PROSPECTUS
Dated September 19, 2022
Please read section 32 of the Companies Act, 2013
Book Built Offer

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Corporate Identity Number: U29307GJ2010PLC063233

REGISTERED OFFICE AND CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
NH-8A, Sarkhej- Bavla Highway, Changodar, Ahmedabad 382213, Gujarat, India	Kiran Mohanty *Company Secretary and Chief Compliance Officer*	sec@harshaengineers.com Telephone: +91 2717-618200	www.harshaengineers.com

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

DETAILS OF OFFER TO THE PUBLIC

Type	Fresh Issue Size	Offer for Sale size	Total Offer size	Eligibility – 6(1) /6(2) & Share Reservation among QIB, NII,RII and Eligible Employees
Fresh Issue and Offer for Sale	13,795,695** Equity Shares aggregating up to ₹ 4,550.00 million by our Company	9,090,900** Equity Shares aggregating up to ₹3,000.00 million	22,886,595** Equity Shares aggregating up to ₹7,550.00 million	The Offer was 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 318.

The Offer includes a reservation of 83,610** 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.

Details of Offer for Sale by Selling Shareholders

NAME OF SELLING SHAREHOLDERS	TYPE	NUMBER OF SHARES OFFERED/AMOUNT	AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)^*
Harish Rangwala	Promoter Selling Shareholder	2,272,725** Equity Shares aggregating up to ₹ 750.00 million	10.85
Rajendra Shah	Promoter Selling Shareholder	2,022,725** Equity Shares aggregating up to ₹ 667.50 million	6.04
Pilak Shah	Promoter Selling Shareholder	500,000** Equity Shares aggregating up to ₹ 165.00 million	14.32
Charusheela Rangwala	Promoter Group	2,272,725** Equity Shares aggregating up to ₹ 750.00 million	1.85
Nirmala Shah	Promoter Group	2,022,725** 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 19, 2022.

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 103, 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 this Prospectus. Specific attention of the investors is invited to “*Risk Factors*” on page 27.

COMPANY’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only such statements confirmed or undertaken by such Selling Shareholder in this Prospectus to the extent such statements pertain to such Selling Shareholder and/or its respective portion of the Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received ‘in-principle’ approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated February 25, 2022 and February 24, 2022, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A copy of the Red Herring Prospectus has been and this Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For further details of the material contracts and documents which were available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, see “*Material Contracts and Documents for Inspection*” on page 353**.**

BOOK RUNNING LEAD MANAGERS

Name of the BRLM and Logo	Contact Person	E-mail and Telephone
AXIS CAPITAL LIMITED	Sagar Jatakiya / Simran Gadh	**E-mail:** harsha.ipo@axiscap.in **Tel:** +(91) 22 4325 2183
EQUIRUS CAPITAL PRIVATE LIMITED	Ankesh Jain	**E-mail:** harsha.ipo@equirus.com **Tel:** +(91) 22 4332 0700
JM FINANCIAL LIMITED	Prachee Dhuri	**E-mail**: harsha.ipo@jmfl.com **Tel:** (+91) 22 6630 3030

REGISTRAR TO THE OFFER

Name of the Registrar	Contact Person	E-mail and Telephone
LINK INTIME INDIA PRIVATE LIMITED	Shanti Gopalkrishnan	**E-mail:** harshaengineers.ipo@linkintime.co.in **Tel:** +(91) 2249-186200

BID/OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE	Tuesday, September 13, 2022	**BID/OFFER OPENED ON***	Wednesday, September 14, 2022	**BID/OFFER CLOSED ON**	Friday, September 16, 2022

** The Anchor Investor Bid/ Offer Period was one Working Day prior to the Bid/ Offer Opening Date, i.e. Tuesday, September 13, 2022.*

** *Subject to finalization of Basis of Allotment*

PROSPECTUS
Dated September 19, 2022
Please read section 32 of the Companies Act, 2013
Book Built Offer

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 Havelli 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 166.

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 22,886,595* EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 330 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 320 PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ 7,550.00 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF 13,795,695* EQUITY SHARES AGGREGATING UP TO ₹ 4,550.00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF 9,090,900* EQUITY SHARES AGGREGATING UP TO ₹3,000.00 MILLION COMPRISING AN OFFER FOR SALE OF 2,022,725* EQUITY SHARES AGGREGATING UP TO ₹667.50 MILLION BY RAJENDRA SHAH, 2,272,725* EQUITY SHARES AGGREGATING UP TO ₹750.00 MILLION BY HARISH RANGWALA, 500,000* EQUITY SHARES AGGREGATING UP TO ₹165.00 MILLION BY PILAK SHAH (TOGETHER REFERRED TO AS THE "PROMOTER SELLING SHAREHOLDERS"), 2,272,725* EQUITY SHARES AGGREGATING UP TO ₹750.00 MILLION BY CHARUSHEELA RANGWALA AND 2,022,725* 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 25.14%* OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL. THE OFFER INCLUDES A RESERVATION OF 83,610* 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 HEREINAFTER REFERRED TO AS THE "NET OFFER". OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, OFFERED A DISCOUNT OF 9.39 % 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 CONSTITUTES 25.14*% AND 25.05*%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

* *Subject to finalization of Basis of Allotment*

The Offer has been made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations. The Offer has been made through the Book Building Process in terms of Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer was available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs** and such portion, the "**QIB Portion**"). Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis ("**Anchor Investor Portion**"), out of which one-third was reserved for domestic Mutual Funds only, subject to valid Bids having been received from domestic Mutual Funds at or above the price at which allocation was made to Anchor Investors ("**Anchor Investor Allocation Price**"), in accordance with the SEBI ICDR Regulations. Further, 5% of the balance QIB Portion (excluding the Anchor Investor Portion) ("**Net QIB Portion**") was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion was available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. Further, not less than 15% of the Net Offer was available for allocation to Non-Institutional Bidders and not less than 35% of the Net Offer was available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, was subject to the following: (i) one-third of the portion available to Non-Institutional Bidders was reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders was reserved for applicants with an application size of more than ₹ 1.00 million. Further, Equity Shares have been allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids having been received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) were mandatorily required to utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount was blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Banks under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors were not permitted to participate in the Offer through the ASBA Process. For further details, see "*Offer Procedure*" on page 322.

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 103, 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 RISKS

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 this Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 27.

OUR COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only such statements confirmed or undertaken by such Selling Shareholder in this Prospectus to the extent such statements pertain to such Selling Shareholder and/or its respective portion of the Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated February 25, 2022 and February 24, 2022, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A copy of the Red Herring Prospectus has been and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For further details of the material contracts and documents which were available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 353.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
AXIS CAPITAL	Equirus onward upward	JM FINANCIAL	LINKIntime
Axis Capital Limited 1st Floor, Axis House C-2 Wadia International Centre Pandurang Budhkar Marg Mumbai 400 025 Maharashtra, India **Tel.**: +(91) 22 4325 2183 **E-mail**: harsha.ipo@axiscap.in **Investor grievance E-mail**: complaints@axiscap.in **Website**: www.axiscapital.co.in **Contact Person**: Sagar Jatakiya / Simran Gadh **SEBI Registration No.**: INM000012029	**Equirus Capital Private Limited** 12th Floor, C Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400 013 Maharashtra, India **Tel:** +(91) 22 4332 0700 **E-mail**: harsha.ipo@equirus.com **Investor Grievance E-mail**: investorsgrievance@equirus.com **Website**: www.equirus.com **Contact Person**: Ankesh Jain **SEBI Registration No.**: INM000011286	**JM Financial Limited** 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai – 400 025 **Tel:** (+91) 22 6630 3030; **E-mail**: harsha.ipo@jmfl.com **Investor Grievance E-mail:** grievance.ibd@jmfl.com **Website**: www.jmfl.com **Contact Person**: Prachee Dhuri **SEBI Registration No.:** INM000010361	**Link Intime India Private Limited** C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India **Telephone:** +(91) 22 4918 6200 **E-mail:** harshaengineers.ipo@linkintime.co.in **Investor Grievance E-mail:** harshaengineers.ipo@linkintime.co.in **Website:** www.linkintime.co.in **Contact Person:** Shanti Gopalkrishnan **SEBI Registration No.:** INR000004058

BID/OFFER PROGRAMME	
BID/OFFER OPENED ON	**Wednesday, September 14, 2022****
BID/OFFER CLOSED ON	**Friday, September 16, 2022**

*** The Anchor Investor Bid/ Offer Period was one Working Day prior to the Bid/ Offer Opening Date, i.e. Tuesday, September 13, 2022.*

TABLE OF CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise implies or requires, or unless otherwise specified, shall have the meaning as assigned below. References to statutes, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Prospectus, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in "Industry Overview", Key Regulations and Policies", "Statement of Special Tax Benefits", "Financial Information", "Basis for the Offer Price", "Outstanding Litigation and Other Material Developments", "Restriction on Foreign Ownership of Indian Securities" and "Description of Equity Shares and Terms of Articles of Association", on pages 113, 161, 107, 204, 103, 293, 339 and 340, respectively, will have the meaning ascribed to such terms in those respective sections.

Company and Promoter Selling Shareholders related terms

Term	Description
"our Company", "the Company" or "the Issuer"	Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited), a company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at NH-8A, Sarkhej-Bavla Highway, Changodar, Ahmedabad 382213, Gujarat, India.
"we", "us", "our" or "Group"	Unless the context otherwise indicates or implies, refers to our Company, our Subsidiaries, Joint Venture and Associate
"Articles" or "Articles of Association" or "AoA"	The articles of association of our Company, as amended
"Associate"	The associate of our Company as on the date of this Prospectus, being Sunstream Green Energy One Private Limited (formerly known as Eirene Naval Systems Private Limited)
"Audit Committee"	The audit committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations and as described in "*Our Management*" on page 177
"Board" or "Board of Directors"	The board of directors of our Company, as constituted from time to time
"Chairman"	The chairman of our Company, being Rajendra Shah
"Chief Executive Officer"	The chief executive officer of our Company, being Vishal Rangwala
"Chief Financial Officer"	The chief financial officer of our Company, being Maulik Jasani
"Company Secretary and Chief Compliance Officer"	Company secretary and chief compliance officer of our Company, being Kiran Mohanty
"Corporate Social Responsibility Committee"	The corporate social responsibility committee of our Board constituted in accordance with the Companies Act, 2013 as described in "*Our Management*" on page 177
"CARE Advisory"	CARE Advisory Research and Training Limited (wholly-owned subsidiary of CARE Ratings Limited)
"CARE Advisory Report"	Report titled "Industry Research Report on Bearings, Bearings cages & Stampings Market" dated August, 2022 prepared by CARE Advisory
"Director(s)"	Director(s) on the Board of our Company, as appointed from time to time
"Equity Shares"	Equity shares of our Company of face value of ₹ 10 each
"Executive Directors"	Executive director(s) of our Company. For further details of the Executive Directors, see "*Our Management*" on page 177
"Group Companies"	Our group companies as disclosed in the section "*Our Group Companies*" on page 201
"IPO Committee"	The IPO committee of our Board constituted on January 10, 2022 *vide* resolution of the Board dated January 10, 2022
"Independent Director"	A non-executive, independent Director appointed as per the Companies Act, 2013 and the Listing Regulations. For further details of our Independent Directors, see "*Our Management*" on page 177
"Joint Venture"	The joint venture of our Company as on the date of this Prospectus, being Cleanmax Harsha Solar LLP
"KMP" or "Key Managerial Personnel"	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013, as disclosed in "*Our Management*" on page 177

Term	Description
“Managing Director”	The managing director of our Company, being Harish Rangwala
“Materiality Policy”	The materiality policy of our Company adopted pursuant to a resolution of our Board dated January 10, 2022 for identification of the material (a) outstanding litigation proceedings; (b) group companies; and (c) creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in the Red Herring Prospectus and this Prospectus
“Material Subsidiaries”	The material subsidiaries of our Company, namely Harsha Precision Bearing Components (China) Co. Ltd.; Harsha Engineers B.V. and Harsha Engineers Europe SRL (step-down subsidiary)
“Memorandum” or “Memorandum of Association” or “MoA”	The memorandum of association of our Company, as amended
“Nomination and Remuneration Committee”	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, and as described in “*Our Management*” on page 177
“Non – executive Director(s)”	A Director, not being an Executive Director
“Promoters”	Promoters of our Company namely, Rajendra Shah, Harish Rangwala, Vishal Rangwala and Pilak Shah. For further details, see “*Our Promoters and Promoter Group*” on page 197
“Promoter Selling Shareholders”	Collectively, Harish Rangwala, Rajendra Shah and Pilak Shah
“Promoter Group Selling Shareholders”	Collectively, Charusheela Rangwala and Nirmala Shah
“Registered and Corporate Office”	The registered and corporate office of our Company situated at NH-8A, Sarkhej-Bavla Highway, Changodar, Ahmedabad 382213, Gujarat, India.
“Registrar of Companies” or “RoC”	Registrar of Companies, Gujarat, Dadra and Nagar Haveli at Ahmedabad
“Restated Consolidated Financial Statements”	The restated consolidated financial statement of the Company and its Subsidiaries, Associate and Joint Venture comprises of the restated consolidated statement of assets and liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of cash flows and the restated consolidated statement of changes in equity for the financial year ended March 31, 2022, March 31, 2021 and March 31, 2020 and the summary of significant accounting policies and explanatory notes and notes to restated consolidated financial statement and other annexures prepared in terms of the Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended
“Risk Management Committee”	The risk management committee constituted in accordance with the Listing Regulations, and as described in, “*Our Management*” on page 177
“Scheme”, or "Business Reorganisation Scheme"	Pursuant to the composite scheme of amalgamation and arrangement between Aastha Tools Private Limited (ATPL), Harsha Engineers (India) Private Limited (HEIPL), Harsha Engineers Limited (HEL), Helianthus Solar Power Private Limited (HSPPL) and our Company and their respective shareholders and creditors under section 230 to 232 read with sections 61 and 66 alongwith other applicable provisions of the Companies Act, 2013 (the "**Scheme**" or "**Business Reorganisation Scheme**"), ATPL and HEIPL were merged into HEL with effect from the appointed date, April 01, 2020, and immediately upon effectiveness of the Scheme, HEL and HSPPL (Amalgamating Companies) were merged into our Company pursuant to the Scheme with effect from the appointed date, April 01, 2020. The Scheme was sanctioned by the Ahmedabad bench of the National Company Law Tribunal through its order dated December 23, 2021 and all the businesses, undertakings, activities, properties, investments and liabilities of each of the Amalgamating Companies were transferred to and vested in our Company as per the Scheme with effect from April 01, 2020, being the appointed date.

Term	Description
“Scheme of Amalgamation” or “Scheme – 2”	Pursuant to a scheme of amalgamation filed by our Company and Harsha Engineers B.V., a wholly owned subsidiary of our Company, before the National Company Law Tribunal, Ahmedabad Bench, under sections 234 read with sections 230 to 232 and other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, Harsha Engineers B.V. is proposed to be amalgamated into our Company. The Scheme of Amalgamation shall become effective from the appointed date pursuant to approval of the Scheme of Amalgamation by the NCLT, Ahmedabad bench and is subject to the receipt of approval of the Business Reorganisation Scheme by the NCLT as well as receipt of the necessary sanction and approvals as required under the applicable laws of Netherlands. In terms of the Scheme of Amalgamation, Harsha Engineers B.V. will be merged into our Company and all their assets, liabilities, contracts, arrangements, employees, permits, licenses, records and approvals will be transferred to and vested in or will be deemed to have been transferred to or vested in our Company. The Scheme of Amalgamation has been approved by the NCLT and the order has been announced by the NCLT on August 25, 2022. Our Company has made an application to the NCLT to obtain a certified true copy of the NCLT order and will undertake the necessary corporate actions to effect the Scheme of Amalgamation after receiving the certified copy of the order. Upon undertaking the necessary corporate actions and receipt of the necessary sanction and approvals as required under the applicable laws of Netherlands, the Scheme of Amalgamation shall be effective and, the equity shares held by our Company in Harsha Engineers B.V will stand cancelled and extinguished and hence, no shares of our Company will be issued and allotted. There will be no change in the capital structure of our Company.
“Selling shareholders”	Collectively, Promoter Selling Shareholders and Promoter Group Selling Shareholders
“Shareholder(s)”	The holders of the Equity Shares from time to time
“Stakeholders’ Relationship Committee”	The stakeholders’ relationship committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, as described in “*Our Management*” on page 177
“Statutory Auditor”	The statutory auditor of our Company, being M/s Pankaj R. Shah & Associates, Chartered Accountants
“Subsidiaries”	The subsidiaries of our Company as on the date of this Prospectus are: 1. Harsha Precision Bearing Components (China) Co. Ltd 2. Harsha Engineers B.V. 3. Harsha Engineers Europe SRL (step down subsidiary) 4. HASPL Americas Corporation
“Whole-time Directors”	Whole-time Director(s) of our Company. For further details of the Whole-time Directors, see “*Our Management*” on page 177

Offer Related Terms

Term	Description
“Abridged Prospectus”	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf
“Acknowledgement Slip”	The slip or document issued by relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
“Allotment”, “Allot” or “Allotted”	Unless the context otherwise requires, allotment of the Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares offered by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
“Allotment Advice”	A note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
“Allottee”	A successful Bidder to whom the Equity Shares are Allotted
“Anchor Investor”	A Qualified Institutional Buyer, who applied under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
“Anchor Investor Allocation Price”	Final price, in this case being ₹ 330 per Equity Share, at which Equity Shares were allocated to Anchor Investors on the Anchor Investor Bidding Date in terms of the Red

Term	Description
	Herring Prospectus which was decided by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs
"Anchor Investor Application Form"	Form used by an Anchor Investor to Bid in the Anchor Investor Portion and which was considered as an application for Allotment in terms of the Red Herring Prospectus and this Prospectus
"Anchor Investor Bidding Date"	Tuesday, September 13, 2022 being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors were submitted, prior to and after which the BRLMs did not accept any Bids from Anchor Investors, and allocation to Anchor Investors was completed
"Anchor Investor Offer Price"	₹ 330 per Equity Share, being the final price at which the Equity Shares were issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and this Prospectus. The Anchor Investor Offer Price was decided by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs
"Anchor Investor Pay – in Date"	With respect to Anchor Investor(s), the Anchor Investor Bidding Date, and, in the event the Anchor Investor Allocation Price is lower than the Offer Price a date being, not later than two Working Days after the Bid/Offer Closing Date
"Anchor Investor Portion"	60% of the QIB Portion, which has been allocated by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one third was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
"Applications Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in ASBA Account and which includes applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism
"ASBA Account"	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds were blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which was blocked in relation to a Bid by a UPI Bidder Bidding through the UPI Mechanism
"ASBA Bidders"	All Bidders except Anchor Investors
"ASBA Form"	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which was considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus
"Banker(s) to the Offer"	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Banks, as the case may be
"Basis of Allotment"	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, as described in "*Offer Procedure*" on page 322
"Bid"	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of an Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term "Bidding" shall be construed accordingly
"Bidder"	Any prospective investor who made a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, includes an Anchor Investor
"Bid Amount"	The highest value of optional Bids indicated in the Bid cum Application Form and paid by the Bidder and, in the case of UPI Bidders Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such UPI Bidders and mentioned in the Bid cum Application Form and paid by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable. However, Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-off Price and the Bid Amount shall be Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form

