, Total Productive Maintenance (TPM) etc. She is responsible for Health and Safety of all employees and others who may be affected by our Company's operations. She also plays a vital role in managing TPM function of our Company.	- Meghna Organisers Private Limited - Meghna Develops Private Limited - Nirman Capital Services Private Limited

BOARD OF DIRECTORS			
Sr. No.	Name and Designation	Experience & Educational Qualification	Directorships in other companies
6	Ambar Patel Designation: Independent Director	Ambar Patel is an Independent Director of our Company. He holds a bachelor's degree in mechanical engineering from Gujarat University. He has served as the managing director of Shilp Gravures Limited since October 29, 1993. He is the Director on Board of The Kalupur Commercial Co-Operative Bank Ltd. and Chairman of MSME committee of the said bank. At present he is an executive committee member as well as Chairman of Labour & Industrial safety committee at Gujarat Chamber of commerce & Industry. He is the President of Santej Industrial Area Association. He is the Advisory Committee Member for Health & Care Foundation and Aastha Charitable Trust.	• Zodiac Energy Limited • Shilp Gravures Limited • C D Commodities Broking Limited • Stylus Infrastructure Private Limited • Shilp Ultratech Private Limited
7	Neharika Vohra Designation: Independent Director	Neharika Vohra is an Independent Director of our Company. She holds a bachelor's degree in Psychology from Shushilavati Khosla D.A.V. College for Women, Rourkela, a Master of Arts degree and a doctorate in philosophy from The University of Manitoba. She is currently Vice Chancellor of the Delhi Skills and Entrepreneurship University. She has been a Professor at IIM Ahmedabad since the last two decades. She has also taught at Xavier Institute of Management, Bhubaneswar for four years and for short periods at University of Manitoba. She has over 22 years of experience in teaching and research in the field of organizational behavior.	• Star Union Dai-Ichi Life Insurance Company Limited • CIIE Initiatives • CIIE Advisors Private Limited • CIIE Regional Innovation Foundation • Fig Tree Naturalist Foundation
8	Kunal Shah Designation: Independent Director	Kunal Shah is an Independent Director of our Company. He holds bachelor's degree in engineering (chemical) from Nirma Institute of Technology, Gujarat and holds a degree of Master of Science in Information Systems from Stevens Institute of Technology, USA. He is associated with AIA Engineering Limited since December 2002. He was their CFO from 2014 to 2017 and is currently their Executive Director, Corporate Affairs. He has established his own consulting Firm "Theoden Ventures LLP" and is the co-founder of Aurus. He has an overall general management and financial experience.	• Harsha Engineers B.V. (HEBV) • Harsha Engineers Europe SRL
9	Bhushan Punani Designation: Independent Director	Bhushan Punani is an Independent Director of our Company. He holds bachelor's degree in Science (Dairy Husbandry) from B.N. Chakrabarty University, Kurukshetra, Bachelor of Laws from Gujarat University, Post-Graduate degree in management from the Indian Institute of Management, Ahmedabad and a Doctor of Philosophy (Commerce) degree from Gujarat University. He has also completed a special course on vocational rehabilitation from the University of Hafia, School of Social Work. He is associated with Blind People's Association, Ahmedabad as the General Secretary and with ICEVI as the Vice President. He was awarded the Distinguished Alumnus Award from the Indian Institute of Management, Ahmedabad in 2011. He has been a member of the Central Advisory Board on Disability, National Advisory Committee on Accessible Election and Committee on Drafting of National Law on Disability.	• Gujarat Tea Processors and Packers Limited • Torchit Electronics Private Limited
10	Ramakrishnan Kasinathan Designation: Independent Director	Ramakrishnan Kasinathan is an Independent Director of our Company. He holds bachelor's degree in civil engineering from the University of Madras, diploma in Basic Finance from the Institute of Chartered Financial Analysts of India, a master's degree in Business Administration from Anna University and a master's degree in Management from the Asian Institute of Management, Philippines. Previously, he has worked at ACT India, Johnson & Johnson Limited, Best & Crompton Engineering Limited, SKF India Limited and Hindustan Zinc Limited. He is currently associated with Nexdigm Private Limited as a consultant.	Nil

For further details in relation to our Board of Directors, see "Our Management" beginning on page 176 of the RHP.

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

Fresh Issue

Our Company proposes to utilise the Net Proceeds of the Fresh Issue towards funding of the following objects:

Pre-payment or scheduled repayment of a portion of the existing borrowing availed by our Company; Funding capital expenditure requirements towards purchase of machinery; Infrastructure repairs and renovation of our existing production facilities including office premises in India; and General corporate purposes.

