



HARSHA ENGINEERS INTERNATIONAL LIMITED

(FORMERLY KNOWN AS HARSHA ENGINEERS INTERNATIONAL PRIVATE LIMITED AND HARSHA ABAKUS SOLAR PRIVATE LIMITED)

Our Company (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited) was incorporated as a private limited company under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated December 11, 2010, issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli at Ahmedabad ("RoC"). Subsequently, our Company's name was changed to Harsha Engineers International Private Limited pursuant to a composite scheme of amalgamation and arrangement approved by Hon'ble National Company Law Tribunal, Ahmedabad Bench vide order dated December 23, 2021 and a fresh certificate of incorporation consequent to name change was issued by the RoC, on December 31, 2021. Our Company was also converted into a public limited company and the name of our Company was changed to Harsha Engineers International Limited. A fresh certificate of incorporation consequent upon conversion from private to public company was issued by the RoC, on January 1, 2022. For details of the change in the name and registered office of our Company, see "History and Certain Corporate Matters" beginning on page 165 of the red herring prospectus of the Company dated September 7, 2022 filed with the RoC ("RHP" or "Red Herring Prospectus").

Registered and Corporate Office: NH-8A, Sarkhej-Bavla Highway, Changodar, Ahmedabad 382213, Gujarat, India.; Tel: + 91 2717-618200; Contact Person: Kiran Mohanty, Company Secretary and Chief Compliance Officer; Tel: +91 2717-618200
E-mail: sec@harshaengineers.com; Website: www.harshaengineers.com; Corporate Identity Number: U29307GJ2010PLC063233

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

INITIAL PUBLIC OFFERING OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ 7,550.00 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹ 4,550.00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹ 3,000.00 MILLION COMPRISING AN OFFER FOR SALE OF UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹ 667.50 MILLION BY RAJENDRA SHAH, UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹ 750.00 MILLION BY HARISH RANGWALA, UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹ 165.00 MILLION BY PILAK SHAH (TOGETHER REFERRED TO AS THE "PROMOTER SELLING SHAREHOLDERS"), UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹ 750.00 MILLION BY CHARUSHEELA RANGWALA AND UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹ 667.50 MILLION BY NIRMALA SHAH (TOGETHER REFERRED TO AS THE "PROMOTER GROUP SELLING SHAREHOLDERS", AND COLLECTIVELY WITH THE PROMOTER SELLING SHAREHOLDERS REFERRED TO AS THE "SELLING SHAREHOLDERS", AND EACH INDIVIDUALLY, AS A "SELLING SHAREHOLDER" AND SUCH OFFER FOR SALE OF EQUITY SHARES BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE"). THE OFFER WILL CONSTITUTE [•]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL. 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 ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREAFTER REFERRED TO AS THE "NET OFFER". OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDERS MAY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, OFFER A DISCOUNT UP TO [•]% OF THE OFFER PRICE (EQUIVALENT OF ₹ 31 PER EQUITY SHARE) TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE OFFER AND THE NET OFFER SHALL CONSTITUTE [•]% AND [•]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

QIB Portion: Not more than 50% of the Net Offer | Non-Institutional Portion: Not less than 15% of the Net Offer

Retail Portion: Not less than 35% of the Net Offer

Employee Reservation Portion: Upto [•] Equity Shares aggregating up to ₹ 25.00 million

PRICE BAND: ₹ 314 TO ₹ 330 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH

THE FLOOR PRICE IS 31.4 TIMES THE FACE VALUE OF THE EQUITY SHARES

THE CAP PRICE IS 33 TIMES THE FACE VALUE OF THE EQUITY SHARES

BIDS CAN BE MADE FOR A MINIMUM OF 45 EQUITY SHARES AND IN MULTIPLES OF 45 EQUITY SHARES THEREAFTER

A DISCOUNT OF ₹ 31 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES

BIDDING IN THE EMPLOYEE RESERVATION PORTION.

Risks to Investors:

- 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.

Particulars	Fiscal 2022
Revenue from operations	₹ 13,214.81 million
Profit after tax	₹ 919.44 million
Market capitalization to revenue from operations at the upper end of Price Band (number of times)	1.93
Price to Earnings Ratio (based on diluted EPS) at the upper end of Price Band (number of times)	27.73

- For Fiscals 2022, 2021 and 2020, 63.02%, 65.30% and 62.68% of our revenue from operations were denominated in foreign currencies respectively. We are exposed to foreign currency exchange rate fluctuations, which may adversely affect our results of operations and cause our quarterly results and it may fluctuate significantly.
- For Fiscal 2022, Fiscal 2021 and Fiscal 2020, our top five customer groups (excluding customers' contributing to revenue from scrap sales), contributed 70.55%, 72.28%, and 72.54% of our revenue from operations, respectively. 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.
- The weighted average cost of acquisition of all Equity Shares transacted in the three years and one year preceding the date of the Red Herring Prospectus is as follows:

Period	Weighted Average Cost of Acquisition (in ₹)*	Cap Price (₹ 330) is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price-Highest Price (in ₹)*
Last three years preceding the date of the Red Herring Prospectus	4.53 Per Share	72.85	0.00 to 26.83 Per Share
Last one year preceding the date of the Red Herring Prospectus	0.57 Per Share	578.95	0.00 to 26.83 Per Share

*The above calculation includes total investment into the equity shares of Harsha Engineers Limited (one of the transferor companies in the Scheme). It does not include Equity Shares acquired by way of gift and transmission.

- Average cost of acquisition of Equity Shares held by the Promoters and Selling Shareholders ranges from ₹ 1.85 to ₹ 14.32 per Equity Share and Offer Price at upper end of the Price Band is ₹ 330 per Equity Share.
- The three BRLMs associated with the Offer have handled 57 public issues in the past three years, out of which 19 issues closed below the offer price on listing date.

Name of BRLMs	Total Issues	Issues closed below IPO Price on listing date
Axis Capital Limited*	23	10
Equirus Capital Private Limited*	4	Nil
JM Financial Limited*	12	2
Common issues of above BRLMs	18	7
Total	57	19

*Issues handled where there were no common BRLMs

BID / OFFER PROGRAMME

BID / OFFER OPENS ON WEDNESDAY, SEPTEMBER 14, 2022*

BID / OFFER CLOSURES ON FRIDAY, SEPTEMBER 16, 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.

**UPI Mandate end time and date shall be at 5:00 p.m. IST on September 16, 2022.

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