Term	Description
"Bidding Centres"	Centres at which the Designated Intermediaries accepted the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
"Bid cum Application Form"	Anchor Investor Application Form or the ASBA Form, as the context requires
"Bid Lot"	45 Equity Shares and in multiples of 45 Equity Shares thereafter
"Bid/Offer Closing Date"	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries did not accept any Bids, being Friday, September 16, 2022.
"Bid/Offer Opening Date"	Except in relation to Bids received from the Anchor Investors, the date on which the Designated Intermediaries started accepting Bids for the Offer, being Wednesday, September 14, 2022.
"Bid/Offer Period"	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders could submit their Bids, including any revisions thereto in accordance with the SEBI ICDR Regulations.
"Book Building Process"	The book building process as described in Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, namely Axis Capital Limited, JM Financial Limited and Equirus Capital Private Limited
"Broker Centre"	Broker centres notified by the Stock Exchanges where ASBA Bidders could submit the ASBA Forms, and UPI Bidders only submitted ASBA Forms at such broker centres if they were Bidding using the UPI Mechanism, to a Registered Broker and details of which were available on the websites of the respective Stock Exchanges. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), and updated from time to time
"CAN" or "Confirmation of Allocation Note"	The note or advice or intimation of allocation of the Equity Shares sent to Anchor Investors who have been allocated Equity Shares on / after the Anchor Investor Bidding Date
"Cap Price"	₹ 330 per Equity Share, being the higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price has not been finalised and above which no Bids were accepted. The Cap Price was atleast 105% of the Floor Price.
"Cash Escrow and Sponsor Bank Agreement"	The agreement dated September 6, 2022 entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Member, the Banker(s) to the Offer, *inter alia*, for the appointment of the Sponsor Banks in accordance with the UPI Circular, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
"Circular on Streamlining of Public Issues"/ "UPI Circular"	Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no. (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2021./2480/1/M) dated March 16, 2021, circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard
"Client ID"	Client identification number maintained with one of the Depositories in relation to the Bidder's beneficiary account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as per the list available on the websites of BSE and NSE, as updated from time to time

Term	Description
"Cut-off Price"	The Offer Price, i.e. ₹ 330 per Equity Share, as finalised by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs. Only Retail Individual Bidders and Eligible Employees were entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders were not entitled to Bid at the Cut-off Price
"Demographic Details"	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation, PAN, DP ID, Client ID and bank account details and UPI ID, where applicable
"Designated SCSB Branches"	Such branches of the SCSBs which collected ASBA Forms, a list of which is available on the website of the SEBI at (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time
"Designated CDP Locations"	Such locations of the CDPs where Bidders submitted the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
"Designated Date"	The date on which funds are transferred from the Escrow Account to the Public Offer Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Offer Account, as the case may be, in terms of the Red Herring Prospectus and this Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors or IPO Committee may Allot Equity Shares to successful Bidders in the Offer
"Designated Intermediaries"	In relation to ASBA Forms submitted by RIBs and Eligible Employees (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount was blocked upon acceptance of UPI Mandate Request by such UPI Bidder using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
"Designated RTA Locations"	Such locations of the RTAs where Bidders submitted the ASBA Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
"Designated Stock Exchange"	The National Stock Exchange of India Limited
"Draft Red Herring Prospectus" or "DRHP"	The draft red herring prospectus dated February 3, 2022, issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the Offer, including the price at which the Equity Shares will be Allotted and the size of the Offer
"Eligible Employee(s)"	All or any of the following: (a) a permanent employee of our Company (excluding such employees who are not eligible to invest in the Offer under applicable laws) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be a permanent employee of our Company, until the submission of the Bid cum Application Form; and (b) a Director of our Company, whether whole time or not, who is eligible to apply under the Employee Reservation Portion under applicable law as on the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our Company, until the submission of the Bid cum Application Form, but not including Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee did not exceed ₹ 500,000 (net of Employee Discount) and the initial Allotment to an Eligible Employee in the Employee Reservation Portion did not exceed ₹ 200,000. Only in the event of under – subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to

Term	Description
	all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.
"Employee Discount"	Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, offered a discount of 9.39% of the Offer Price (equivalent of ₹31 per Equity Share) to Eligible Employees.
"Employee Reservation Portion"	The portion of the Offer being 83,610* Equity Shares, aggregating up to ₹ 25.00 million available for allocation to Eligible Employees, on a proportionate basis, constituting not more than 5 % of the post-Offer paid-up Equity Share capital of our Company. **Subject to finalization of Basis of Allotment*
"Eligible FPIs"	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
"Eligible NRIs"	NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constituted an invitation to purchase the Equity Shares
"Escrow Account(s)"	Accounts opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors transferred money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid
"Escrow Collection Bank(s)"	The banks which are clearing members and registered with SEBI as Bankers to an issue under the BTI Regulations, and with whom the Escrow Accounts were opened, in this case being Axis Bank Limited
"First Bidder"	The Bidder whose name has been mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appeared as the first holder of the beneficiary account held in joint names
"Floor Price"	₹ 314 per Equity Share, being the lower end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price has been finalised and below which no Bids, were accepted
"Fraudulent Borrower"	A fraudulent borrower, as defined under the SEBI ICDR Regulations
"Fresh Issue"	The fresh issue component of the Offer comprising of an issuance of 13,795,695* Equity Shares at ₹ 330 per Equity Share (including a premium of ₹ 320 per Equity Share) aggregating up to ₹ 4,550.00 million by our Company A discount of 9.39% on the Offer Price (equivalent of ₹ 31 per Equity Share) was offered to Eligible Employees bidding in the Employee Reservation Portion. **Subject to finalization of Basis of Allotment*
"General Information Document" or "GID"	The General Information Document for investing in public offers, prepared and issued by SEBI, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
"Gross Proceeds"	The Offer proceeds from the Fresh Issue
"Monitoring Agency"	CARE Ratings Limited
"Monitoring Agency Agreement"	The agreement dated September 6, 2022 entered into between our Company and the Monitoring Agency
"Mutual Fund"	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
"Mutual Fund Portion"	5% of the Net QIB Portion, or 228,031* Equity Shares, which were available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price **Subject to finalization of Basis of Allotment*
"Minimum NIB Application Size"	Bid amount of more than ₹ 200,000 in the specified lot size
"Net Offer"	The Offer less the Employee Reservation Portion
"Net Proceeds"	The Gross Proceeds less our Company's share of the Offer-related expenses applicable to the Fresh Issue. For further details about use of the Net Proceeds and the Offer related expenses, see "*Objects of the Offer*" on page 91
"Net QIB Portion"	QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors

Term	Description
"Non-Institutional Investors" or "NII(s)" or "Non-Institutional Bidders" or "NIB(s)"	All Bidders, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
"Non-Institutional Portion"	The portion of the Net Offer being not less than 15% of the Net Offer, consisting of 3,420,450* Equity Shares, which were available for allocation to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, were subject to the following: (i) one-third of the portion available to Non-Institutional Bidders was reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders was reserved for applicants with an application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. **Subject to finalization of Basis of Allotment*
"Non-Resident" or "NR"	A person resident outside India, as defined under FEMA
"Offer"	Initial public offering of 22,886,595* Equity Shares for cash at a price of ₹ 330 per Equity Share (including a share premium of ₹ 320 per Equity Share) aggregating up to ₹ 7,550.00 million consisting of a Fresh Issue of 13,795,695* Equity Shares aggregating up to ₹ 4,550.00 million by our Company and an offer for sale of 9,090,900* Equity Shares aggregating up to ₹ 3,000.00 million, by the Selling Shareholders. A discount of 9.39% on the Offer Price (equivalent of ₹ 31 per Equity Share) was offered to Eligible Employees bidding in the Employee Reservation Portion. **Subject to finalization of the Basis of Allotment*
"Offer Agreement"	The agreement dated February 3, 2022 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer
"Offer for Sale"	The offer for sale of 9,090,900* Equity Shares aggregating up to ₹ 3,000.00 million by the Selling Shareholders. **Subject to finalization of Basis of Allotment*
"Offer Price"	₹ 330 per Equity Share, being the final price within the Price Band, at which the Equity Shares were Allotted to successful Bidders other than Anchor Investors. Equity Shares were Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus and this Prospectus. The Offer Price was decided by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, in accordance with the Book Building Process on the Pricing Date and in terms of the Red Herring Prospectus. A discount of 9.39% on the Offer Price (equivalent of ₹ 31 per Equity Share) was offered to Eligible Employees bidding in the Employee Reservation Portion. This Employee Discount was decided by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs.
"Offered Shares"	9,090,900* Equity Shares aggregating up to ₹ 3,000.00 million being offered by Selling Shareholders as part of the Offer for Sale. **Subject to finalization of Basis of Allotment*
"Price Band"	Price band of a minimum price of ₹ 314 per Equity Share (Floor Price) and the maximum price of ₹ 330 per Equity Share (Cap Price). The Cap Price was atleast 105% of the Floor Price.
"Pricing Date"	The date on which our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, finalised the Offer Price, being, September 19, 2022.
"Prospectus"	This prospectus dated September 19, 2022, filed with the RoC, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, amongst other things and subject to finalization of Basis of Allotment , the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto

Term	Description
“Public Offer Account Bank(s)”	The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Public Offer Account(s) were opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being Axis Bank Limited.
“Public Offer Account(s)”	Bank account opened in accordance with the provisions of the Companies Act, 2013, with the Public Offer Account Bank to receive money from the Escrow Accounts and from the ASBA Accounts on the Designated Date
“QIB Portion”	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer, consisting of 11,401,470* Equity Shares which were allocated to QIBs, including the Anchor Investors (which allocation was on a discretionary basis, as determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs up to a limit of 60% of the QIB Portion) subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price **Subject to finalization of Basis of Allotment*
“Qualified Institutional Buyers” or “QIBs”	A qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
“Red Herring Prospectus” or “RHP”	The red herring prospectus dated September 7, 2022, read with the corrigendum dated September 13, 2022, issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of SEBI ICDR Regulations, which did not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer.
“Refund Account(s)”	The ‘no-lien’ and ‘non-interest bearing’ account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors were made
“Refund Bank(s)”	The Banker(s) to the Offer with whom the Refund Account(s) were opened, in this case being Axis Bank Limited
“Registered Broker”	Stock brokers registered with the stock exchanges having nationwide terminals other than the members of the Syndicate, and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
“Registrar Agreement”	The agreement dated January 28, 2022 entered amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
“Registrar and Share Transfer Agents” or “RTAs”	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available in the website of BSE and NSE, and the UPI Circulars
“Registrar”, or “Registrar to the Offer”	Link Intime India Private Limited
“Resident Indian”	A person resident in India, as defined under FEMA
“Retail Individual Bidders” or “RIB(s)” or “Retail Individual Investors” or “RII(s)”	Individual Bidders (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the Bidding options in the Offer
“Retail Portion”	The portion of the Offer being not less than 35% of the Net Offer consisting of 7,981,065* Equity Shares which was available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price **Subject to finalization of Basis of Allotment*
“Revision Form”	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable QIB Bidders and Non-Institutional Bidders were not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders Bidding in the Retail Portion could revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
“Self Certified Syndicate Bank(s)” or “SCSB(s)”	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at

Term	Description
	https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, or such other website as may be prescribed by SEBI from time to time In accordance with the SEBI circular number 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 SEBI, UPI Bidders using UPI Mechanism may apply through the SCSBs and mobile applications (apps) whose name appears on the SEBI website. . The said list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, as updated from time to time
"Specified Locations"	The Bidding centres where the Syndicate accepted Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time
"Share Escrow Agent"	Link Intime India Private Limited
"Share Escrow Agreement"	The agreement dated September 6, 2022 entered into amongst our Company, the Selling Shareholders, and the Share Escrow Agent for deposit of the Equity Shares offered by the Selling Shareholders in escrow and credit of such Equity Shares to the demat account of the Allottees.
"Sponsor Banks"	The Bankers to the Offer registered with SEBI which are appointed by the Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the UPI Mandate Requests and / or payment instructions of the UPI Bidders using the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being Axis Bank Limited and Kotak Mahindra Bank Limited.
"Stock Exchanges"	Collectively, BSE Limited and the National Stock Exchange of India Limited
"Syndicate Agreement"	Agreement dated September 6, 2022 entered into among our Company, the Selling Shareholders, the BRLMs, and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate
"Syndicate Members"	Intermediaries (other than BRLMs) registered with SEBI who are permitted to accept bids, applications and place orders with respect to the Offer and carry out activities as an underwriter namely, Equirus Securities Private Limited and JM Financial Services Limited
"Syndicate" or "members of the Syndicate"	Together, the BRLMs and the Syndicate Members
"Systemically Important Non-Banking Financial Company" or "NBFC-SI"	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
"Underwriters"	BRLMs and the Syndicate Members
"Underwriting Agreement"	The agreement entered into amongst the Underwriters, the Selling Shareholders and our Company on September 19, 2022.
"UPI"	Unified Payments Interface, which is an instant payment mechanism developed by NPCI
"UPI Bidder(s)"	Collectively, individual investors applying as (i) Retail Individual Bidders, in the Retail Portion, (ii) Eligible Employees Bidding under the Employee Reservation Portion, and (ii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Member, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity.
"UPI ID"	ID created on UPI for single-window mobile payment system developed by the NPCI
"UPI Mandate Request"	A request (intimating the UPI Bidder by way of a notification on the UPI linked mobile application as disclosed by the SCSBs on the website of SEBI and by way of an SMS directing the UPI Bidder to such UPI linked mobile application) to the UPI Bidder initiated by the Sponsor Banks to authorise blocking of funds in the relevant ASBA

Term	Description
	Account through the UPI linked mobile application equivalent to Bid Amount and subsequent debit of funds in case of Allotment In accordance with the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI 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, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time
"UPI Mechanism"	The Bidding mechanism that was used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars
"UPI PIN"	Password to authenticate UPI transaction
"Wilful Defaulter"	A wilful defaulter, as defined under the SEBI ICDR Regulations
"Working Day"	All days, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, Working Day shall mean all days except all Saturdays, Sundays and public holidays on which commercial banks in Mumbai are open for business and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays in India, as per the circulars issued by SEBI.

Technical/Industry Related Terms/Abbreviations

Term	Description
AGV	Automatic guided equipment
BCD	Basic customs tax
CAGR	Compounded annual growth rate
CE	Construction equipment
CVJ	Constant velocity joint
CY	Calendar year
CSR	Corporate social responsibility
DDT	Dividend distribution tax
ECL	expected credit loss
EHS	Environment, health and safety
EIR	effective interest rate
EV	Electronic vehicle
GDP	Gross domestic product
GOI	Government of India
GW	Gigawatt
ICE	Internal combustion engine
JPY	Japanese Yen
IIP	Index for Industrial Production
IMF	International Monetary Fund
IOT	Internet of Things
kWh	Kilowatt hour
MNRE	Ministry of New and Renewable Energy
MOSPI	Ministry of Statistics and Programme Implementation
MPT	MPT Präzisionsteile GmbH Mittweida, MPT Group Gmbh, Germany
MYPT	Manu Yantralaya Pvt Ltd, India
NATRiP	National Automotive Testing and R&D Infrastructure Project
NKC	Nakanishi Metal Works Co Ltd, Japan
NIP	National Infrastructure Pipeline
PLI Scheme	Production Linked Incentive scheme
PPA	Power purchase agreement
PV	Photovoltaics
RFQ	Request for quote
ROCE	Return on capital employment
ROE	Return on equity

Term	Description
ROU	Right-of-use asset
R&D	Research and development
Q1	First quarter of a financial year
Q2	Second quarter of a financial year
Q3	Third quarter of a financial year
Q4	Fourth quarter of a financial year
UK	United Kingdom
CNC	Computer Numerical Control
CMM	Coordinate Measuring Machine
EDM	Electrical Discharge Machining
RCC	Reinforcement Cement Concrete
TMT	Thermo Mechanically Treated bars
RMC	Ready Mix Cement
P&L	Providing and laying
P&F	Providing and fixing
EPC	Engineering, procurement, and construction
O&M	Operations and maintenance
ERP	Enterprise resource planning
TPM	Total productive maintenance

Conventional and General Terms or Abbreviations

Term	Description
"₹" or "Rs." or "Rupees" or "INR"	Indian Rupees
"AIFs"	Alternative investment funds as defined in and registered under the AIF Regulations
"AS"	Accounting standards issued by the Institute of Chartered Accountants of India, as notified from time to time
"BSE"	BSE Limited
"BTI Regulations"	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
"Calendar Year" or "year"	Unless the context otherwise requires, shall refer to the twelve month period ending December 31
"Category I AIF"	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
"Category II AIF"	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
"Category III AIF"	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
"Category I FPIs"	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
"Category II FPIs"	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
"CCI"	Competition Commission of India
"CDSL"	Central Depository Services (India) Limited
"Companies Act, 1956"	*Erstwhile* Companies Act, 1956 along with the relevant rules made thereunder
"Companies Act" / "Companies Act, 2013"	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended and to the extent currently in force
"COVID-19"	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
"CSR"	Corporate social responsibility
"Demat"	Dematerialised
"Depositories Act"	Depositories Act, 1996
"Depository" or "Depositories"	NSDL and CDSL
"DIN"	Director Identification Number
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act
"DP ID"	Depository Participant's Identification Number
"EBITDA"	Earnings Before Interest, Taxes, Depreciation and Amortisation
"EPS"	Earnings per share
"EUR" or "€"	Euro, the official currency of the Netherlands
"FDI"	Foreign direct investment

Term	Description
“FDI Policy”	The consolidated FDI policy, effective from October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India *(earlier known as the Department of Industrial Policy and Promotion*)
“FEMA”	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
“FEMA Rules”	Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended.
“Financial Year”, “Fiscal”, “FY” or “F.Y.”	Period of twelve months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular year, unless stated otherwise
“FIR”	First information report
“FPI(s)”	Foreign Portfolio Investor, as defined under the FPI Regulations
“FPI Regulations”	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
“Fugitive Economic Offender”	A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018
“FVCI”	Foreign venture capital investors, as defined and registered with SEBI under the FVCI Regulations
“FVCI Regulations”	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
“GoI” or “Government” or “Central Government”	Government of India
“GST”	Goods and services tax
“HUF”	Hindu undivided family
“IAS Rules”	Companies (Indian Accounting Standards) Rules, 2015, as amended
“ICAI”	The Institute of Chartered Accountants of India
“ICSI”	The Institute of Company Secretaries of India
“IFRS”	International Financial Reporting Standards of the International Accounting Standards Board
“India”	Republic of India
“Ind AS” or “Indian Accounting Standards”	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with IAS Rules
“IGAAP” or “Indian GAAP”	Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as amended) and the Companies (Accounts) Rules, 2014, as amended
“IPC”	The Indian Penal Code, 1860
“IPR”	Intellectual property rights
“IPO”	Initial public offer
“IST”	Indian standard time
“IT Act”	The Income Tax Act, 1961
“IT”	Information technology
“Listing Agreement”	The equity listing agreement to be entered into by our Company with each of the Stock Exchanges
“MCA”	Ministry of Corporate Affairs, Government of India
“Mn” or “mn”	Million
“N.A.”	Not applicable
“NACH”	National Automated Clearing House
“NAV”	Net asset value
“NBFC”	Non-Banking Financial Company
“NEFT”	National electronic fund transfer
“Net Worth”	It means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
“NPCI”	National Payments Corporation of India
“NRE Account”	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
“NRI” or “Non-Resident Indian”	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an ‘Overseas Citizen of India’ cardholder within the meaning of section 7(A) of the Citizenship Act, 1955

Term	Description
"NRO Account"	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
"NSDL"	National Securities Depository Limited
"NSE"	National Stock Exchange of India Limited
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer
"P/E Ratio"	Price/earnings ratio
"PAN"	Permanent account number allotted under the Income Tax Act, 1961
"PAT"	Profit after tax
"RBI"	Reserve Bank of India
"Regulation S"	Regulation S under the U.S. Securities Act
"RMB" or "CNY" or "¥"	Renminbi, the official currency of the People's Republic of China
"RON"	Romanian leu, the official currency of Romania
"RTGS"	Real time gross settlement
"SCRA"	Securities Contracts (Regulation) Act, 1956
"SCRR"	Securities Contracts (Regulation) Rules, 1957
"SEBI"	Securities and Exchange Board of India constituted under the SEBI Act
"SEBI Act"	Securities and Exchange Board of India Act, 1992
"SEBI AIF Regulations"	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
"SEBI ICDR Regulations"	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
"SEBI Insider Trading Regulations"	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
"SEBI Listing Regulations" or "Listing Regulations"	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
"SEBI Merchant Bankers Regulations"	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1999
"SEBI SBEB Regulations 2021"	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
"SEBI VCF Regulations"	The *erstwhile* Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
"STT"	Securities Transaction Tax
"State Government"	Government of a State of India
"Takeover Regulations"	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
"USD" or "US$"	United States Dollars
"U.S. GAAP"	Generally Accepted Accounting Principles in the United States of America
"U.S. Securities Act"	United States Securities Act of 1933, as amended
"U.S." / "United States"	United States of America
"VAT"	Value added tax
"VCFs"	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be

CERTAIN CONVENTIONS, CURRENCY OF PRESENTATION, USE OF FINANCIAL INFORMATION AND MARKET DATA

Certain Conventions

All references to "India" in this Prospectus are to the Republic of India and its territories and possession and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

All references herein to the "US", the "U.S." or the "United States" are to the United States of America and its territories and possessions.