Our Company proposes to deploy Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

(in ₹ million)

Sr. No.	Particulars	Total Estimated Cost	Amount proposed to be funded from the Net Proceeds	Estimated deployment in Fiscal 2023	Estimated deployment in Fiscal 2024
1.	Pre-payment or scheduled repayment of a portion of the existing borrowing availed by our Company	N.A.	2,700.00	2,700.00	-
2.	Funding capital expenditure requirements towards purchase of machinery	779.54	779.54	495.11	284.43
3.	Infrastructure repairs and renovation of our existing production facilities including office premises in India	71.16	71.16	71.16	-
4.	General corporate purposes*	●	●	●	●
Total		●	●	●	●

* To be finalized upon determination of the Offer Price.

Means of finance: The fund requirements set out for the aforesaid objects of the Offer are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Offer and existing identifiable accruals as required under the SEBI ICDR Regulations.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilisation of issue proceeds of past public offers / rights issues, if any, of our Company in the preceding 10 years: Not Applicable.

Terms of Issuance of Convertible Security, if any: Not Applicable.

Name of Monitoring Agency: CARE Ratings Limited.

Shareholding Pattern as on the date of the RHP:

Category of shareholder	Pre Issue number of shares	% Holding of Pre issue
Promoters and Promoter Group	77,017,433	99.70
Public	230,977	0.30
Total	77,248,410	100.00

Number / amount of equity shares proposed to be sold by Selling Shareholders , if any:

S. No.	Name of Selling Shareholder	No. of Equity shares offered in the Offer for Sale
1.	Harish Rangwala	Up to [●] Equity Shares aggregating up to ₹ 750.00 million
2.	Rajendra Shah	Up to [●] Equity Shares aggregating up to ₹ 667.50 million
3.	Pilak Shah	Up to [●] Equity Shares aggregating up to ₹ 165.00 million
4.	Charusheela Rangwala	Up to [●] Equity Shares aggregating up to ₹ 750.00 million
5.	Nirmala Shah	Up to [●] Equity Shares aggregating up to ₹ 667.50 million

SUMMARY OF RESTATED CONSOLIDATED FINANCIAL STATEMENTS

(₹ in million except per share data)

Particulars	Year ended		
	March 31 2022	March 31 2021	March 31 2020
Total Income	13,389.99	8,767.34	8,995.05
Profit/(loss) before tax and extraordinary items	1,266.19	607.22	315.85
Profit/(loss) after tax and extraordinary items	919.44	454.39	219.09
Equity share capital	772.48	500.00	500.00
Other equity	4,446.12	3,771.77	3,219.80
Net worth	5,279.01	4,332.18	3,780.21
Basic Earnings / (loss) per Equity Share (in ₹)	16.06	9.09	6.26
Diluted Earnings / (loss) per Equity Share (in ₹)	11.90	5.88	3.52
Return on Net Worth (%)	17.42%	10.49%	5.80%
Net asset value per Equity Share (in ₹)	68.34	86.64	75.60

INTERNAL RISK FACTORS

Below mentioned risks are the top 5 risk factors as per the RHP:

1. The Offer Price, market capitalization to revenue from operations multiple and price to earnings ratio based on the Offer Price of our Company may not be indicative of the market price of the Company on listing or thereafter.
2. The current outbreak of COVID-19 has caused severe disruptions in the Indian and global economy. The continuing impact of the COVID-19 pandemic on our business, operating results, cash flows and/or financial condition is uncertain and cannot be predicted.
3. We depend on a limited number of customer groups for a significant portion of our revenue from engineering business. The loss of any of our major customer groups due to any adverse development or significant reduction in business from our major customer groups may adversely affect our business, financial condition, results of operations, cash flow and future prospects.
4. We are dependent upon our network of agents for fulfilment of needs of our customers. Our inability to maintain our relationships with our agents or deficiency in the service provided by such agents may adversely affect our business, results of operations, cashflow and profitability.
5. We are subject to various laws, regulations, approvals and licenses required in the ordinary course of business, including environmental, health and safety laws and other regulations. Any failure to obtain, renew or comply with necessary regulatory approvals and licenses may adversely affect our operations and have an impact on our financial condition.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. A summary of outstanding litigation proceedings as on the date of the Red Herring Prospectus as disclosed in the section titled “Outstanding Litigation and Material Developments” in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below.

Entity/ individual	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved* (₹ in million)
Company						
By the Company	Nil	Nil	Nil	Nil	2	103.51
Against the Company	Nil	10	3	Nil	2	427.87
Directors						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	1	Nil	Nil	Nil	4.72

Entity/ individual	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved* (₹ in million)
Promoters (excluding cases involving our Directors)						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiaries	2	Nil	1	Nil	Nil	117.02**

* To the extent quantifiable and is net of advances and/or deposits paid, if any.

** Converted from RMB to ₹ basis the conversion rate as on March 31, 2022. For further details on the exchange rate conversion, see “Certain Conventions, Currency Of Presentation, Use Of Financial Information And Market Data” on page 15 of the RHP.