Unless stated otherwise, all references to page numbers in this Prospectus are to the page numbers of this Prospectus.

Financial Data

Unless the context otherwise requires or indicates, any percentage amounts (excluding certain operational metrics), as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 138 and 265, respectively, and elsewhere in this Prospectus have been derived from the Restated Consolidated Financial Statements. Our Restated Consolidated Financial Statements include restated consolidated financial statement of the Company and its Subsidiaries, Associate and Joint Venture and comprises of the restated consolidated statement of assets and liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of cash flows and the restated consolidated statement of changes in equity for the financial year ended March 31, 2022, March 31, 2021 and March 31, 2020 and the summary of significant accounting policies and explanatory notes and notes to restated consolidated financial statement and other annexures prepared in terms of the Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended.

Unless stated otherwise or the context requires otherwise, the financial information and financial ratios in this Prospectus have been derived from our Restated Consolidated Financial Statements.

For further information on our Company's financial information, see "*Restated Consolidated Financial Statements*" on page 204, respectively.

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year; accordingly, all references to a particular financial year or fiscal, unless stated otherwise, are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Reference in this Prospectus to the terms Fiscal or Fiscal Year or Financial Year is to the 12 months ended on March 31 of such year, unless otherwise specified.

The degree to which the financial information included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Prospectus should be limited. There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial statements with IFRS or U.S. GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For further details in connection with risks involving differences between Ind AS and other accounting principles, see "*Risk Factors – Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as IFRS and U.S. GAAP, with which investors may be more familiar*" on page 55.

In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. Except as otherwise stated, all figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Non-GAAP Measures

Certain non-GAAP measures such as revenue from operations, free cash flow to firm, EBITDA, EBITDA Margin, PAT (before OCI), PAT Margin, Net Worth, Net Debt, RoAE, RoACE, Ratio of EBITDA to net cash flow generated from operating activities, Net debt to Net worth, Ratio of Net debt to EBITDA, FCFF to EBITDA ratio, FCFF to PAT ratio and fixed asset turnover ratio ("**Non-GAAP Measures**") presented in this Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year / period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term and, therefore, a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting their usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us because these are widely used measures to evaluate a company's operating performance.

Currency and Units of Presentation

All references to:

1. "Rupees" or "INR" or "Rs." or "₹" are to the Indian Rupee, the official currency of India;

2. "USD" or "US$" or "$" or "U.S. Dollar" are to the United States Dollar, the official currency of the United States of America.

3. "RMB" or "CNY" or "¥" to the Renminbi, the official currency of the People's Republic of China;

4. "EUR" or "€" are to the Euro, the official currency of the Netherlands;

5. "JPY" or "JP¥" to the Japanese Yen, the official currency of Japan; and

6. "RON" are to the Romanian leu, the official currency of Romania

Except otherwise specified, our Company has presented certain numerical information in this Prospectus in "million", "billion" and "trillion" units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Time

All references to time in this Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Prospectus are to a calendar year.

Exchange Rates

This Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	As on March 31, 2022	As on March 31, 2021 (₹)	As on March 31, 2020 (₹)
1 USD	75.81	73.50	75.39
1 RMB	11.97	11.17	10.65
1 EUR	84.66	85.92	83.08
1 JPY	0.63	0.66	0.70
1 RON	17.04	17.47	17.19

(Source: www.fbil.org.in and www.xe.com)
Note: In case March 31 of any of the respective years is a public holiday, the previous Working Day not being a public holiday has been considered.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Prospectus has been obtained or derived from the report "*Industry Research Report on Bearings, Bearings cages & Stampings Market*" dated August, 2022 prepared by CARE Advisory Research

and Training Limited ("**CARE Advisory**"), who was appointed by our Company vide letter dated October 20, 2021 and re-appointed vide letter dated August 17, 2022 (the "**CARE Advisory Report**") and publicly available information as well as other industry publications and sources. The CARE Advisory Report has been commissioned by our Company exclusively for the purposes of the Offer for an agreed fee. For further details in relation to risks involving the CARE Advisory Report, see "*Risk Factors – Industry information included in this Prospectus has been derived from the CARE Advisory Report commissioned and paid for by us for such purpose. The CARE Advisory Report is not exhaustive and is based on certain assumptions and parameters/ conditions.*" on page 38. The CARE Advisory Report is available on our website at https://harshaengineers.com/InvestorRelations/industryreport.php.The extent to which industry and market data set forth in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, no investment decisions should be made based on such information, although we believe the industry and market data used in this Prospectus is reliable. The excerpts of the industry report are disclosed in the Offer Documents and there are no parts, information, data (which may be relevant for the proposed Offer), left out or changed in any manner. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect.
Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 27. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

In accordance with the SEBI ICDR Regulations, the section titled "*Basis for the Offer Price*" on page 103, includes information relating to our peer group companies.

Disclaimer of CARE Advisory Report

This Prospectus contains certain data and statistics from the CARE Advisory Report, which is subject to the following disclaimer:

"*This report is prepared by CARE Advisory Research and Training Limited (CareEdge Research). CareEdge Research has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in CareEdge Research's proprietary database, and other sources considered by CareEdge Research as accurate and reliable including the information in public domain. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.*

This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. However, for the purpose of covering the industry overview section of the Offer Documents, extracts from the report may be published wherein the complete content in any particular sentence/chart/table is captured. All forecasts in this report are based on assumptions considered to be reasonable by CareEdge Research; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.

The subscriber/user assumes the entire risk of any use made of this report or data herein. This report is for the information of the authorised recipient in India only and any reproduction of the report or part of it would require explicit written prior approval of CareEdge Research.

CareEdge Research shall reveal the report to the extent necessary and called for by appropriate regulatory agencies, viz., SEBI, RBI, Government authorities, etc., if it is required to do so.

By accepting a copy of this Report or extracts of the report that may be published for the purpose of the Offer Documents, the recipient accepts the terms of this Disclaimer, which forms an integral part of this Report."

We confirm that CARE Advisory is not related to our Company, our Promoters or our Directors.

FORWARD LOOKING STATEMENTS

This Prospectus contains certain statements which are not statements of historical facts and may be described as "forward-looking statements". These forward-looking statements include statements which can generally be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "continue", "can", "shall", "could", "expect", "estimate", "intend", "may", "likely" "objective", "plan", "project", "propose", "seek to", "will", "will continue", "will likely", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, plans, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Prospectus that are not historical facts. However, these are not the exclusive means of identifying forward looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations, taxes, changes in competition in our industry and incidents of any natural calamities and/or acts of violence. Certain important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

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.

6. We have recently completed a corporate reorganisation, pursuant to which we may face administrative and operational difficulties.

7. We are exposed to foreign currency exchange rate fluctuations, which may adversely affect our results of operations and cause our quarterly results to fluctuate significantly.

8. Our financing agreements impose certain restrictions on our operations, and our failure to comply with operational and financial covenants may adversely affect our reputation, business and financial condition.

9. Our inability to successfully diversify our product offerings of our engineering business may adversely affect our growth and negatively impact our profitability.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 27, 138 and 265, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as of the date of this Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs, assumptions, current plans, estimates and expectations, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Neither our Company, our Directors, our Promoters, the Selling Shareholders, the BRLMs, the Syndicate Member nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the requirements under the SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Shares from the date of this Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. The Selling Shareholders shall ensure (through our Company and the BRLMs) that the investors are informed of material developments in relation to statements specifically confirmed or undertaken by the Selling Shareholders in the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Only statements and undertakings which are specifically confirmed or undertaken by the Selling Shareholders in this Prospectus shall be deemed to be statements and undertakings made by the Selling Shareholders.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of the terms of the Offer, certain disclosures included in this Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Prospectus, including the sections titled "*Risk Factors*", "*The Offer*", "*Capital Structure*", "*Industry Overview*", "*Our Business*", "*Objects of the Offer*", "*Our Promoters and Promoter Group*", "*Restated Consolidated Financial Statements*", "*Outstanding Litigation and Material Developments*", *"Offer Structure", "Management's Discussions and Analysis of Financial Position and Results of Operations*" on pages 27, 59, 77, 113, 138, 91, 197, 204, 293, 318 and 265 respectively.

Primary business of our Company

We are the largest manufacturer of precision bearing cages, in terms of revenue, in organsied 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.

Summary of the industry in which our Company operates

The global bearings market was valued at USD 85.2 billion in 2015 and grew to USD 106.1 billion in 2019 at a CAGR of 5.6%. Owing to COVID-19 since end of March 2020, the bearings market contracted in 2020 due to decline in demand and supply chain constraints. However, the market grew at an annual rate of 12% to USD 104.6 billion in 2021. The bearings market is expected to grow at a CAGR of 6% to 8% over 2021 to 2029 and is estimated to be valued at USD 171.7 billion in the year 2029. (*Source: CARE Advisory Report*)

Name of the Promoters

Our Promoters are Rajendra Shah, Harish Rangwala,Vishal Rangwala, and Pilak Shah. For further details, see "*Our Promoters and Promoter Group*" on page 197.

Offer Size

Offer of Equity Shares(1)	22,886,595* Equity Shares, aggregating up to ₹ 7,550.00 million
of which	
Fresh Issue(1)	13,795,695* Equity Shares, aggregating up to ₹ 4,550.00 million
Offer for Sale(2)	9,090,900* Equity Shares, aggregating up to ₹ 3,000.00 million by the Selling Shareholders

* *Subject to finalization of the Basis of Allotment*

(1) *The Offer has been authorized by a resolution of our Board dated January 10, 2022 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated January 11, 2022.*

(2) *The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale as part of the Offer in terms of the SEBI ICDR Regulations. For further details of authorisations pertaining to the Offer for Sale, see "Other Regulatory and Statutory Disclosures" on page 302.*

The Offer constitutes 25.14% of the post Offer paid up Equity Share capital of our Company.

The above table summarises the details of the Offer. For further details of the offer, see "*The Offer*" and "*Offer Structure*" on pages 59 and 318, respectively.

Objects of the Offer

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

(In ₹ million)

Particulars	Amount
Pre-payment or scheduled repayment of a portion of the existing borrowing availed by our Company	Up to 2,700.00
Funding capital expenditure requirements towards purchase of machinery	Up to 779.54
Infrastructure repairs and renovation of our existing production facilities including office premises in India	Up to 71.16
General corporate purposes	743.30
Net Proceeds	**4,294.00**

For further details, see "*Objects of the Offer*" on page 91

Aggregate pre-Offer shareholding of our Promoters, our Promoter Group and Selling Shareholders

The aggregate pre-Offer shareholding of our Promoters, our Promoter Group and Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer equity share capital (%)
Promoters (A)			
1.	Harish Rangwala (also a Selling Shareholder)	13,479,089	17.45
2.	Rajendra Shah (also a Selling Shareholder)	15,413,550	19.95
3.	Vishal Rangwala	7,769,829	10.06
4.	Pilak Shah (also a Selling Shareholder)	7,698,281	9.97
Total (A)		**44,360,749**	**57.43**
Promoter Group (B)			
1.	Charusheela Rangwala (also a Selling Shareholder)	12,719,487	16.47
2.	Tanvi Rangwala	4,539,663	5.88
3.	Nirmala Shah (also a Selling Shareholder)	9,622,530	12.46
4.	Hetal Ukani with Nirmala Shah	1,924,571	2.49
5.	Vaishali Shah	1,924,571	2.49
6.	Pilak Shah Family Trust	321	0.00
7.	Munjal Rangwala Family Trust	321	0.00
8.	Mili Mehta Family Trust	1,924,571	2.49
9.	Hetal Ukani Family Trust	321	0.00
10.	Vishal Rangwala Family Trust	321	0.00
11.	Jyotsnaben Shah	7	0.00
Total (B)		**32,656,684**	**42.27**
Total (A + B)		**77,017,433**	**99.70**

Summary derived from the Restated Consolidated Financial Statements

(In ₹ million except per share data)

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Paid-up Share capital	772.48	500.00	500.00
Net Worth	5,279.01	4,332.18	3,780.21
Revenue from Operations	13,214.81	8,737.54	8,858.53
Profit / (Loss) after tax	919.44	454.39	219.09
Earnings per share			
- Basic	16.06	9.09	6.26
- Diluted	11.90	5.88	3.52
Net asset value per equity share[1]	68.34	86.64	75.60
Total Borrowing [2]	3,848.62	3,566.74	4,191.30

Notes:

[1]. *Net asset value per equity share means Net Worth of the Company divided by the outstanding number of equity shares at the end of the year.*

[2]. *Total borrowings means total of Non-current borrowings and lease liabilities as well as current borrowing and lease liabilities, and excludes trasaction cost.*

For further details see "*Financial Information*" on page 204.

Qualifications of the Statutory Auditors

There are no qualifications included by our Statutory Auditors in the financial statements which have not been given effect to in the Restated Consolidated Financial Statements.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings as on the date of this 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
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.*

As on the date of this Prospectus, there are no outstanding material litigations involving our Group Companies which may have a material impact on our Company. For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" on page 293.

Risk Factors

Investors should see "*Risk Factors*" on page 27 to have an informed view before making an investment decision.

Summary of Contingent Liabilities of our Company

Details of the contingent liabilities and capital commitments of our Company as on March 31, 2022 derived from the Restated Consolidated Financial Statements are set forth below:

Sr. No.	Particulars	Amount* (in ₹ million)
Contingent liabilities not provided for		
1.	Letter of Credit/Corporate Guarantee/Stand By Letter of Credit (SBLC) & Bank Guarantee (Outstanding)	357.45
2.	Custom duty benefits towards duty free imports under EPCG license scheme in respect of which export obligation are yet to be discharged	14.29
3.	Claims against the company not acknowledged as debts:	
(a)	Income Tax Matters	237.93
(b)	Excise, Service Tax and GST Matters	10.56
4.	Other Matters including claims related to Customer, Vendor, ESIC, Electricity, Ex-Employee and others#	168.99
Capital commitments		
5.	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	116.05

* *net of advances, if any*

\# *It includes ₹150.00 million of the City Civil Court, Bengaluru case filed by Orchestrate Systems Pvt .Ltd. (OSPL) against the Company. This matter was filed by OSPL after the winding up petition was filed by the Company against OSPL at Karnataka High Court. Later the Company had withdrawn the winding up petition at Karnataka High court against OSPL, with permission of court to pursue the matter under MSMED Act. Thereafter, the Company had filed MSME case against OSPL for recovery of ₹68.60 millions and on conciliation fail at MSMEFC the matter was refer to Arbitration. After completion of arbitration, arbitrator has passed necessary order in favour of the Company for recovery of ₹68.60 millions plus interest as per the said order dated May 4, 2019. The company has filed execution petition at commercial court Raipur for above arbitration order as assets of OSPL are located in Chhattisgarh. The same matter is pending with commercial court, Raipur. OSPL has challenged this arbitration at Gujarat High court and the same matter is also pending with Gujarat High court. Against, civil court case at Bengaluru by OSPL, Counter Claim Revival Application has been submitted by the Company. Hearing on revival application is in process.*

For further details of the contingent liabilities of our Company as on March 31, 2022, see "*Restated Consolidated Financial Statements – Annexure V – Note 34.1 - Contingent liabilities*" on page 242.

Summary of Related Party Transactions

Summary of the related party transactions derived from the Restated Consolidated Financial Statements, is as follows:

(In ₹ million)

1. Subsidiary/ Associate / Joint Venture Transactions: -^						
Particulars	**Purchase of Goods / Job work / Service/ Assets / Reimbursement**			**Sales of Goods/ Assets/Lease Rent/ Reimbursement**		
	Fiscal 2022	**Fiscal 2021**	**Fiscal 2020**	**Fiscal 2022**	**Fiscal 2021**	**Fiscal 2020**
Harsha Precision Bearing Components (China) Co. Ltd.	-	3.26	0.69	56.30	31.60	44.07
Harsha Engineers Europe SRL	0.10	11.11	18.03	6.43	23.51	69.33
Cleanmax Harsha Solar LLP	-	-	1.64	0.00	0.00	1.64
Particulars	**Loans Given**			**Interest Income**		
	Fiscal 2022	**Fiscal 2021**	**Fiscal 2020**	**Fiscal 2022**	**Fiscal 2021**	**Fiscal 2020**
Harsha Precision Bearing Components (China) Co. Ltd.	48.33	-	24.45	6.08	7.19	7.83

Particulars	**Investment In Equity / Partner's Capital /Current A/c/ Share Profit from Associate / Joint Venture**		
	Fiscal 2022	**Fiscal 2021**	**Fiscal 2020**
Harsha Engineers B.V.	255.89	-	-
HASPL Americas Corporations	-	6.61	-
Cleanmax Harsha Solar LLP	(3.20)	1.66	11.73
Sunstream Green Energy One Pvt. Ltd.	0.04	0.06	-

^ *Transaction with Subsidiaries are eliminated in the consolidated financials*

(In ₹ millions)

2. Key Management Personnel Transaction: -						
Particulars	**Remuneration**			**Dividend**		
	Fiscal 2022	**Fiscal 2021**	**Fiscal 2020**	**Fiscal 2022**	**Fiscal 2021**	**Fiscal 2020**
Rajendra Shah	6.85	6.60	3.88	-	-	14.72
Harish Rangwala	6.85	6.60	3.88	-	-	22.35
Vishal Rangwala	17.95	17.16	5.41	-	-	0.84
Pilak Shah	14.95	13.98	5.41	-	-	8.40
Late Munjal Rangwala	0.73	5.99	4.31	-	-	2.52
Hetal Ukani	6.24	6.25	1.10	-	-	-
Maulik Jasani	5.48	4.62	4.35	-	-	-
Falgun Shah	3.69	3.87	3.84	-	-	-
Aastha Upadhyay	-	0.33	0.33	-	-	-
Kiran Mohanty	1.65	1.46	1.44	-	-	-
Particulars	**Loan Accepted**			**Loans Repaid**		
	Fiscal 2022	**Fiscal 2021**	**Fiscal 2020**	**Fiscal 2022**	**Fiscal 2021**	**Fiscal 2020**
Rajendra Shah	48.57	24.40	14.50	32.70	1.40	60.00
Harish Rangwala	115.07	15.00	118.00	154.47	30.00	110.00
Pilak Shah	24.50	-	8.50	22.50	-	90.00
Late Munjal Rangwala	-	-	12.67	-	6.30	40.00
Hetal Ukani	15.00	-	-	18.91	-	-
Particulars	**Interest Expense**			**Sitting Fees**		
	Fiscal 2022	**Fiscal 2021**	**Fiscal 2020**	**Fiscal 2022**	**Fiscal 2021**	**Fiscal 2020**
Rajendra Shah	3.62	1.68	-	-	-	-
Harish Rangwala	13.69	7.98	2.76	-	-	-
Pilak Shah	2.28	-	-	-	-	-
Late Munjal Rangwala	-	0.77	0.51	-	-	-
Hetal Ukani	1.79	-	-	-	-	-
Jitendra Mamtora	-	-	-	-	0.06	0.08
Ambar Patel	-	-	-	0.10	0.08	0.10
Kunal Shah	-	-	-	0.10	0.06	0.10
Prof. Dr. Neharika Vohra	-	-	-	0.10	0.06	0.08
BhushanLal Punani	-	-	-	0.04	-	-

Ramakrishnan Kasinathan	-	-	-	0.04	-	-
Particulars	**Loan Given**			**Interest Income**		
	Fiscal 2022	**Fiscal 2021**	**Fiscal 2020**	**Fiscal 2022**	**Fiscal 2021**	**Fiscal 2020**
Kiran Mohanty	-	0.08	-	0.00	0.00	-
Particulars	**Loans Received Back**			**Sales of Goods**		
	Fiscal 2022	**Fiscal 2021**	**Fiscal 2020**	**Fiscal 2022**	**Fiscal 2021**	**Fiscal 2020**
Harish Rangwala	-	-	-	2.01	-	-
Kiran Mohanty	0.01	0.01	-	-	-	-

(In ₹ millions)

3. Relative of Key Management Personnel Transactions						
Particulars	**Dividend**			**Deposits Accepted**		
	Fiscal 2022	**Fiscal 2021**	**Fiscal 2020**	**Fiscal 2022**	**Fiscal 2021**	**Fiscal 2020**
Charusheela Rangwala	-	-	14.63	114.55	-	18.80
Tanvi Rangwala	-	-	1.68	-	-	-
Nirmala Shah	-	-	12.60	62.00	25.00	12.60
Mili Mehta	-	-	0.00	-	-	-
Late Krina Shah	-	-	2.10	-	-	-
Hetal Ukani	-	-	2.10	-	-	-
Vaishali Shah	-	-	2.10	10.00	-	-
Rajendra Shah (HUF)	-	-	-	-	1.70	-
Particulars	**Deposits Repaid**			**Interest Expense**		
	Fiscal 2022	**Fiscal 2021**	**Fiscal 2020**	**Fiscal 2022**	**Fiscal 2021**	**Fiscal 2020**
Charusheela Rangwala	46.80	-	5.45	5.21	-	0.21
Nirmala Shah	47.83	-	-	5.10	-	-
Mili Mehta	15.43	0.25	-	1.16	0.02	0.03
Late Krina Shah	-	39.00	-	-	0.07	0.16
Hetal Ukani	-	8.99	-	-	0.56	1.04
Vaishali Shah	11.70	-	-	1.12	0.13	0.14
Rajendra Shah (HUF)	9.88	-	-	0.74	0.84	0.94
Particulars	**Remuneration**			**Purchase of Service**		
	Fiscal 2022	**Fiscal 2021**	**Fiscal 2020**	**Fiscal 2022**	**Fiscal 2021**	**Fiscal 2020**
Hetal Ukani	-	-	1.85	-	-	-
Maulik Jasani (HUF)	-	-	-	0.31	0.31	0.31

(In ₹ Millions)

4. Enterprise on which Directors and KMPs have significant influence and control Transactions						
Particulars	**Purchase of Goods / Job work / Assets / Reimbursement / Contribution / CSR**			**Sales of Goods/ Assets/Lease Rent/ Reimbursement**		
	Fiscal 2022	**Fiscal 2021**	**Fiscal 2020**	**Fiscal 2022**	**Fiscal 2021**	**Fiscal 2020**
Crest Creative Unit	0.34	0.26	-	-	-	-
Aastha Charitable Trust for Welfare Mentally Challenged	0.21	33.39	6.50	0.27	-	-
Harsha Abakus Solar Pvt. Ltd. Emp. Group Gratuity Scheme	0.21	0.07	0.11	-	-	-
Harsha Engineers Ltd - Group Gratuity Scheme	0.72	0.68	0.71	-	-	-
Aastha Tools Pvt Ltd-Group Gratuity Scheme	-	0.02	0.02	-	-	-
Particulars	**Loans Given**			**Loans Repaid**		
	Fiscal 2022	**Fiscal 2021**	**Fiscal 2020**	**Fiscal 2022**	**Fiscal 2021**	**Fiscal 2020**
Harsha Renewable Energy Private Limited	0.01	0.01	-	0.01	-	-
Daylight Solar Private Limited	0.00	0.00	-	0.00	0.00	-
First Light Asset Management Private Limited	0.00	0.02	0.00	0.03	-	-

For further details of the related party transactions, as per the requirements under Ind AS 24 'Related Party Disclosures', see "*Related Party Transactions*" on page 238.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, our Directors and their relatives have financed the purchase of any securities of our Company by any other person during a period of six months immediately preceding the date of the Draft Red Herring Prospectus,the Red Herring Prospectus and this Prospectus.

Weighted average price at which the Equity Shares were acquired by our Promoters and the Selling Shareholders in the one year preceding the date of this Prospectus

The weighted average price at which our Promoters and Selling Shareholders acquired the Equity Shares in the one year preceding the date of this Prospectus is as follows:

S. No.	Name of Shareholders	Number of Equity Shares acquired in last one year	Weighted Average Price of Equity Shares acquired in last one year (₹)** ^
	Promoters		
1.	Harish Rangwala (also a Selling Shareholder)	19,153,554	0.93
2.	Rajendra Shah (also a Selling Shareholder)	14,415,888	0.38
3.	Vishal Rangwala	7,720,000	Nil
4.	Pilak Shah (also a Selling Shareholder)	7,200,000	0.26
	Selling Shareholders		
1.	Charusheela Rangwala (also a Promoter Group member)	14,851,507	0.30
2.	Nirmala Shah (also a Promoter Group member)	10,799,400	0.20

** *As certified by M/s. Pankaj R. Shah & Associates, our Statutory Auditors, by way of their certificate dated September 19, 2022.*

^ *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 one year preceding this Prospectus has been considered for the purpose of calculation of the above weighted average price 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 alloted pursuant to above-mentioned Scheme within the one year period prior to this Prospectus.*

Weighted average cost of acquisition of all Equity Shares transacted in the preceding 18 months from the date of this Prospectus:

Period	Weighted average cost of acquisition (in ₹)*#	Upper end of the price band (₹330 per Equity Share) 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 this Prospectus	0.48	687.50	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 this 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 alloted pursuant to above-mentioned Scheme within the 18 months period prior to this Prospectus.*

\# *Equity Shares acquired through gift and transmission are taken into consideration for the calculation of weighted average cost of acquisition.*

Average cost of acquisition for our Promoters and Selling Shareholders

The average cost of acquisition per Equity Share by our Promoters and the Selling Shareholders, as at the date of this Prospectus, is:

S. No.	Name of Shareholders	Number of Equity Shares	Average Cost of Acquisition per Equity Share (₹)*^
	Promoters		
1.	Harish Rangwala (also a Selling Shareholder)	13,479,089	10.85

S. No.	Name of Shareholders	Number of Equity Shares	Average Cost of Acquisition per Equity Share (₹)*^
2.	Rajendra Shah (also a Selling Shareholder)	15,413,550	6.04
3.	Vishal Rangwala	7,769,829	3.51
4.	Pilak Shah (also a Selling Shareholder)	7,698,281	14.32
	Selling Shareholders		
1.	Charusheela Rangwala (also a Promoter Group member)	12,719,487	1.85
2.	Nirmala Shah (also a Promoter Group member)	9,622,530	3.10

* *As certified by M/s Pankaj R. Shah & Associates, our Statutory Auditors, by way of their certificate dated September 19, 2022.*

^ *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, 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.*

For further details of the acquisition of Equity Shares by our Promoters, see "*Capital Structure – Build-up of our Promoters' shareholding in our Company*" at page 82.

Issue of Equity Shares for consideration other than cash in the last one year

Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Prospectus:

Date of allotment of equity shares	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of Allotment	Nature of consideration
December 25, 2021	72,248,400	10	NA	Other than Cash	Allotment pursuant to the Scheme

Note: Pursuant to the Scheme, fractional shares have been rounded off to the nearest whole number by issuing and allotting 10 additional Equity Shares of ₹ 10 each fully paid up on December 24, 2021.

Split / Consolidation of Equity Shares in the last one year

Except as disclosed in the section "*Capital Structure*" on page 77, our Company has not undertaken split or consolidation of the Equity Shares in the one year preceding the date of this Prospectus.

Exemption from complying with any provisions of securities laws granted by SEBI

Our Company has not received any exemption from complying with any provisions of securities laws by SEBI.

SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry and segments in which we currently operate or propose to operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any or a combination of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our businesses, results of operations, financial condition and cash flows could be adversely affected, the trading price of our Equity Shares could decline and you may lose all or part of your investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 138, 113 and 265, respectively, as well as the financial, statistical and other information contained in this Prospectus.

To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section, such as those relating to levels of consolidated indebtedness and our ability to comply with the covenants contained in the agreements that govern our indebtedness. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisers about the particular consequences to you of an investment in our Equity Shares. Unless otherwise indicated or context requires otherwise, the financial information included herein is derived from our Restated Consolidated Financial Statements for Fiscal 2022, Fiscal 2021 and Fiscal 2020 included in this Prospectus.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. For details, see "Forward-Looking Statements" on page 18.

*Unless stated otherwise, industry and market data used in this section have been obtained or derived from publicly available information as well as industry publications and sources such as the "Industry Research Report on Bearings, Bearings Cages & Stampings Market" dated August 2022 (the "**CARE Advisory Report**"), prepared and issued by CARE Advisory Research and Training Limited ("**CARE Advisory**"), paid and commissioned by our Company for the purposes of confirming our understanding of the industry in connection with the Offer. There are no material parts, data or information that have been left out or changed in any material manner. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CARE Advisory Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Our financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that year. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

INTERNAL RISK FACTORS

Risks relating our business

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.***

Our revenue from operations and profit after tax for the year as per the Restated Consolidated Financial Statements for Fiscal 2022 was ₹ 13,214.81 million and ₹ 919.44 million, respectively and our market capitalization to revenue from operations (Fiscal 2022) multiple is 1.93 times at the upper end of the Price Band and our price to earnings ratio (based on the diluted EPS for Fiscal 2022) is 27.73 times at the upper end of the Price Band. Set forth below are the details of our price to earnings ratio and market capitalization to revenue from operations, at the upper end of Price Band:

Particulars	Price to earnings ratio (based on diluted EPS for Fiscal 2022)*	Market capitalization to revenue from operations*
For the year ended March 31, 2022	27.73	1.93

**At the upper end of the Price Band*

The Offer Price of the Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares offered through a book-building process, and certain quantitative and qualitative factors as set out in the section titled *"Basis for the Offer Price"* on page 103 and the Offer Price, multiples and ratios may not be indicative of the market price of the Company on listing or thereafter. Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Any valuation exercise undertaken for the purposes of the Offer by our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, is not based on a benchmark with our industry peers. The relevant financial parameters based on which the Price Band would be determined, shall be disclosed in the advertisement that would be issued for publication of the Price Band. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, announcements by us or our competitors of significant acquisitions, strategic alliances, COVID-19 related or similar situations, announcements by third parties or governmental entities of significant claims or proceedings against us, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. As a result, the market price of the Equity Shares may decline below the Offer Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Offer Price.

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.***

In late 2019, COVID-19 began spreading globally. In March 2020, the World Health Organization designated COVID-19 as a pandemic, and numerous countries, including India, China and Romania (the countries where our Company has its manufacturing units), declared national emergencies in response to the COVID-19 pandemic. The global impact of the COVID-19 pandemic continues, with many countries, including the countries where we have our business operations, instituting quarantines and restrictions on travel, operations with reduced workforce, closing financial markets and/or restricting trading, and limiting the operations of non-essential businesses.

In response to the COVID-19 pandemic, the Government of India ("**GoI**") imposed a nationwide 21 day lockdown on March 24, 2020 from March 25, 2020 until April 14, 2020, which was subsequently extended until May 31, 2020. Further, from March 2021, there has been a substantial increase in the number of COVID-19 cases in India, which has led to additional lockdowns and movement restrictions in different places in India.

We have adopted precautionary measures, including social distancing, compulsory usage of face masks, zero-touch interactions, stringent sanitization of our workplaces and aggressive vaccination drives. Going forward, the regulatory authorities may introduce further country-wide or regional lockdowns, quarantines, or social distancing mandates. Compliance with such mandates may disrupt our normal operations, supply chain for raw materials and reduce our revenue or increase our health and safety expenses and other costs.

Unfavorable market conditions resulting from the COVID-19 pandemic and responses to it may also continue to affect us. The COVID-19 pandemic has affected and may continue to affect our business, results of operations and financial condition in a number of ways such as:

- result in a complete or partial closure of, or disruptions or restrictions on our ability to carry out, our manufacturing operations. For example, our operations were disrupted, on account of the lockdown, at our Changodar Unit, Moraiya Unit and Aastha Unit from March 25, 2020 to end of May 2020, at our China Unit from January 24 2020 to February 6 2020 (this includes closure on account of new year in China). Further, our Indian, China and Romanian units had to be operated at reduced capacity due to the applicable social distancing norms. In Fiscal 2022 and Fiscal 2021, we incurred operational expenses directly attributable to the COVID-19 pandemic amounting to ₹ 0.46 million and ₹ 35.18 million, respectively, and sales and distribution expenses directly attributable to the COVID-19 pandemic, amounting to ₹ 0.00 million and ₹ 0.72 million, respectively.

- impact our ability to enter into or complete material contracts and other business transactions including delay in delivery of our products to customers. For example, we have received force majeure notices from certain of our suppliers and customers on their inability to meet their obligations under the relevant contracts;

- our inability to source key raw materials as a result of the temporary or permanent closure of the facilities of our key raw materials suppliers and disruptions in transportation of raw materials to our manufacturing units from our suppliers due to border restrictions imposed on account of the COVID-19. For example; on account of the lock down, our supply chain for raw material were disrupted and we had to make alternate arrangements for raw material procurement including establishing arrangements for direct procurement of our raw materials from steel mills this had an adverse impact on our inventory management and production;

- non-availability of labour, which could result in a slowdown of our operations and consequent delay in production timelines. For example, we had faced severe labour shortage at our manufacturing locations during the lockdown period which had an adverse impact on our production capability;

- ability to successfully implement our capital expenditure plans in a timely and desired manner. We have also faced certain delays due to the COVID-19 pandemic in certain of our key business plans and operations, including overall delay in implementation of our capacity expansion plan for Fiscal 2021. Any delay, and cost overrun due to such delay, may materially and adversely affect our business, financial condition, cash flows and results of operations.

- reduction in demand for our products due to disruption in operations at our customer premises.

- Further, our solar EPC business may also be impacted by reduced interest from our customers in incurring additional capital expenditure and deferment of existing capital expenditure plans, affect adversely our ability to complete installation of solar projects due to unavailability of labour, disruption in supply chain, government restriction on movement of material as well as manpower, delay in receipt of government approvals due to government office remaining shut etc.

We cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers, vendors and other business partners, and each of their financial conditions. The COVID-19 pandemic has resulted in significant disruption of global financial markets and increased levels of unemployment and economic uncertainty, which may adversely impact our business. Unfavorable market conditions resulting from the COVID-19 pandemic and responses to it may also continue to affect us. These developments may lead to significant negative impacts on customer spending, demand for our products, services, the ability of our customers to pay, our financial condition and the financial condition of our customers and suppliers. We may also face liquidity challenges should disruptions occur to our business and operations or if economic hardship for those we do business with results in delays or cancellation of orders or difficulties in collecting of certain accounts receivable, force majeure claims under existing contracts. Changes in liquidity or changes in our outlook for the market more generally may affect our growth plans. We had also availed of a loan moratorium under the RBI moratorium scheme pursuant to which our loan repayments towards our borrowing availed from RBL Bank, in relation to our engineering business, for an amount of ₹37.48 million was deferred for a period of two months, which was subsequently prepaid in full. Our loan repayments towards RBL Bank in relation to our solar EPC business, for an amount of ₹112.44 million, was deferred for a period of six months, which was subsequently prepaid in full. We had also availed of a moratorium from Exim Bank, in relation to our engineering business, for an amount of ₹70.00 million for a period of six months, which was subsequently prepaid in full. For Fiscal 2021, we had availed moratorium for restructuring, under the RBI moratorium scheme, in relation to our borrowings aggregating to 6.17% respectively, of our total borrowings as of March 31, 2021. There can be no assurance that the COVID-19 pandemic and its related effects will not affect our ability to meet our obligations under any contractual agreement with any other stakeholders including existing financial covenants going forward.

The duration and extent of the impact from the COVID-19 pandemic depends on future developments that cannot be accurately predicted at this time, such as the future resurgence, severity and transmission rate of the virus, new variants of the virus, the extent and effectiveness of lockdowns and other containment actions, new vaccines and the timing and scale of their implementation in India and globally, and the impact that these and other factors have on our employees, customers, suppliers and partners. Such uncertainty precludes any prediction as to the ultimate adverse impact that the COVID-19 pandemic will have on economic and market conditions, demand for our products or our business results. The COVID-19 pandemic may have a continuing adverse impact on market conditions in India and globally and result in a period of global economic slowdown more broadly. The COVID-19 pandemic or the outbreak or threatened outbreak of any other severe communicable disease could materially and adversely affect our business, financial condition, cash flows and results of operations and may also heighten the potential adverse effects of other risks described in these "*Risk Factors*" have on the same.

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.***

We have in the past derived a significant portion of our revenue from engineering business from a limited number of customer groups and we may continue to derive a significant portion of our revenue from such customer groups. Our top five customer groups (excluding customers' contributing to revenue from scrap sales), as per our Restated Consolidated Financial Statements, contributed to our revenue from operations from engineering business ₹ 9,323.39 million, ₹ 6,315.65 million and ₹ 6,426.31 million for Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively, and constituted 70.55%, 72.28%, and 72.54% of our revenue from operations for Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

As our business is currently concentrated to a select number of customer groups, any adverse development with such customer groups, including as a result of a dispute with or disqualification by such major customer group, may result in us experiencing significant reduction in our orders, revenue, cash flows and liquidity. If our customer groups are able to fulfil their requirements through captive or in house manufacturing or any of our existing or new competitors, providing products with better quality, lead time and / or cheaper cost, we may lose significant portion of our business. Additionally, consolidation of any of our customer groups may also adversely affect our existing relationships and arrangements with such customer groups, and any of our customer groups that are acquired may cease to continue the businesses that require products manufactured by us. Further, in the event our major customer groups face any form of adverse effect due to exigent circumstances (including shortages of power, coal and semi-conductors), resulting in a sustained decline in the demand for their products, including due to macroeconomic factors affecting the economy in general, could prompt them to reduce their production volumes, in turn affecting their demand for our products. For instance the COVID 19 pandemic has resulted in a decline in demand for the products manufactured by our major customer groups, our major customer groups significantly reducing their production levels, which in turn adversely affected our financial condition and results of operations. The volume and timing of sales to our major customer groups may also adversely vary due to variation in: (i) management of inventory levels; (ii) choices of raw materials for our products manufactured; (iii) bespoke requirements; (iv) product mix; (v) manufacturing strategy; and (vi) growth strategy.

Furthermore, we do not have firm commitment in the form of long-term supply agreements with our customer groups and instead rely on purchase orders and long-term and short term framework agreements to govern the volume and other terms of our sales of products. Majority of the purchase orders we receive from our customer groups specify a price per unit and delivery schedule, and the quantities to be delivered are determined closer to the date of delivery. However, such purchase orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, our production schedules or inventory levels may be adversely affected. Even in cases, where we have long-term framework agreements with customers, such agreements can be terminated by our customers with or without cause and with little or no form of compensation. There can be no assurance that upon expiry of the long-term framework agreements, our customers will re-enter into such agreements with us in a timely manner and at terms favourable to us or at all. Consequently, there is no commitment on the part of our major customer groups to continue to place new purchase orders with us and as a result, our cash flow and consequent revenue may fluctuate significantly from time to time. Further, we may not find any other customers for the surplus or excess capacity, in which case we may be forced to incur a loss.

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.***

We depend on our network of agents for, *inter alia*, business development in certain jurisdictions, cargo handling, transportation, warehousing and delivery at the destination and load port for export cargo and import cargo respectively. For this purpose, we enter into memoranda and agreements with such agents, and such arrangements are generally for a specific period and generally renewable pursuant to mutual consent. We cannot provide assurance that such arrangements as aforesaid will continue to be successful or be renewed after expiry of the stipulated term. Any alteration to or termination of our current agreements with agents, any failure to enter into new and similar agreements on commercially favourable terms or at all, could materially adversely affect our business, financial condition, prospects or results of operations. As of March 31, 2022, we have a network of more than 20 agents globally.

We have limited control over the operations and businesses of such agents in the event any such agents treat our competitors' more favourably than us. Our competitors may also provide greater incentives to our agents, consequent to which our agents may choose to act only on behalf of our competitors instead of us. Also, while in the past we have not faced any significant instances wherein there have been any deficiencies in the services provided by our agents, we cannot assure you that such deficiencies will not arise in the services provided by our agents. As a result, our operations may be disrupted and our financial condition and results of operations could be adversely affected. Additionally, our reliance on, and inability to control such agents, could adversely affect our business, financial condition and results of operations.