B. Brief details of top 5 material outstanding litigation / legal proceedings initiated against the Company and amount involved:

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved (in ₹ million)
1.	Orchestrate Systems Private Limited (“Orchestrate Systems”/ “Plaintiff”) has filed a suit (“Suit”) before the Court of the Principal City Civil Judge at Bengaluru against our Company alleging that our Company failed to perform its contractual obligations in relation to the solar project (“Project”) at Tohda, Chattisgarh and had committed delays in the implementation of the Project. Further, the Plaintiff has alleged that our Company, <i>inter alia</i> , had induced the Plaintiff to make investments that subsequently turned into losses. The Plaintiff has claimed compensation of ₹150,000,000 along with an interest rate of 18% per annum from the date of filing the Suit. Our Company has also filed a written statement and counter claim dated June 10, 2016 averring that the Plaintiff was guilty of suppressing material facts and that the Suit was liable to be dismissed.	Orchestrate Systems Private Limited	The matter is currently pending	150.00
2.	Ganges International Private Limited (“Operational Creditor”) filed a company petition (“Petition”) dated August 17, 2021 before the National Company Law Tribunal, Ahmedabad Bench, under the Insolvency and Bankruptcy Code, 2016 (“IBC”), to initiate corporate insolvency resolution process against our Company for a total alleged debt due to it of an amount of ₹ 30,855,708 (inclusive of interest thereon) for materials supplied by the Operational Creditor to our Company. The Operational Creditor has alleged that our Company has not made payment to it for outstanding dues of ₹ 25,600,364 and has raised a demand notice against our Company. Our Company in its affidavit-in-reply to the Petition has <i>inter alia</i> denied any such liability. Subsequently, the Operational Creditor has filed a rejoinder application against the reply provided by the Company in relation to the Petition.	Ganges International Private Limited	The matter is currently pending	30.86
3.	Our Company has received a notice dated January 1, 2022 (“Notice”) from the MSEF Council District South-West (“MSEF Council”). As per the Notice, our Company had been supplied goods/services by Sunsmith Infra Private Limited (“Supplier”) basis the work order/ agreement on various dates, however, our Company had failed to pay certain dues amounting to ₹ 321,446 for receipt of such goods/services. The matter is currently pending. The Supplier has further filed a petition dated June 15, 2022, to claim ₹ 334,268 and an additional ₹ 100,000 for legal expenses, claiming a total of ₹ 755,714. The Company has filed a statement of defense dated June 22, 2022.	MSEF Council District South-West	The matter is currently pending	0.76
4.	Our Company has received a notice dated March 8, 2021 (“Notice”) from the Changodar Gram Panchayat (“Gram Panchayat”). As per the Notice, pursuant to an enquiry of our Company’s property, it was discovered that our Company is being regularly intimated to pay the revenue every year, is being intimated regarding the permission for construction outside of our property and the re-assessment evaluation of our Company’s property has been due for some time. In this regard, the Gram Panchayat has asked our Company to submit our book-value along with required proof to its office. Additionally, as per the Notice, our Company has paid the amount of professional taxes by the contractors/ sub-contractors working at our Company’s premises to the Gram Panchayat, along with necessary evidence.	Changodar Gram Panchayat	The matter is currently pending	Not Quantifiable
5.	Our Company has received a notice dated July 19, 2022 (“Notice”) from the Office of the Deputy Engineer, National Highway (“NHAI”). As per the Notice, our Company had made access road from our campus to enter onto the Ahmedabad – Bavla – Bagodara National Highway – 47 which is under the jurisdiction of NHAI. It was alleged that our access road violated the norms of the National Highway (Land & Traffic) Act, 2002. Our Company is in the process of submitting the reply to has submitted an application to NHAI for permission of the access road in this regard.	National Highway Authority of India	The matter is currently pending	Not Quantifiable

C. Disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any: None.

D. Brief details of outstanding criminal proceedings against the Promoters: None.

For further details of the outstanding litigation proceedings, see “Outstanding Litigation and Material Developments” on page 292 of the RHP

ANY OTHER IMPORTANT INFORMATION AS PER BOOK RUNNING LEAD MANAGERS/COMPANY - NIL

DECLARATION BY OUR COMPANY

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, SCRR and the SEBI Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in the Red Herring Prospectus are true and correct.

DECLARATION BY THE SELLING SHAREHOLDERS

Each of the Selling Shareholders, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by them in the Red Herring Prospectus about or in relation to themselves, as a Selling Shareholder, and their respective portion of the Offered Shares, are true and correct. Each of the Selling Shareholders assume no responsibility as a Selling Shareholder for any other statements, disclosures, and undertakings, including any statements made or confirmed by, or relating to, the Company or any other person(s) in the Red Herring Prospectus.