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.***

Our business and operations are subject to a number of approvals, licenses, registrations and permissions for construction of our production units and operating our businesses and such production units, in addition to extensive government regulations for protection of the environment and occupational health and safety, and those governing the generation, transportation and disposal of, environmental pollutants or hazardous materials resulting from our production units. We may have either delayed, or made, or are in the process of making an application or renewal for obtaining necessary approvals that are not in place or have expired. For details in relation approvals expired but not applied for, please see *"Government and Other Approvals - Material approvals required by our Company but not applied for"* on page 300. We may need to apply for additional approvals including the renewal of approvals which may expire from time to time, in the ordinary course of business.

We cannot assure you that the renewal or obtaining of certain of these approvals/ licences or the conditions suffixed to such approvals may be completed by us in a timely manner or at all, for us to not face or be subject to any adverse effect on our business plans and results of operations. In the event we fail to adhere to the conditionalities or obtain these approvals or renewals thereof, in a timely manner, or at all, we may be subjected to penalties, our business could be adversely affected and our production units may face an adverse effect resulting in a limitation to operate our production units at full capacity or at all. For example, in relation to our manufacturing unit at Changshu, China, penalties were imposed aggregating to ₹ 10.36 million (at a conversion rate of ₹ 11.97 per RMB as on March 31, 2022) in the past for violating certain provisions of environmental laws and work safety laws of China.

For details in relation to pending litigations involving the Company, in respect of safety, health, environment and labour laws or any other law applicable to our Company, see section titled "*Outstanding Litigations and Material Developments – Actions initiated by regulatory or statutory authorities*" on page 293 of this Prospectus.

Additionally, we are subject to the terms and conditions stipulated under the approvals or licenses held by us, including the obligation to renew the approval or license at regular intervals as prescribed. The details of material licenses and approvals that are due to expire in the following three years, which may have a material impact on our business operations in case of non-renewal of the same, are provided below:

License / Approval	Issuing Authority	Premises	Date of issuance/renewal/ Application for fresh approval	Date of expiry
PESO License	Petroleum and Explosives Safety Organisation (PESO)	Changodar Unit	December 14, 2021	December 31, 2024
No objection certificate issued by the Central Ground Water Authority for our manufacturing facilities	Central Ground water Authority	Changodar Unit	January 10, 2021	January 09, 2024
No objection certificate issued by the Central Ground Water Authority for our manufacturing facilities	Central Ground water Authority	Moraiya Unit	December 29, 2020	December 28, 2023
Consent to operate issued by the respective pollution control board under the Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974 and Environmental Clearances wherever applicable	GPCB	Moraiya Unit	March 31, 2018	January 23, 2023
Consent to operate issued by the respective pollution control board under the Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974 and Environmental Clearances wherever applicable	GPCB	Changodar Unit	December 28, 2017	September 9, 2023
Consent to operate issued by the respective pollution control board under the Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974 and Environmental Clearances wherever applicable	GPCB	Aastha Unit	February 02, 2019	February 24, 2023

License / Approval	Issuing Authority	Premises	Date of issuance/renewal/ Application for fresh approval	Date of expiry
Factory License	Director of Industrial Safety and Health	Changodar Unit	February 19, 2022	December 31, 2023
Factory License	Director of Industrial Safety and Health	Moraiya Unit	February 19, 2022	December 31, 2023
Authorisation 45/23.03.2020 issued for water management authorisation	River Olt Water Basin Administration	Romanian Unit	March 23, 2020	March 23, 2025

We have received demand notices from certain regulatory and statutory authorities in the past. For instance, we received a demand notice from the office of Superintendent of Stamps, Gujarat State, Gandhinagar vide its letter dated April 13, 2022, for payment of stamp duty of ₹ 9.19 million, further to the application for adjudication of stamp duty order pursuant to the Scheme of Amalgamation. As on date of this Prospectus, our Company has paid the stamp duty in full in accordance with the demand notice. Further, our subsidiary, Harsha Precision Bearing Components (China) Co. Ltd, received a notice dated June 4, 2022 from a regulatory authority in China, in relation to certain environment, health and safety related violations at its facility, imposing a penalty of ₹ 1.79 million (at a conversion rate of ₹ 11.97 per RMB as on March 31, 2022). As on date of this Prospectus, this penalty has been paid in full by the Company. Furthermore, our subsidiary, Harsha Precision Bearing Components (China) Co. Ltd, has also received a letter from a regulatory authority in China dated May 24, 2022, in relation to non-performance of certain contract provisions pursuant to a land transfer contract agreement entered into with the regulatory authority. Harsha Precision Bearing Components (China) Co. Ltd has submitted its reply to this letter on June 21, 2022. For further details in relation to this matter, please see *"Legal and Other Information - Litigation involving our Subsidiaries"* on page 296. If we fail to obtain or renew such approvals or comply with such laws and regulations, or the conditions of the licenses or approvals obtained by us, we could be subject to significant fines, penalties, costs, liabilities or restrictions on operations, which could negatively affect our financial condition. Any failure to comply with existing regulations, or any change in existing regulations, or introduction of any new regulations and compliance requirements, could subject us to penal actions including termination of our business and monetary fines and/or increase our compliance costs and in turn, adversely affect our business or results of operations. We also cannot assure you that the approvals, licenses, registrations or permits issued to us may not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

6. ***We have recently completed a corporate reorganisation, pursuant to which we may face administrative and operational difficulties.***

We have recently completed a corporate reorganisation in order to consolidate the Harsha Group's India engineering & solar EPC business. Pursuant to the composite scheme of amalgamation and arrangement between Aastha Tools Private Limited (ATPL), Harsha Engineers (India) Private Limited (HEIPL), Harsha Engineers Limited (HEL), Helianthus Solar Power Private Limited (HSPPL) and our Company and their respective shareholders and creditors under section 230 to 232 read with sections 61 and 66 along with other applicable provisions of the Companies Act, 2013 (the "**Scheme**" or "**Business Reorganisation Scheme**"). ATPL and HEIPL were merged into HEL with effect from the appointed date, April 1, 2020, and immediately thereafter, HEL and HSPPL ("**Amalgamating Companies**") were merged into our Company pursuant to the Scheme with effect from the appointed date, April 01, 2020. The Scheme was sanctioned by the Ahmedabad bench of the National Company Law Tribunal through its order dated December 23, 2021 and all the businesses, undertakings, activities, properties, investments and liabilities of each of the Amalgamating Companies were transferred to and vested in our Company as per the Scheme with effect from April 1, 2020, being the appointed date.

Pursuant to the Scheme, (i) the wholly owned Indian Subsidiaries of Harsha Engineering Limited ("**HEL**") i.e., Aastha Tools Private Limited ("**ATPL**") and Harsha Engineers (India) Private Limited ("**HEIPL**") has merged into HEL; and (ii) the merged entity, HEL, and the wholly owned Indian Subsidiary of our Company, i.e., Helianthus Solar Power Private Limited. ("**HSPPL**") has further merged into our Company.

Pursuant to the Scheme, the wholly owned overseas Subsidiaries of HEL, i.e., Harsha Precision Bearing Components (China) Co. Ltd and Harsha Engineers B.V., and the step-down Subsidiary, Harsha Engineers Europe SRL have become wholly owned Subsidiaries and step-down Subsidiary, respectively, of our Company. The overseas subsidiary and joint venture of our Company i.e., (i) HASPL Americas Corporation; and (ii) Clenmax Harsha Solar LLP, continues to be subsidiary and joint venture, respectively, of our Company. As on date (i) Harsha Precision Bearing Components (China) Co. Ltd; (ii) Harsha Engineers B.V.; (iii) Harsha Engineers Europe SRL; and (iv) HASPL Americas Corporation; are the subsidiaries of our Company. Clenmax Harsha Solar LLP and Sunstream Green Energy

One Private Limited (formerly known as Eirene Naval Systems Private Limited) are Joint Venture and Associate of our Company, respectively. For further details, see "*History and Other Corporate Matters – Material Acquisitions and Divestments*" on page 169.

As part of the Scheme, we are required to undertake various procedural actions. Certain pending actions include (i) change of name or transfer of ownership in relation to all the approvals to the name of Harsha Engineers International Limited; (ii) change of name in relation to the trademark registrations; (iii) name change and change in ownership interest in foreign subsideries, including intimations to RBI in relation to unique identification number for overseas transcations. While we have made applications for the relevant name change or transfer in respect of material approvals with the concerned regulatory authority in accordance with applicable law, we cannot assure that the procedure will be completed in a timely manner and within the stipulated time period. Any such delay or failure in obtaining the relevant approvals in the name of Harsha Engineers International Limited may have an adverse impact on our business operations. For further details see "*Government Approvals*" on page 299.

Although there was no change of control after the Scheme, our ability to realize the anticipated benefits of the Scheme will still depend, to a large extent, on our ability to integrate our businesses. The overall integration of the businesses may result in unanticipated difficulties, expenses, liabilities and refinancing risks and may disrupt our business.

7. ***We are exposed to foreign currency exchange rate fluctuations, which may adversely affect our results of operations and cause our quarterly results to fluctuate significantly.***

We face foreign exchange rate risk to the extent that our revenue, expenses, assets or liabilities are denominated in a currency other than the Indian Rupee. We report our consolidated results of operations in Indian Rupees, while our Subsidiaries report their financial results in their respective local currencies. Our overall operations of our foreign subsidiaries are in foreign currency and a portion of our equipment purchases, a portion of our travelling, commission and spares purchases, a portion of our material costs, a portion of our interest cost and third party warehouse expenses are denominated in foreign currencies, while a significant portion of our revenue is also denominated in foreign currencies. For Fiscals 2022, 2021 and 2020, 63.02%, 65.30% and 62.68% of our revenue from operations and 33.15%, 36.16%, and 34.65% of our total expenses, as per our Restated Consolidated Financial Statements, were denominated in foreign currencies, respectively. Based on our geographical presence and business operations worldwide, we primarily deal in USD, Euro, RMB, JPY and RON. Our foreign currency exposures, exchange rate fluctuations between the Indian Rupee and foreign currencies, especially the USD, Euro, RMB, JPY and RON, may have a material impact on our results of operations, cash flows and financial condition.

We may suffer losses on account of foreign currency fluctuations for sale of our products to our international customers, since we may be able to revise the prices, for foreign currency fluctuations, only on a periodic basis and may not be able to pass on all losses on account of foreign currency fluctuations to our customers. While we seek to partly hedge our foreign currency risk by entering into forward exchange contracts and premium paid long term options contracts, any steps undertaken to hedge the risks on account of fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations. Our net foreign exchange gain/(loss) for Fiscals 2022, 2021 and 2020, as per our Restated Consolidated Financial Statements was ₹ 150.65 million, ₹ (1.52) million, and ₹ 85.84 million, respectively and constituted 1.14%, (0.02)% and 0.97% of our total revenue from operations Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. We cannot guarantee that we will not experience losses, on account of fluctuations in currencies going forward, and such losses may have an adverse effect on our business, results of operations and financial condition.

8. ***Our financing agreements impose certain restrictions on our operations, and our failure to comply with operational and financial covenants may adversely affect our reputation, business and financial condition.***

Certain of our financing arrangements impose restrictions on the utilization of the loan for certain specified purposes only, such as for the purposes of meeting specific capital expenditure, infrastructure repairs and renovation of existing production units including office premises in India, working capital use and related activities. We are required to obtain prior consent from some of our lenders for, among other matters, amending our memorandum of association or articles of association, our capital structure, changing the composition of our management, Board of Directors, key managerial personnel or operating structure, effecting any change in the beneficial ownership or management control of our Company, undertaking merger or amalgamation, changing our constitution, issuance of Equity Shares, making certain kinds of investments, declaring dividends, making certain payments (including payment of dividends, redemption of shares, prepayment of indebtedness, payment of interest on unsecured loans and investments), undertaking any new project or further capital expenditure or implementing any scheme of expansion or diversification, investing, lending, extending advances, undertaking any kind of guarantee obligation on behalf of any third party or placing deposits with any other concern, entering into borrowing arrangements with any other bank, financial institution or company, creating any charges, lien or encumbrances over its assets or undertaking or any part thereof in favour of any third party, selling, assigning, mortgaging or disposing off any fixed assets charged to a lender, effecting any change in the nature of our business activities or in the nature or scope of our projects or any change in the financing plan, creation of security interest in secured properties and raising further indebtedness. Further, for the purpose of the Offer, our

Company has obtained the necessary consents from its lenders, as required under the relevant facility documentations for undertaking activities relating to the Offer including consequent actions, such as changes / amendments to, including but not limited to, the constitutional documents (memorandum of association and/or articles of association) of our Company, the composition of its management set-up, the shareholding pattern, repayment/pre-payment of loans, etc. For further details, see "*Financial Indebtedness*" beginning on page 261.

Under certain of our existing financing arrangements, the lenders have the right to withdraw their facilities in the event of any change in circumstances, including, any material change in the ownership or shareholding pattern of our Company. Such financing agreements also require us to maintain certain financial ratios. Certain of our loans can also be recalled by lenders at any time. If the lenders exercise their right to recall a loan, it could have an adverse effect on our reputation, business and financial position.

If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations or our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets, our financial condition at such time and the terms of our other outstanding debt instruments. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness or credit rating, which could harm our ability to incur additional indebtedness on acceptable terms. Additionally, our cost of borrowing may increase when there is a change in LIBOR rates and a resultant increase in interest rates for our existing loans. Additionally, pursuant to the Offer, our Company proposes to utilise a part of the Net Proceeds to carry out scheduled repayment or pre-payment of its existing indebtedness and in the event our Company pre-pays certain loans, it may be required to bear additional interest or additional bank fees in the form of prepayment charges or penalty, for further details, see "*Objects of the Offer*" beginning on page 91.

There have been instances in the past of breach of covenants under certain of our financing agreements. For instance, in Fiscal 2020 and Fiscal 2019, our Company had breached certain financial covenants contained under certain of our financing agreements (tested for audited annual accounts, on a standalone basis, for the relevant period for the Solar EPC business), on account of our Company's failure to maintain positive profit after tax margins, failure to maintain the total outstanding liabilities to tangible net worth ratio, total debt to tangible net worth ratio, EBITDA margins, EBITDA to net interest ratio, as prescribed under the said financing agreements. However, as on the date, we have not received any notice from lenders invoking default provisions under the financing agreements. We have also received confirmation from the lenders that the accounts maintained by us with them have been regular and that there is no current default on part of the Company under the financing agreements. Further, any breach under our financing agreements could result in acceleration of our loan repayments or trigger a cross-default under our other financing agreements. In some of our financing agreements, the lender may, at its discretion, terminate or cancel the facility with immediate effect if we default under any other material agreements with any other financing institution, adversely affecting our business and financial condition. For further details, see "*Financial Indebtedness*" beginning on page 261.

In some of our financing agreements, the lender may, at its discretion, terminate or cancel the facility with immediate effect if we default under any other material agreements with any other financing institution, adversely affecting our business and financial condition. For further details, see "*Financial Indebtedness*" beginning on page 261.

9. ***Our inability to successfully diversify our product offerings of our engineering business may adversely affect our growth and negatively impact our profitability.***

During Fiscals 2022, 2021 and 2020 according to our Restated Consolidated Financial Statements, 93.72%, 93.80%, and 92.75%, of our revenue from operations is contributed from our engineering business, respectively. Presently, we are the largest manufacturer of precision bearing cages in organized sector in India in terms of revenue and amongst the leading manufacturers of precision bearing cages in the world, with a market share of 6.5% in the global organized bearing brass, steel and polyamide bearing cages market in CY 2021. *(Source: CARE Advisory Report)* Our Company has around 50-60% of the market share in the Indian bearing cages market in the organized segment. *(Source: CARE Advisory Report)* We manufacture bearing cages in brass, steel and polyamide materials with sizes of upto 2,000 mm in diameter for automotive and industrial applications, we also manufacture complex and specialised precision stamped components, brass castings, and bronze castings and bushings under our engineering business. We intend to diversify and expand our business operations in accordance with the evolving needs of our customers and the industry in which we operate. We cannot assure you that the transition of our production units and resources to fulfil production under new product programs will not impact production rates or other operational efficiency measures at our units. Further, we cannot assure you that we will succeed in effectively implementing the new technology required in manufacturing new products or that we will be able to recover our investments. Any failure in the development or implementation of our operations is likely to adversely affect our business, results of operations and cash flows.

Venturing into a new product line may require methods of operations and marketing and financial strategies, different from those currently employed in our Company. We cannot assure you that we will be able to successfully develop our new product lines. Further, we will be subject to the risks generally associated with new product introductions and applications, including unproven know-how, unreliable technology, inexperienced staff, and delays in product development and possible defects in products.

10. ***We depend on third parties for the supply of raw material and delivery of products. A disruption in the supply of raw materials or failure of our suppliers to meet their obligations could impact our production and increase our costs.***

We are dependent on third party suppliers for the raw materials used in the manufacture of our products. We purchase most of the raw materials used in our manufacturing process from a limited number of third-party suppliers. Our top five raw material suppliers for Fiscal 2022 together contributed to 43.93% of our total raw material consumption (as adjusted for changes in inventories of finished goods and work in progress) during such period. There is no assurance that if we experience a disruption of supplies, we will be able to source such commodities from alternative suppliers on similar commercial terms and within a reasonable timeframe.

We select suppliers based on total value (including total landed price, quality and delivery), taking into consideration their production capacities and financial condition and expect that they will deliver in accordance with our quality standards and comply with their contractual obligations with us. However, there can be no assurance that capacity limitations, industry shortages, labour or social unrest, weather emergencies, commercial disputes, government actions, riots, wars, pandemic, sabotage, cyberattacks, non-conforming parts, acts of terrorism, “Acts of God”, financial or operational instability of suppliers, or other problems that our suppliers experience will not result in occasional shortages or delays in their supply of raw materials to us. We are dependent upon the ability of our suppliers to meet performance and quality specifications and delivery schedules. The inability of a supplier to meet these requirements, the loss of a significant supplier, or any labour issues or work stoppages at a significant supplier could disrupt the supply of raw materials to our units, preventing our Company from delivering to its customers, or cause returns of products under warranty or product recalls. This would have a material adverse impact on our customer relations, reputation and business and also generate additional costs for our Company such as increased transportation costs and costs related to finding alternative suppliers within constrained timelines which could adversely impact our financial condition.

If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers and could not procure the raw materials from other sources, we would be unable to meet the production schedules for some of our products and could miss customer delivery expectations and future business from these customers. We cannot assure you that our suppliers will continue to supply the required raw materials to us or supply such raw materials at prices favorable to us. Any change in the supplying pattern of our raw materials can adversely affect our business, financial conditions and results of operations.

For instance, in Fiscal 2020-2021, due to the guidelines imposed by government authorities on account of the COVID-19 pandemic, the plants of certain of our suppliers could not operate at optimal capacity, for a period of six to eight months, on account of which the delivery lead time increased by 4 to 12 days for steel and 14 weeks to 18 weeks for polyamide. Whilst there was no disruption in our production line on account of the aforesaid, there was delay in delivery in the supply of raw materials.

Further, there was shortfall in the availability of oxygen during the months of May 2021 to July 2021, owing to the COVID-19 pandemic, on account of which delivery was disrupted; and we had to make alternate arrangements including use of nitrogen cutting and waterjet cutting to address the shortfall.

Further, on account of the COVID-19 pandemic, certain of our suppliers supplying polyamide to us, issued force majeure notices. As a result of which, the delivery of polyamide material was disrupted. Consequently, we had to air lift certain material to manage our delivery obligations and avoid further disruption in supply, which led to us incurring air shipment costs at the rate of ₹ 500 per kg.

We cannot assure you that such delays or disruption in the supply of raw materials or failure of our suppliers to meet their obligations will not occur in the future or that we will be able to adequately address such delays, disruptions and non-availability of supply of raw materials adequately and in a timely manner, which in turn could impact our production and increase our costs.

We also use third parties for the deliveries of finished and unfinished products from our manufacturing units and warehouses to our domestic and overseas customers as well as between production units. Transportation strikes and other supply chain disturbances (including container non-availability etc.) have in the past and could in the future have an adverse effect on our supplies and deliveries to and from particular plants on a timely and cost-efficient basis. An increase in freight costs or the unavailability of adequate port and shipping infrastructure for transportation of our products to our markets may have an adverse effect on our business and results of operations. Further, we are also exposed to risks associated with various modes of transportation. While delivery of components to customers within India is generally shipped by road or rail, the majority of our export shipments to China, USA and Europe are by sea and subject to risks, including damage or loss of containers due to shipwreck, mishandling of our shipment at port or at sea, damage during transportation, loading and unloading, damage due to accidental fires and bad weather conditions, theft at sea, delay in customs clearance and other factors beyond our control. The occurrence of all or any of the above factors will result in delays in deliveries to our customers which could further cause a shutdown in our customer's production processes exposes us to damage and penalties, adversely affect our reputation, cause a loss of business and adversely impact our results of operations. While we have obtained insurance to cover such risks, which is in line with industry practice, our insurance policies may not be adequate to cover fully all potential risks related to delivery and transportation of our products. Further, there is no assurance that the amount of our insurance coverage will be sufficient to satisfy any damages arising from the occurrence of all or any of the above risks. See "*Risk Factors – Our insurance coverage could prove inadequate to cover our losses. If we were to incur a serious uninsured loss or a loss that significantly exceed the limits of our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition*" on page 50.

11. *Our Company and certain of our Subsidiaries have unsecured loans that may be recalled by the lenders at any time.*

Our Company and certain of our Subsidiaries, have currently availed unsecured loans which may be recalled by the lenders at any time. In such cases, the lender is empowered to require repayment of the facility at any point in time during the tenor. In case the loan is recalled on demand by the lender and our Company or the relevant Subsidiary is unable to repay the outstanding amounts under the facility at that point, it would constitute an event of default under the respective loan agreements. As a result, of any such demand with respect to the loans of our Company and our Subsidiaries may affect our business, cash flows, financial condition and results of operations. As on March 31, 2022, we had unsecured loans amounting to ₹ 735.36 million, which constituted 19.11% of the total borrowings (excluding non-fund based utilisation). For further details, see "*Financial Indebtedness*", beginning on page 261.

12. *We have certain contingent liabilities and capital commitments, which, if they materialize, may adversely affect our financial condition.*

As of March 31, 2022, our Restated Consolidated Financial Statements disclosed and reflected the following contingent liabilities and capital commitments:

Sr. No.	Particulars	Amount* (in ₹ million)
Contingent liabilities not provided for		
1.	Letter of Credit/Corporate Guarantee/Stand By Letter of Credit (SBLC) & Bank Guarantee (Outstanding)	357.45
2.	Custom duty benefits towards duty free imports under EPCG license scheme in respect of which export obligation are yet to be discharged	14.29
3.	Claims against the company not acknowledged as debts:	
(a)	Income Tax Matters	237.93
(b)	Excise, Service Tax and GST Matters	10.56
4.	Other Matters including claims related to Customer, Vendor, ESIC, Electricity, Ex-Employee and others#	168.99
Capital commitments		
5.	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	116.05

* *net of advances, if any*

\# *It includes ₹150.00 million of the City Civil Court, Bengaluru case filed by Orchestrate Systems Pvt .Ltd. (OSPL) against the Company. This matter was filed by OSPL after the winding up petition was filed by the Company against OSPL at Karnataka High Court. Later the Company had withdrawn the winding up petition at Karnataka High court against OSPL, with permission of court to pursue the matter under MSMED Act. Thereafter, the Company had filed MSME case against OSPL for recovery of ₹68.60 millions and on conciliation fail at MSMEFC the matter was refer to Arbitration. After completion of arbitration, arbitrator has passed necessary order in favour of the Company for recovery of ₹68.60 millions plus interest as per the said order dated May 4, 2019. The company has filed execution petition at commercial court Raipur for above arbitration order as assets of OSPL are located in Chhattisgarh. The same matter is pending with commercial court, Raipur. OSPL has challenged this arbitration at Gujarat High court and the same matter is also pending with Gujarat High court. Against, civil court case at Bengaluru by OSPL, Counter Claim Revival Application has been submitted by the Company. Hearing on revival application is in process.*

Any or all of these contingent liabilities may become actual liabilities. If at any time we are compelled to pay all or a material proportion of these contingent liabilities, it could have an adverse effect on our results of operations, financial condition and cash flows. For details, see "*Financial Information*" beginning on page 204.

13. ***There are outstanding litigations involving our Company and our Directors. Any adverse outcome in any of these proceedings may adversely affect our reputation, results of operations and financial condition.***

Our Company, and our Directors are involved in certain outstanding legal proceedings, which are pending at different levels of adjudication at different fora. Brief details of such outstanding litigation are as follows:

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
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.*

For further details, see "*Outstanding Litigation and Material Developments*" on page 293.

We cannot assure you that these legal proceedings will be decided in favour of our Company, Subsidiaries, our Promoters, our Directors and our Group Companies, as the case may be, or that no further liability will arise out of these proceedings. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new proceedings are initiated or new developments arise, such as change in law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. Further, such legal proceedings could divert management time and attention and consume financial resources. Any adverse outcome in any of these proceedings may have an adverse effect on our results of operations and financial condition. Further, any adverse outcomes in legal proceedings against our Promoters could require them to raise additional resources including through liquidation of their stake in our Company and may have an adverse impact on the goodwill enjoyed by our Company.

14. ***Availability and cost of raw materials for our engineering business could adversely affect our business, financial condition, results of operations and prospects.***

Our operations are impacted by the availability and cost of raw materials utilised in our production process. While we purchase our raw materials primarily through spot contracts in the domestic and international markets, any change in cost and availability of such raw materials for any reason, including change in the approved suppliers, change in law or applicable governmental policies relating to imports, would adversely affect our business, financial condition, results of operations and prospects.

Our raw material suppliers may fail to deliver products of acceptable quality and within stipulated schedules. We may be required to replace a supplier if the products provided or supplied, do not meet our quality or performance standards. Further, increase in competition may lead to our competitors establishing exclusive arrangements with our suppliers due to which we may be unable to secure an adequate supply of raw materials or which may increase our overall cost of raw materials, which we may not be able to determine from our customers.

While we are not significantly dependent on any single raw material supplier, raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, economic and political conditions, transportation and labour costs, labour unrest, natural disasters, import duties, tariffs and currency exchange rates. This volatility in commodity prices can significantly affect our raw material costs. Further, any volatility in fuel prices can also affect commodity prices worldwide, which in turn may significantly increase our raw material costs.

15. ***Our operational flexibility may be limited in certain respects on account of our obligations under certain of our major customer agreements for our engineering business.***

Our pricing terms, products and payment cycles and permitted adjustments are generally set out in advance in arrangements with our customers or purchase orders and our customers are generally permitted a high level of discretion under the terms of such agreements. Due to stipulated delivery schedules at pre-agreed prices, as part of such arrangements and purchase orders, we may, in certain events, incur additional costs that we are unable to pass through to our customers or be required to write off certain expenses. The material expenses written off, on account of raw material inventory consumption for Fiscal 2022 amounted to ₹ 0.65 million which constitutes 0.01% of our total expenses. Further, there were no such expenses written off in Fiscals 2021 and 2020.

Our customers reserve the right at any time to direct changes, or cause us to make changes, to drawings and specifications of the goods or to otherwise change the scope of the work covered by arrangements with our customers. Price and time for performance resulting from such changes are equitably adjusted by our customers based on supply of documentation in such form and detail as required by them. Consequently, we are exposed to the risk that our submissions or requests as to price adjustments or delivery schedules or otherwise may not be agreed to by our customers or our customers may not accede to provide consents sought by us. Any such significant operational constraint may adversely affect our business, financial condition, results of operations and cash flows. We are also bound by confidentiality obligations under non-disclosure agreements with our customers to protect their intellectual property, including in relation to technical data such as product designs and specifications that may have been shared with us by our customers. While we have internal controls in place to ensure that there is no breach of confidentiality obligations and believe that there have not been any breaches of any such confidentiality obligations in the past, an inadvertent breach or any misuse of intellectual property or proprietary data in the future by any of our employees or sub-contractors may expose us to onerous infringement claims and may diminish our goodwill and reputation among our customers, suppliers, lenders, investors and the public, making it difficult for us to operate our business and compete effectively.

16. ***Geographical concentration of our production units may restrict our operations and adversely affect our business and financial condition.***

We substantially operate our engineering business, including our manufacturing processes, out of and around principal production units that are located at Changodar and Moraiya near Ahmedabad in Gujarat in India. We have further expanded our manufacturing process by establishing a production unit at Changshu in China and acquiring production units at Suzhou in China (currently part of the unit at Changshu in China) and Ghimbav Brasov in Romania. For further details in relation to the acquisition of our units in China and Romania, please refer to the section titled "*Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last 10 years*" on page 169 of this Prospectus. For further details about the installed capacity, see "*Our Business - Strategically located domestic and international production facilities and warehouses"* on page 142 of this Prospectus.

If our existing units at Ahmedabad, China and Romania are harmed or rendered inoperable by factors such as increased competition as more players enter into these geographies, general economic conditions, laws and regulations, both Indian and international, and other natural or man-made disasters, including earthquakes, fire, floods, acts of terrorism, pandemic and power outages, it may render it difficult or impossible for us to efficiently operate our business for some time, or require us to shut major part of our operations, which may adversely affect our business, financial condition, result of operations and cash flows. For instance, on February 17, 2017, one of our primary production units in India, being our facility at Changodar, faced a fire due to electrical short-circuit in such production facility and losses due to water inundation on August 10, 2019. We had to in the past shutdown our operations in China due to a drop in the air quality index. Further, pursuant to the lockdown as a result of COVID 19, our manufacturing plants located at Changodar and Moraiya in India remained closed from March 25, 2020 to end of May 2020, our manufacturing plant located at Changshu in China remained closed from January 24, 2020 to February 6, 2020 (this includes closure on account of new year in China). Further, our Indian, China and Romanian plants had to be operated at reduced capacity due to the applicable social distancing norms. Further, our manufacturing unit at China also faced a power outage resulting in closure of the unit or being operated at reduced capacity depending on the power availability. We cannot assure you that any such future *force majeure* instances will not have a material adverse effect on our business, financial condition, results of operation. Further, as part of certain of our customer arrangements, in the event of any *force majeure* instance, we are obligated to re-locate our production line in so far as it extends to the products being manufactured pursuant to such customer arrangement, such re-location may adversely affect our business and financial condition.

17. ***Industry information included in this Prospectus has been derived from the CARE Advisory Report commissioned and paid for by us for such purpose. The CARE Advisory Report is not exhaustive and is based on certain assumptions and parameters/ conditions.***

We have used the report titled "*Industry Research Report on Bearings, Bearings Cages & Stampings Market*" dated August, 2022 by CARE Advisory Limited, for purposes of inclusion of such information in this Prospectus, and exclusively commissioned by our Company for purposes of inclusion of such information in the Offer documents at an agreed fee to be paid by our Company. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. Given the scope and extent of the CARE Advisory Report, disclosures are limited to certain excerpts and the CARE Advisory Report has not been reproduced in its entirety in this Prospectus. The report is a paid report and is subject to various limitations and based upon certain assumptions that are subjective in nature. In addition, statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Prospectus. Also see, "*Certain Conventions, Currency of Presentation, Use of Financial Information and Market Data*" on page 15.

18. ***We are subject to strict quality requirements, customer inspections and audits, and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our reputation, our business, cashflow and results of operations and future prospects.***

We specialize in manufacturing bearing cages in brass, steel and polyamide materials with sizes of upto 2,000 mm in diameter for automotive and industrial applications. We also manufacture complex and specialised precision stamped components, welded assemblies, brass castings and bronze castings and bushes. Our products find their application in automotive, railways, renewable energy and other industrial sectors. Further, we have been involved by our customers in the product development process to develop products based on technical specifications and designs stipulated by our customers. Given the nature of our products, services and the sector in which we operate, our customers have high standards for product quality and delivery schedules. Adherence to quality standards is a critical factor as a defect in bearing cages, specialised precision stamped components and other products manufactured by our Company or failure to comply with the design specifications of our customers may, in turn, lead to the manufacture of faulty products by our major customer groups. This may lead to cancellation of supply orders or non-renewal of agreements by our customers and at certain instances may impose additional costs in the form of quality defect claims, product liability and/or product recall. We have, in the past, received certain quality complaints/ product damage claims from our customers in the ordinary course of business which are likely to result in recall claims. Recently, on July 1, 2022, we received a letter from one of our customer in relation to certain quality complaints on account of cage breakage. We have provided our response to the customer on July 21, 2022. While we are working together with the customer establish the root cause of the quality complaints, we may incur financial losses, including, amongst others, in the form product liability and product recall. The use of our components, often under extreme conditions, carries an inherent risk of product liability claims arising from personal injury, death or property damage due to equipment failure, work accidents, fire or explosion, if our components are defective or are used incorrectly by our customers (or by their customers or other end-users). Further, any failure to make timely deliveries of products as per our customers' or other end users requirements could result in cancellation or non-renewal of purchase orders and at certain instances may also result in bearing additional financial exposure.

While we have put in place quality control procedures, we cannot assure you that our products will always be able to satisfy our customers' quality standards. Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the design, engineering or specifications of the components. Any such failure to identify defects could require us to undertake service actions or component recalls. Any defect in our Company's components could also result in customer claims for damages. Any negative publicity regarding our Company, or our products in this regard could adversely affect our reputation, our operations and our results from operations.

Prior to entering into framework agreements, certain of our major customer groups undertake a detailed review process, which involves inspection of our production units, review of our manufacturing processes, raw materials, our financial capabilities, technical review of the designs and specification of the proposed product and inspection and review of prototypes of the product. This extensive review process is generally periodic in nature and firm orders are placed only after the review process. The finished product delivered by us is further subject to validation by our customers upon delivery at their units. We are therefore subject to a stringent quality control mechanism at each stage of the manufacturing process and are required to maintain the quality and precision level for each product.

In the event, any of our products do not adhere to our major customer groups specifications, we will be required to replace the product at our cost and bear any loss due to assembly line stoppage at our customers' production units. Costs of assembly line stoppage are significant and should we be required to bear such cost; our financial conditions would be adversely affected. Further, to ensure minimal defects, we may be required to incur significant expenses to maintain our quality assurance systems, which may affect our financial condition. . We are required to obtain certain certifications from accredited certification bodies for our production units. The details regarding quality certifications for our production units, from independent organizations are set forth below:

Quality Certificate	Date of initial issue of certificate	Approving Authority	Premises	Valid until (Renewal details, if any)
ISO 9001:2008 (2015)	March 24, 2004	Bureau Veritas	Moraiya Unit	July 05, 2024

Quality Certificate	Date of initial issue of certificate	Approving Authority	Premises	Valid until (Renewal details, if any)
ISO 14001:2015	June 10, 2008	Bureau Veritas	Changodar Unit and Moraiya Unit	June 09, 2023
ISO 9001:2015	May 18, 2013	Bureau Veritas	Romania Unit	May 17, 2023
ISO 14001:2015	May 18, 2013	Bureau Veritas	Romania Plant	May 17, 2023
ISO 9001:2008 (2015)	February 05, 2015	Bureau Veritas	Changodar Unit	July 05, 2024
IATF 16949	April 27, 2015	Bureau Veritas	China Unit	March 2, 2023
ISO 45001:2008	September 06, 2017	Bureau Veritas	Romania Unit	September 05, 2023
IATF 16949	February 01, 2018	Bureau Veritas	Changodar Unit	July 05, 2024
IATF 16949	February 02, 2018	Bureau Veritas	Moraiya Unit	July 05, 2024
ISO 9001:2015	May 28, 2018	Bureau Veritas	China Unit	March 4, 2023

In certain cases, where our customers provide a warranty to their end users and incur warranty costs for non-conformity of their products to agreed specifications or standards, our supply arrangements with our customers typically allow us to review warranty claims in order to determine if the failure was caused by a manufacturing defect in our components. If it is determined that the failure was on account of a manufacturing defect in our components, we may be required to promptly correct or replace or recall those defective components at our own expense, failing which we may be required to reimburse our customers at part acquisition cost, with additives to cover administrative, labour, material and other such costs.

Further, our customers generally have the right to inspect and audit our units, processes and products after reasonable notice to ensure that our services are meeting their internal standards. Most of our customers routinely inspect and audit our units. If we fail to perform our services in accordance with best practices stipulated by our customers and/or our customers are dissatisfied with the quality of our units in any manner, our reputation could be harmed and our customers may terminate/modify their contractual arrangements and/ or refuse to renew their contractual arrangements or purchase orders. This may have an adverse impact on our business, financial condition, results of operations and future prospects.

19. ***Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at any of our production units may adversely affect our production schedules, costs, revenue and ability to meet customer demand.***

Our business involves manufacturing processes that can be potentially dangerous to our employees. We have faced past instances of accidents suffered by our employees in our production units, while discharging their duties. An accident may result in injuries, loss of life, destruction of property or equipment, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. In the past three Fiscals, except for one instance of loss of life of our employee at our solar site, there have been no major accidents suffered to our employees at our production sites. As of March 31, 2022, our Company has obtained insurance coverage for indemnifying its employees for unforeseen events, including: (i) group accidents' coverage for our employees based in India; and (ii) employer's liability insurance coverage for our employees based in China. The workman compensation insurance policy taken for employees in India provides protection against loss of life as per the provisions of Workmen's Compensation Act, 1923 and its subsequent amendments. Such indemnification is generally dependent upon various factors, including, salary/wage of employee, designation of the employee and residual service of the employee. We have also availed group personal accident policy, term life insurance policy, mediclaim etc. for our employees. Our Company has also obtained insurance coverage for plant, property and equipment (excluding land and leased assets) which cumulatively amounted to ₹ 9,940.03 million, as of March 31, 2022. As on March 31, 2022, our insurance coverage as a percentage of plant, property and equipment (excluding land and leased assets) is 142.85%.

While we maintain adequate insurance, interruptions in production as a result of an accident may also increase our costs and reduce our revenue and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we or our senior management may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations and future prospects. Any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations and future prospects.

20. ***We are exposed to certain operational risks including loss or write off of inventory, credit risk and delay or non-realisation of receivables in a timely manner or at all. Any such loss or write-off of inventory or any failure to***

realise payments from customers in a timely manner may adversely affect our business, prospects and results of operations.

Due to the nature of our operations, we are exposed to inherent risks such as loss or write off of inventory due to various reasons including the product becoming obsolete, rusting of products, discontinuation of the products by the customer, cancellation of orders and non-usage of the products. Further, we are subject to counterparty credit risk and a significant delay in receiving large payments or non-receipt of large payments may adversely impact our results of operations. Further, macroeconomic conditions, such as the COVID-19 pandemic has resulted in financial difficulties for our customers, for further details, see "*Risk Factor - 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*" on page 28. Moreover, macroeconomic conditions such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. For instance, certain receivables from our customers and advance payments made to certain of our vendors amounting to ₹ (2.46) million, ₹1.16 million and ₹0.58 million, as net balance, for Fiscals 2022, 2021 and 2020, respectively, have been written back or written off, as applicable, on account of failure of such customers and vendors to meet their respective obligations during the respective Fiscals. If our customers delay or default in making these payments, our profits margins and cash flows could be adversely affected.

21. ***Information relating to our installed capacities and the historical capacity utilization of our manufacturing units included in this Prospectus is based on various assumptions and estimates and future production and capacity utilization may vary.***

Information relating to our installed capacities and the historical capacity utilization of our manufacturing units included in this Prospectus is based on various assumptions and estimates. While we have obtained a certificate dated August 29, 2022 from Vitthal & Associates, actual utilization rates may differ significantly from the estimated installed capacities or historical estimated capacity utilization information of our units. Undue reliance should therefore not be placed on our installed capacity or historical estimated capacity utilization information for our existing manufacturing units included in this Prospectus. For further details about the installed capacity, see "*Our Business - Strategically located domestic and international production facilities and warehouses*" on page 142 of this Prospectus.

22. ***Our solar EPC operations expose us to certain risks including construction cost price fluctuation, equipment defects etc.***

We undertake EPC-related services in relation to the solar photovoltaic based energy requirements of our clients, which exposes us to certain risks. For example, we are exposed to adverse price fluctuations for the equipment and materials we use for constructing solar power projects. As a result, we are exposed to construction cost risks that could be caused by various factors, including:

- changes in economic conditions;
- increases in the price and availability of labor, equipment and materials;
- inaccuracies of drawings and technical information;
- delays in the delivery of equipment and materials to project sites;
- unanticipated increases in equipment costs;
- delays caused by local and seasonal weather conditions; and
- any other unforeseen design and engineering issues, or physical, site and geological conditions, that may result in delays.

The additional costs incurred by our Company (primarily on account of delay in execution of our Solar EPC business orders) for Fiscal 2022, Fiscal 2021 and Fiscal 2020 amounted to ₹ 6.11 million, ₹ 3.72 million and ₹ 22.81 million, respectively.

Additionally, we will be primarily responsible for all equipment defects and construction defects, potentially adding to the cost of construction of our solar power projects, cost of late delivery penalty or charges. Although we generally obtain warranties from our equipment suppliers, we are responsible for initiating claims against equipment suppliers during the warranty period which will also impact the cost of the project and divert personnel attention on the construction of the project. We cannot assure you that we will be successful with such claims against our suppliers or that these claims will be resolved in a timely manner, or at all.

23. ***We are subject to various risks associated with transportation and we may face claims relating to loss or damage to cargo, personal injury claims or other operating risks.***

We are subject to various risks associated with transportation and we may face claims relating to loss or damage to cargo, personal injury claims or other operating risks. Whilst we have undertaken adequate measures to minimize operational risks associated with our business, we remain subject to various risks inherently present in our business operations, including potential liability to our customers which could result from, among other circumstances, theft, damage or loss of materials pursuant to the logistics we arrange for. For instance, in the past we have faced monetary loss due to mishandling of our products during transit and at certain instances due to accidents of the transport vehicles carrying our products or fixed assets, whilst such loss is not material to our operations, we may, in future suffer similar losses, requiring us to compensate our customers in the event of any damage or loss of goods even though we may have secured insurance coverage for the goods transported by us. As of March 31, 2022, we had an outstanding claim of ₹ 0.35 million, under the marine insurance policy, in relation to losses caused as a result of improper handling during transit, pallet and goods damage and loading and unloading damages to goods.

24. ***Any disruption in labour industry or strikes by our workforce may affect the production capability of our Company.***

Our manufacturing activities are labour intensive and expose us to the risk of various labour related issues. Whilst we have not faced any strike by our workforce, we cannot assure you that we will not be subject to work stoppages, strikes, lockouts or other types of conflicts with our employees or contract workers in the future. Any such event, at our current units or at any new units that we may commission or acquire in the future, may adversely affect our ability to operate our business and serve our customers and impair our market reputation, which may adversely impact our business and financial condition.

25. ***The performance of our solar power projects is affected by varying factors beyond our control.***

To estimate the performance of our solar power projects, we rely on a group of metrics, including the Global Horizontal Irradiation ("**GHI**") (which is the total amount of shortwave radiation received from above by a surface horizontal to the ground) and soiling losses which may vary during a period due to changes in solar irradiation, temperature, cloud cover, dust levels and the bell curve of the sun's activity cycle. Variances in these metrics make it difficult to accurately predict the expected annual energy production. Inaccurate estimations of the performance and miscalculation of direct normal irradiance of our solar power projects could adversely affect the power generated from our solar power projects. We cannot assure you that we will not be affected by such inaccurate estimations and miscalculations while setting up the solar power projects as any failure to meet the customer expectations could have an adverse impact on our reputation.

26. ***Any order curtailing the prioritization of renewable energy or any change in central or state policies governing the solar sector could adversely affect our results of operations from solar EPC business.***

The GoI has accorded renewable energy "must-run" status, which means that any renewable power that is generated must always be accepted by the grid. However, certain state electricity boards may order the curtailment of renewable energy despite this status and there have been instances of such orders being introduced in the past. This may occur as a result of the state electricity boards' purchasing cheaper power from the exchanges or as a result of transmission congestion owing to mismatch between generation and transmission capacity. There can be no assurance that the GoI will continue to maintain the "must-run" status to renewable energy or that the state electricity boards will not make any orders to curtail the generation of renewable energy. Any change in policy or such curtailment may interrupt our operations and may have an adverse effect on our solar EPC business, cash flows and results of operations. Further, any changes in government (central and state) policies governing the solar sector including size of solar roof top projects, change in metering policy, imposition of wheeling and transmission charges, cross subsidy charges, etc., may have a negative impact on the demand for solar projects which in turn could have an adverse impact on our results of operations

27. ***The reduction, modification or elimination of government and economic incentives for solar power projects may reduce the demand for solar power projects and thus adversely affect our solar EPC business***

The setting up and profitability of solar power projects in the locations in which we operate are dependent on policy and regulatory frameworks that support such projects. Changes in policies could lead to a significant reduction in or a discontinuation of the support for solar power in such locations. Without such support, solar power markets might not be commercially viable in such locations.

The incentives made available to our Solar EPC customers have been primarily in the form of exemptions on payment of excise duty and custom duty provided by the central government and exemptions on payment of entry tax, VAT, electricity duty on energy used for auxiliary consumption, and change of land use provided by state governments which may vary from state to state, and other incentives to end users, distributors, system integrators and manufacturers of solar energy products. Any changes in government policies on such incentives will have an adverse impact on the demand for solar power projects.

Generally, the amount of government incentives for solar power projects has been decreasing as the cost of producing energy has approached grid parity. Changes in central and state policies could lead to a significant reduction in or a discontinuation of the support for renewable energies. Reductions in government and economic incentives that apply to future solar power projects could negatively impact the demand for setting up such projects. Additionally, we or our customers may not continue to qualify for such incentives.

The imposition of extra duties being levied on sources of energy which cause carbon dioxide pollution for the purpose of reducing greenhouse gas emissions has indirectly supported the expansion of power generated from renewable energy and, in turn, solar power projects in general. If such direct and indirect government support for renewable energy (in particular, solar power) is terminated or reduced, it would make producing electricity from solar power projects less competitive and reduce demand for new solar power projects.

A significant reduction in the scope or discontinuation of government incentive programs could have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

28. ***We depend on suppliers from China for certain key components used in our solar power projects. A disruption in the supply of these key components or failure of our suppliers to meet their obligations could impact our ability to set up solar power projects.***

We are dependent on suppliers from China for solar PV modules, which is a key component required for setting up of our solar power projects. We are dependent primarily on a limited number of suppliers in China, which cannot be replaced easily. If the available supply of such key component is insufficient to meet the needs of our solar EPC business or if there is an interruption in supply from our Chinese suppliers, including due to any unanticipated outage, shutdown and/or suspension of production at their units, change in political relationship between India and China or implementation of laws and policies impacting our relationship with our Chinese suppliers, our ability to set up solar projects could be adversely impacted which will have an adverse impact on our solar EPC business and results of operations.

29. ***Certain premises including certain of our warehouses are not owned by us and we have only lease rights over it. Further, some of our lease agreements may have certain irregularities. In the event we lose such rights or are required to negotiate it, our cash flows, business, financial conditions and results of operations could be adversely affected.***

Our Company has entered into certain lease agreements and leave and license agreements in relation to warehousing facilities. Neither our Company, nor our Promoters and our Directors are in any manner related to the entities from whom our Company has entered into certain lease agreements and leave and license agreements. Additionally, certain of our warehouses located in India, USA, Germany, United Kingdom, Italy, Austria, Argentina, Mexico, China and Malaysia are not owned by us and are located at premises taken by us on lease. The transactions for such premises have been entered into at market price value and on an arm's length basis. The details of such leasehold properties of the Company are as follows:

Sr. no.	Location	Period of lease	Validity	Compensation/ rent	Date of registration of the Agreement
1	Schweinfurt, Germany	January 1, 2022 to December 31, 2022	December 31, 2022 and subject to auto renewal	NIL*	February 1, 2008
2	Bari, Italy	January 1, 2022 to December 31, 2022	December 31, 2022 and subject to auto renewal	NIL*	September 1, 2015
3	Saint Cyr sur Loire, France	January 1, 2022 to December 31, 2022	December 31, 2022 and subject to auto renewal	NIL*	March 1,2016
4	Summerville, South Carolina, USA	January 1, 2022 to December 31, 2022	December 31, 2022 and subject to auto renewal	Pallet in USD 5 Pallet Out USD 5 Storage Monthly / Pallet- USD 6	February 13, 2017

Sr. no.	Location	Period of lease	Validity	Compensation/ rent	Date of registration of the Agreement
5	Jiangsu, China	September 01,2021 to August 31,2022	August 31, 2022 and subject to auto renewal	Storage/ CBM $.23 per Day	October 12,2018
6	Yantai, Shandong, China	December 15, 2021 to December 14, 2022	December 14, 2022 and subject to auto renewal	Pallet in CNY 14 Pallet Out CNY 14 Storage / CBM CNY 1 per Day	November 21, 2011
7	Steyr, Austria	January 1, 2022 to December 31, 2022	December 31, 2022 and subject to auto renewal	NIL	October 1,2015
8	Gora, Poland	January 1, 2022 to December 31, 2022	December 31, 2022 and subject to auto renewal	Loading 1.5 Euro / Pallet Unloading 1.5 Euro / Pallet Storage 0.16 EUR /Pallet / Day	November 1, 2012
9	Tongeren, Belgium	January 1, 2022 to December 31, 2022	December 31, 2022 and subject to auto renewal	NIL*	July 1,2017
10	Gainsville, USA	January 1, 2022 to December 31, 2022	December 31, 2022 and subject to auto renewal	NIL*	May 29, 2013
11	Buenos Aires Argentina	January 1, 2022 to December 31, 2022	December 31, 2022 and subject to auto renewal	NIL*	December 11, 2014
12	Kuala Lumpur, Malaysia	January 1, 2022 to December 31, 2022	December 31, 2022 and subject to auto renewal	NIL*	May 16, 2018
13	Tudela Navarna, Spain	Not Given	N.A	NIL*	October 30, 2017
14	Rothlein, Germany	March 07, 2022 to March 06, 2023	March 06, 2023, and subject to auto renewal	NIL*	March 7, 2019
15	Bengaluru, India	September 29, 2021 to December 31, 2023	December 31, 2023 and subject to auto renewal	Rs. 7000/- month for storage	September 29, 2021
16	Haridwar, India.	September 29, 2021 to December 31, 2023	December 31, 2023 and subject to auto renewal	Rs.3000 /- per month for storage	September 29, 2021
17	Pune, India.	September 28, 2021 to December 31, 2023	December 31, 2023 and subject to auto renewal	1% of Basic Sales Value of goods stored	September 28, 2021
18	West Bengal, India	September 17, 2021 to December 31, 2023	December 31, 2023 and subject to auto renewal	Rs.40,000/- per month	September 17, 2021
19	Jharkhand, India	October 05, 2021 to December 31, 2023	December 31, 2023 and subject to auto renewal	Rs.55,000/-per month	October 5, 2021
20	Tamil Nadu, India	January 01, 2022 to March 31, 2023	March 31, 2023 and subject to auto renewal	SL CAGES - Rs 455 /- Pallet of TRB Cages LSB CAGES-BOX - Rs 365 / Pallet of LBS Cage Brass_ EOU- BOX - Rs 340 / Pallet of Brass Cages	January 31, 2022

* *Compensation payable directly by the Company's customer to the relevant entity whose services are being used*

Further, any of these lease or license agreements can be terminated, and any such termination could result in any of these warehouses being shifted or shut down. There can be no assurance that we will, in the future, be able to retain, renew or extend the leases for the existing locations on same or similar terms, or will be able to find alternate locations for these warehouses and operating locations on similar terms favourable to us, in time or at all. Accordingly, we may experience business disruption and this may materially and adversely affect our business, financial condition and result of operations.

30. ***Conflicts of interest may arise out of common business objects for solar EPC business between our Company and certain of our Group Companies which are in the same line of activity or business as that of the Company.***

Our Company and certain of our Group Companies, namely, First Light Asset Management Private Limited and Daylight Solar Private Limited may, from to time, be empowered under their respective constitutional documents, to undertake a similar line of business.

While these Group Companies are currently non-operational and we do not currently have any conflict management policy or similar arrangement in place for our solar EPC business, we may in the future be required to assess any potential conflicts of interest and take appropriate steps to address such conflicts of interest, as and when they may arise. For further details, see "*Group Companies*" on page 201.

31. ***Any failure to protect or enforce our rights to own or use trademarks and brand name and identity could have an adverse effect on our business and competitive position.***

Our Company has registered trademarks "Harsha Engineers", under class 7, "Harsha Abakus Solar" under class 37 and class 42, registered with the registrar of trademarks, "Harsha Engineers" is also our registered brand name. These trademarks are registered only in India, for further details, see "*Our Business*" beginning on page 138. Any failure to renew registration of our registered trademarks may affect our right to use such trademark in future. If we are unable to register our trademark for various reasons including our inability to remove objections to any trademark application, or if any of our unregistered trademark are registered in favour of or used by a third party in India or abroad, we may not be able to claim registered ownership of such trademark and consequently, we may not be able to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities, causing damage to our business prospects, reputation and goodwill in India and abroad. Further, our efforts to protect our intellectual property in India and abroad may not be adequate and any third party claim on any of our unprotected intellectual property may lead to erosion of our business value and our reputation, which could adversely affect our operations. Third parties may also infringe or copy our registered brand name in India and abroad which has been registered by us in India. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our trademarks in India and abroad.

Further, if we do not maintain our brand name and identity, which is a principal factor that differentiates us from our competitors, , we may not be able to maintain our competitive edge in India and abroad. If we are unable to compete successfully, we could lose our customers, which would negatively affect our financial performance and profitability. Moreover, our ability to protect, enforce or utilize our brand name is subject to risks, including general litigation risks. Furthermore, we cannot assure you that such brand name will not be adversely affected in the future by actions that are beyond our control, including customer complaints or adverse publicity from any other source in India and abroad. Any damage to our brand name, if not immediately and sufficiently remedied, could have an adverse effect on our business and competitive position in India and abroad.

Finally, while we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty that we are not infringing any existing third-party intellectual property rights, which when brought to our attention, may force us to alter our product offerings or modify the manufacturing processes established in our production units. We may also be susceptible to claims from third parties asserting infringement and other related claims in India and abroad.

Trademark	Date of registration	Validity period
HARSHA ENGINEERS	February 16, 2000*	10 years from February 16, 2020
harsha abakus solar Energising. Empowering. Enlightening.	May 10, 2014**	10 years from May 10, 2014

* *Registered under Class 7*

** *Registered under Class 37 and 42*

32. ***If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.***

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. In the past, during the month of February 2019, there has been an instance where our Company has made payment to a fake bank account leading to a net loss of ₹ 0.06 million to our Company. There can be no assurance that such instances will not occur and that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls.

33. ***We do not hold any patents or other form of intellectual property protection in relation to our manufacturing processes, and our inability to maintain the integrity and secrecy of our manufacturing processes may adversely affect our business.***

While we possess technical knowledge about our products and design our tools in-house, our know-how may not be adequately protected by intellectual property rights. While we generally take precautions to protect our trade secrets and confidential information against breach of trust by our employees, consultants, job workers, customers and suppliers, it is possible that unauthorized disclosure of our trade secrets or confidential information may occur. We cannot assure you that we will be successful in the protection of our trade secrets and confidential information. Our manufacturing processes may not be eligible for intellectual property protection and others may be able to use the same or similar production processes, thereby undermining any competitive advantage we may have derived from such processes and adversely affecting our financial condition, cash flows and results of operations.

34. ***Our success depends on our ability to understand evolving industry trends and to fulfill the changing preferences of our customers.***

Our ability to anticipate changes in technology and regulatory standards on a timely basis will be a significant factor in our ability to remain competitive. We cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive. Additionally, to compete effectively in the manufacturing industry, we must be able to fulfil our customers' changing preferences in a timely manner. Product or technology obsolescence may cause our offerings to lose their competitive edge. However, we cannot assure you that we will be able to understand the evolving industry trends, which could adversely affect our results of operations.

35. ***Any downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations, cash flows and financial condition.***

Our Company has a credit rating of CARE A+ stable for long term credit facilities, and CARE A1+ for short term credit facilities as of February 2022. Our credit ratings, which are intended to measure our ability to meet our debt obligations, are a significant factor in determining our finance costs. The interest rates of certain of our borrowings may be significantly dependent on our credit ratings. A downgrade of our credit ratings could lead to greater risk with respect to refinancing our debt and would likely increase our cost of borrowing and adversely affect our business, financial condition, cash flows, results of operations and prospects.

36. ***We may undertake strategic acquisitions or investments or strategic relocations, which may prove to be difficult to integrate and manage or may not be successful.***

We may consider making strategic acquisitions of other companies with the belief that their resources, capabilities and strategies are complementary, and are likely, to enhance our business operations. Our Board may identify suitable acquisition or investment opportunities and in the event we do identify such suitable opportunities, we cannot assure you that we will complete those transactions on terms commercially acceptable to us or at all, which may adversely affect our competitiveness and growth prospects. For instance, in the past, we expanded our outreach with the opening of new production facility in Changshu, China in 2010, acquisition of bearing cage production company, Becotek Precision Bearing Components (Suzhou) Co. Ltd. in Suzhou, China in 2014 and European operations in 2016 with the acquisition of our subsidiary Harsha Engineers Europe SRL (formerly known as M/s Johnson Metall S.A.) located in Romania. Further, in order to reduce costs and synerize all our India operations, we have integrated Harsha Group's engineering and solar EPC business and operations into one entity. For further details in relation to such integration, see "*Our Business - Corporate Reorganisation"* beginning on page 148.

Additionally, in furtherance of our endeavour to have strategically located international production units and focus on operational efficiency, we may consider relocation of one or more of our production units. Our Board may consider suitable relocation opportunities and in the event we do identify such suitable opportunities, we cannot assure you that we will complete such relocation on terms commercially acceptable to us or in the manner and within the time period initially contemplated, and such factors may adversely affect our growth prospects, financial condition and results of operations.

37. ***Our business operations may be disrupted by an interruption in power supply, which may impact our business operations.***

Our units and operations require constant power supply and any disruption in the supply of power may disrupt our operations, which may interfere with manufacturing process requiring us to either stop our operations or repeat activities which may involve additional time and increase our costs. For instance, we had a power supply outage at our manufacturing plant in China, resulting in temporary closure of the unit or being operated at reduced capacity depending on the power availability. As per our Restated Consolidated Financial Statements, our cost of power constituted 3.40%, 3.79% and 3.49% of our total expenses, respectively, for Fiscals 2022, 2021 and 2020. While we have stand by power supply in the form of DG set and solar roof top plants, this may not be adequate if the disruption in the supply of the power is for a longer period. Additionally, such standby power supply may not be sufficient to enable us to operate our units at full capacity and any such disruption in the primary power supply available at our production units could materially and adversely affect our business, financial condition and results of operations.

38. ***Our success largely depends upon the knowledge and experience of our Promoters and our Key Management Personnel as well as our ability to attract and retain skilled personnel. Any loss of our Key Management Personnel or our ability to attract and retain them and other skilled personnel could adversely affect our business, operations and financial conditions.***

We depend on the management skills and guidance of our Promoters for development of business strategies, monitoring its successful implementation and meeting future challenges. Our Promoters play a key role in our business operations. The success of our business is dependent upon its ability to attract and retain qualified and experienced staff (including senior and middle management with professional qualifications). We are led by a dedicated senior management team with several years of industry experience. In addition, we have an experienced and qualified team of employees. We are dependent on our experienced Promoters, management team and employees and also the ability to attract, retain and motivate skilled personnel to effectively implement our Company's strategy and serve our customers.

Many of our personnel possess skills that would be valuable to other companies engaged in one or more of our business lines. Whilst we offer compensation in line with the demand for such skills some of our competitors may be able to pay our employees more than we are able to pay to retain them. Our ability to profitably operate is substantially dependent upon our ability to locate, hire, train and retain our personnel. We may, therefore, incur additional costs in order to attract talented individuals and to retain existing experienced staff. Although we may not have experienced significant difficulty locating, hiring, training or retaining our employees to date, there can be no assurance that we will be able to retain our current personnel, or that we will be able to attract and assimilate other qualified personnel in the future. The attrition rate of our employees in our Company and subsidiaries (on a consolidated basis) was 12.51 % 8.29%, and 7.56% during Fiscals 2022, 2021 and 2020 respectively. Our attrition rate has increased during Fiscal 2022, Fiscal 2021 and Fiscal 2020, if we are unable to attract or retain qualified and experienced staff, our ability to operate and expand our business may be affected, and our operating costs may increase. In the last three years, our Key Management Personnel, Mr. Munjal Rangwala, one of the founder promoters and whole time director of our Company, has ceased to be associated with our Company due to his demise, Mr. Falgun Shah has ceased to be the Chief Financial Officer of our Company and Ms. Aastha Upadhyay has resigned as the Company Secretary, of our Company. Our inability to recruit and retain qualified and experienced staff may limit our competitiveness, interrupt our operations and/or cause customer dissatisfaction, any of which could reduce our revenue and profitability.

39. ***Failure or disruption of our information and technology ("IT") and/ or enterprise resources planning systems may adversely affect our business, financial condition, results of operations and future prospects.***

The efficient operation of our business depends on our IT infrastructure and our enterprise resources planning systems established at our production units. Our IT infrastructure comprises of third party solutions and applications maintained internally. Since we operate multiple platforms, the failure of our IT infrastructure and/ or our enterprise resources planning systems could disrupt our business and adversely affect our results of operation. In addition, our IT infrastructure and/or our enterprise resources planning systems are vulnerable to damage or interruption from, amongst others, natural or man-made disasters, terrorist attacks, computer viruses or hackers, power loss, other computer systems, internet telecommunications or data network failures. Any such interruption could adversely affect our business and results of operations. There has been no such instance of failure of IT and enterprise resource planning systems as on date. However, we cannot assure that such disruptions will not happen in the future.

Whilst we have deployed IT disaster management systems including data backup and retrieval mechanisms, we cannot assure you that such IT disaster management systems including data backup would be able to ensure sufficient safeguards to prevent significant disruption of our IT systems. Further, we have also installed two Uninterruptible Power Supply (UPS) devices in our server rooms in India to ensure uninterrupted power to all of our servers and equipment. We have installed Fortinet 200E firewall in our network gateway for our facilities in India on account of which all of our incoming network traffic and outgoing traffic is filtered through the firewall. We have also installed the same devices in high availability mode which ensures that in case of failure of either device, the second functioning device take on a primary role to avoid any failure and ensure the passing of secure network traffic through firewalls. We also have three internet service providers for seamless communication. We are utilising three different internet service providers in order to avoid downtime & dependency and to mitigate the impact of disruptions. We have also hosted our SAP S4 HANA servers on Amazon cloud for high uptime. This is to ensure continuity of business operations in the event of natural calamities like fire, flood, heavy rain etc. as the Amazon cloud servers ensures high uptime, security, data protection & flexibility in scaling hardware sizing as and when required. However, we cannot assure you that such measures will be enough and any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error) may affect our ability to plan, track, record and analyse work in progress and revenue, process financial information, manage our creditors, debtors and hedging positions, or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and future prospects.

40. ***Any material deviation in the utilisation of the Net Proceeds as disclosed in this Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.***

We propose to utilize the Net Proceeds for prepayment or schedule repayment of certain indebtedness availed by our Company, funding capital expenditure towards purchase of machinery and for infrastructure repairs and renovation of our existing units and ancillary structures in India. Such objects have not been appraised by any bank or financial institution, for further details of the proposed objects of the Offer, see "*Objects of the Offer*" beginning on page 91. At this juncture, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and Schedules XI and XX of the SEBI ICDR Regulation, any material deviation in the utilisation of the Net Proceeds as disclosed in this Prospectus requires the Company to obtain the approval of shareholders of our Company through a special resolution. In such event, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations.

Further, our Company and Promoters would be required to provide an exit opportunity to the shareholders of our Company who do not agree with the material deviation of the proposed utilization of Net Proceeds, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders of our Company may deter the Promoters from agreeing to the material deviation of the proposed utilisation of the Net Proceeds, even if such material deviation is in the interest of our Company. Further, we cannot assure you that the Promoters will have adequate resources at their disposal at all times to enable them to provide an exit opportunity.

In light of these factors, we may not be able to undertake material deviation of the proposed utilization of the Net Proceeds to use any unutilized proceeds of the Offer, if any, even if such material deviation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Offer Proceeds, if any, which may adversely affect our business and results of operations.

41. ***Our business is subject to costs, risks and uncertainties, including those associated with laws and regulations in domestic and foreign jurisdictions in which we operate, tariffs and trade relations and international political conditions. Breach of applicable laws and regulations could adversely affect our business, operations and reputation.***

Our overseas business and growth initiatives are also exposed to changes in international tariffs, trade relations and policies, including renegotiated trade agreements, import and export license requirements, anti dumping policies and imposition of tariffs that make unjustified, unreasonable or discriminatory trade actions impacting the countries in which we have a presence. There is no assurance that cost increases resulting from trade policies and tariffs will not adversely impact our profitability. Our sales may also be adversely impacted if tariffs are assessed directly on the products we produce or on our customers' products containing content sourced from us. In addition, political activities within the countries where we conduct business, and geo-political relation between India and China could also adversely impact our ability to operate in those countries. If we are unable to comply with any applicable domestic or foreign laws, our business, results of operations and financial condition could be adversely affected. Further, changes in domestic and foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues as well as changes in policies relating to foreign trade and investment, change in status as an MSME etc. may affect our ability to operate and the manner in which we manage our business in the countries in which we operate.

42. ***We have entered into and will continue to enter into, related party transactions.***

We have entered into and may in the course of our business continue to enter into transactions specified in the financial results contained in this Prospectus with related parties that include our Promoters and certain of our Group Companies.

For further details in relation to our related party transactions, see "*Related Party Transactions*" on page 238. Although all related party transactions that we have or may enter into, have been and will continue to be on arm's length commercial terms, or subject to board or shareholders' approval, as necessary under the Companies Act, 2013 and the SEBI LODR Regulations, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition, cash flows and results of operations or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. Additionally, any such future transactions with our related parties could potentially involve conflicts of interest.

Brief details of the related party transactions of the Company for the last three Fiscals are as follows:

	Fiscal 2022		Fiscal 2021		Fiscal 2020	
Particular	**Amount (₹ in million)**	**% of revenue**	**Amount (₹ in million)**	**% of revenue**	**Amount (₹ in million)**	**% of revenue**
1. Subsidiary/ Associate / Joint Venture Transactions ^						
Purchase of Goods / Job work / Service/ Assets / Reimbursement	0.10	0.00%	14.37	0.16%	20.36	0.23%
Sales of Goods/ Assets/Lease Rent/ Reimbursement	62.72	0.47%	55.11	0.63%	115.05	1.30%
Loans Given	48.33	0.37%	-	-	24.45	0.28%
Investment In Equity / Partner's Capital /Current A/c/ Share Profit from LLP	252.74	1.91%	8.33	0.10%	11.73	0.13%
Interest Income	6.08	0.05%	7.19	0.08%	7.83	0.09%
^ *Transaction with Subsidiaries are eliminated in the consolidated financials*						
2. Key Management Personnel Transactions						
Remuneration	64.39	0.49%	66.87	0.77%	33.95	0.38%
Dividend	-	-	-	-	48.82	0.55%
Loan Accepted	203.15	1.54%	39.40	0.45%	153.67	1.73%
Loans Repaid	228.58	1.73%	37.70	0.43%	300.00	3.39%
Interest Expense	21.37	0.16%	10.43	0.12%	3.28	0.04%
Sitting Fees	0.38	0.00%	0.26	0.00%	0.36	0.00%
Loan Given	-	-	0.08	0.00%	-	-
Interest Income	0.00	0.00%	0.00	0.00%	-	-
Loans Received Back	0.01	0.00%	0.01	0.00%	-	-
Sales of Goods	2.01	0.02%	-	-	-	-
3. Relative of Key Management Personnel Transactions						
Dividend	-	-	-	-	35.21	0.40%
Deposits Accepted	186.55	1.41%	26.70	0.31%	31.40	0.35%
Deposits Repaid	131.64	1.00%	48.23	0.55%	5.45	0.06%
Interest Expense	13.34	0.10%	1.62	0.02%	2.53	0.03%
Remuneration	-	-	-	0.00%	1.85	0.02%
Purchase of Service	0.31	0.00%	0.31	0.00%	0.31	0.00%
4. Enterprise on which Directors and KMPs have significant influence and control Transactions						
Purchase of Goods / Job work / Assets / Reimbursement / Contribution / CSR	1.48	0.01%	34.43	0.39%	7.35	0.08%
Sales of Goods/ Assets/Lease Rent/ Reimbursement	0.27	0.00%	-	-	-	-
Loans Given	0.02	0.00%	0.03	0.00%	0.00	0.00%
Loans Repaid	0.04	0.00%	-	-	-	-
Total Related party transactions	**1,223.51**	**9.26%**	**351.07**	**4.02%**	**803.60**	**9.07%**

For details of the related party transactions and as reported in the Restated Consolidated Financial Statements, see "*Restated Consolidated Financial Statements– Note 33*" on page 238.

43. ***Our Promoters, Directors and Key Management Personnel may have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

Our Promoters may be interested in our Company to the extent of the Equity Shares held by them in our Company, and any dividends, bonuses or other distributions on such Equity Shares. For details of shareholding of our Promoters in our Company, see "*Capital Structure –Details of shareholding of our Promoters and members of the Promoter Group in our Company"* on page 82. We have also availed unsecured loan and/or deposits from certain of our

Promoters, Directors and promoter group members. For details on such unsecured loan and/or deposits, see "*Restated Consolidated Financial Statements*" on page 204. Our Promoters and Executive Directors are also interested to the extent of any related party transactions with our Company. For details on related party transactions, see "*Restated Consolidated Financial Statements*". Our Independent Director, Ramakrishnan Kasinathan, has entered into a consultancy agreement with our Company pursuant to which he is interested to the extent of the consultancy fees and conveyance expenses, for details see *"Our Management - Interest of Directors"* on page 184. Further, our Directors may be interested in our Company to the extent of their shareholding in our Company. For details of shareholding of our directors in our Company, see "*Our Management - shareholding of Directors in our Company"* on page 184. Our Key Management Personnel, Mr. Maulik Jasani may be interested in our Company to the extent of lease of car by Maulik Jasani HUF to our Company. Our Key Management Personnel, Mr. Kiran Mohanty may be interested in our Company to the extent of unsecured loan availed by him. For details on such car lease and loan transactions, see "*Restated Consolidated Financial Statements*" on page 204.

44. ***Our insurance coverage could prove inadequate to cover our losses. If we were to incur a serious uninsured loss or a loss that significantly exceed the limits of our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition.***

We could face liabilities or otherwise suffer losses should any unforeseen incident such as fire, flood, and accidents affecting our warehouses or in the regions/areas where we operate from. We maintain appropriate insurance coverage, commensurate with industry standards, in relation to property, stock and money for our warehouses, transit insurance, and product liability. As of March 31, 2022, the cumulative insurance coverage obtained by our Company, amongst others, in relation to property, stock and money for our warehouses, transit insurance, and product liability, amounted to ₹ 31,844.07 million. There are possible losses, which we may not have insured against or covered or wherein the insurance cover in relation to the same may not be adequate. We may face losses in the absence of insurance and even in cases in which any such loss may be insured, we may not be able to recover the entire claim from insurance companies. Any damage suffered by us in excess of such limited coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us.

While we have obtained insurance against losses which are most likely to occur in our line of business, there may be certain losses which may not be covered by our Company, which we have not ascertained as at date. As of March 31, 2022, for our principal production units in India, China and Romania, our Company has obtained cumulative insurance coverage amounting to approximately ₹ 9,940.03 million, for any loss to plant, property and equipment (excluding land and leased assets). As of March 31, 2022, our insurance coverage as a percentage of plant, property and equipment (excluding land and leased assets) is 142.85%. Further, while there has been no past instance of inadequate insurance coverage for any loss, we cannot assure that we will continue to accurately ascertain and maintain adequate insurance for losses that may be incurred in the future. Any claim brought against us, with or without merit, could result in reputational damage, and even unsuccessful claims could result in substantial costs and diversion of management resources. A successful claim not fully covered by our insurance could have a negative impact on our reputation, financial condition, and results of operations. For more details on the insurance policies availed by us, see "*Our Business - Insurance*" on page 160.

45. ***We will continue to be controlled by our Promoters after the completion of the Offer.***

As of this Prospectus, our Promoters hold directly 57.43% and together with the Promoter Group 99.70% of our entire pre-Offer issued and paid equity share capital. Furthermore, after the completion of this Offer, our Promoters will continue to control, directly or indirectly our Company and continue to hold substantial percentage of the issued and paid up equity share capital of our Company. As a result, our Promoters will continue to exercise significant control over us, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other shareholders will be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or a change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

In addition, and in the event of any such change of control, merger, consolidation, takeover or other business combination involving us, a transfer of shares by our Promoters, or actions such as a preferential allotment to any investor or a conversion of any convertible instruments, could materially and adversely affect our business, financial performance and results of operations.

We cannot assure you that our Promoters will act in our interest, or in the interests of minority shareholders, while exercising their rights in our Company.

46. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements and capital expenditures.***

Our Restated Consolidated Financial Statements reflect payment of dividend by our Company in Fiscal 2020 pursuant to giving effect to the Business Reorganisation Scheme. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements and capital expenditures. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. For details of dividend paid by our Company in the past, see "*Dividend Policy*" on page 203.

47. ***We have not yet placed orders in relation to the capital expenditure to be incurred for the purchase of machinery and for the proposed infrastructure repairs and renovation of our existing production units including office premises in India. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the machinery or other materials in a timely manner, or at all, may result in time and cost overruns and our business, prospects and results of operations may be adversely affected.***

We intend to utilize portions of the Net Proceeds for funding capital expenditure requirements towards purchase of machinery and for the proposed infrastructure repairs and renovation of our existing production units including office premises in India. While we have procured quotations from various vendors in relation to the capital expenditure to be incurred, we have not placed any firm orders for any of them. For details in respect of the foregoing, see "*Objects of the Offer*" on page 91. Such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes. In the event of any delay in placing the orders, or an escalation in the cost of acquisition of the equipment or in the event the vendors are not able to provide the equipment in a timely manner, or at all, we may encounter time and cost overruns. Further, if we are unable to procure the requisite materials from the vendors from whom we have procured quotations, we cannot assure you that we may be able to identify alternate vendors to provide us with the materials which satisfy our requirements at acceptable prices. Our inability to procure the machinery and equipment at acceptable prices or in a timely manner, may result in an increase in capital expenditure, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations.

48. ***Our management will have broad discretion in how we apply the Net Proceeds, including interim use of the Net Proceeds, and there is no assurance that the objects of the Offer will be achieved within the time frame expected or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment.***

Our Company intends to use the Net Proceeds for the purposes described in "*Objects of the Offer*" beginning on page 91. Subject to this section, our management will have broad discretion to use the Net Proceeds, and investors will be relying on the judgment of our management regarding the application of the Net Proceeds. Moreover, in accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any material deviation in the utilisation of the Net Proceeds as disclosed in this Prospectus without obtaining the approval of shareholders of our Company through a special resolution. Our Company may have to revise its management estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in its business. For instance, our capital expenditure plans could be delayed due to failure to receive regulatory approvals, technical difficulties, human resource, technological or other resource constraints, including increases in raw material costs, or for other unforeseen reasons, events or circumstances.

Further, we have appointed a monitoring agency for monitoring the utilisation of Net Proceeds in accordance with Regulation 41 of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations. Further, the application of the Net Proceeds in our business may not lead to an increase in the value of your investment. Various risks and uncertainties, including those set forth in this section "Risk Factors", may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business.

49. ***Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds.***

We intend to utilize the Net Proceeds of the Offer as set forth in "*Objects of the Offer*" beginning on page 91. The funding requirements mentioned as a part of the objects of the Offer are based on internal management estimates in view of past expenditures and have not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies and since we have not presently entered into any definitive agreements for the use of Net Proceeds.

Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. For example, we may also use funds for future businesses and products which may have risks significantly different from what we currently face or may expect. Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment. For further details, please see "*Objects of the Offer*" beginning on page 91.

50. ***Corrupt practices or fraud or improper conduct may delay the development of a product and adversely affect our business and results of operations.***

The manufacturing industries in India and elsewhere are not immune to the risks of corrupt practices or fraud or improper practices. The manufacturing in all parts of the world provide opportunities for corruption, fraud or improper conduct, including bribery, deliberate poor workmanship, theft or embezzlement by employees, contractors or customers or the deliberate supply of low quality materials. If we or any other persons involved in any of the production unit which are the victim of or involved in any such practices, our reputation or our ability to complete the relevant projects as contemplated may be disrupted, thereby adversely affecting our business and results of operations.

51. ***Our Company will not receive any proceeds from the Offer for Sale by the Selling Shareholders.***

The Offer consists of the Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. The entire proceeds of the Offer for Sale will be respectively transferred to the Selling Shareholders and will not result in any creation of value for us or in respect of your investment in our Company. For further details, see "*Objects of the Offer*" and "*Capital Structure*" on pages 91 and 77, respectively.

EXTERNAL RISK FACTORS

52. ***Changing laws, rules and regulations and legal uncertainties, including adverse application or interpretation of corporate and tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. Our business, results of operations and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. Any political instability in the countries in which we operate, such as corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

The GoI has passed new laws relating to social security, occupational safety, industrial relations and wages namely, the Code on Social Security, 2020 ("Social Security Code"), the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, respectively which were to take effect from April 1, 2021 (collectively, the "Labour Codes"). The GoI has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been finalised, as an immediate consequence, the coming into force of these codes could increase the financial burden on our Company, which may adversely impact our profitability. For instance, under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government) of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees' provident fund.

Further, the application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. For instance, the Taxation Laws (Amendment) Act, 2019, a tax legislation issued by the Ministry of Finance, GoI, effective as of September 20, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this legislation, companies can henceforth voluntarily opt in favor of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which reduces the basic rate of income tax payable to 22% subject to compliance with conditions prescribed, from the erstwhile 25% or 30% depending upon the total turnover or gross receipt in the relevant period. Any such future amendments may affect our other benefits such as loss of minimum alternate tax carry forward, exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse orders passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. We have had instances where orders by courts and tribunals have had an effect on our profitability.

The Finance Bill, 2022 has received assent from the President of India on March 30, 2022, and has been enacted as the Finance Act, 2022 ("**Finance Act**"). Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Our Company has not made relevant provisions for the same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

53. ***Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business and financial performance and the trading price of our Equity Shares post listing.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to India's sovereign credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. India's sovereign rating is Baa3 with a "stable" outlook (Moody's), BBB- with a "stable" outlook (S&P) and BBB- with a "negative" outlook (Fitch). Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business, cash flows and financial performance and the price of the Equity Shares. If inflation rises in India, increased costs may result in a decline in profits.

Inflation rates in India have been volatile in recent years, and such volatility may continue. India has experienced high inflation in the recent past. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, financial condition, cash flows, results of operations, and prospects. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

54. ***We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.***

The Competition Act, 2002, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly: (i) involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services; (ii) shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market; or (iii) results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Control Commission of India ("**CCI**"). Additionally, the Competition Commission of India (Procedure in regard to the Transaction of Business Relating to Combinations) Regulations, 2011, as amended, set out the mechanism for implementation of the merger control regime in India. The CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. We may also be subject to queries and proceedings from the CCI.

If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any award passed by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, cash flows and results of operations.

55. ***Natural and man-made disasters, including terrorist attacks, pandemics, and the inefficient management of the effects of such disasters, may have an adverse effect on our business, financial condition, cash flows and results of operations.***

Natural disasters such as earthquakes, tsunamis, floods, pandemics, cyclones and droughts of a significant scale, may cause damage or disruption to our units, adversely affect our production capabilities by reducing the volume of products we can manufacture, and cause us to suffer significant losses. We may also be adversely impacted by government responses to such natural disasters and pandemics such as lockdowns and restrictions in movement imposed as a result of the COVID-19 pandemic. For further discussion on COVID-19, see "– *The current outbreak of COVID-19 has caused severe disruptions in the Indian and global economy and adversely impacted our business. The continuing impact of the COVID-19 pandemic on our business, operating results, cash flows and/or financial condition are uncertain and cannot be predicted.*" on page 28. Furthermore, there is a risk that we may be subject to terrorist attacks which may disrupt or damage our units. Any damage or failure resulting from natural or man-made disasters, including explosions, terrorist attacks, as well as inefficient management of the effects of any such disaster, may cause temporary or extended interruptions in the completion or operation of our production units, which may have an adverse effect on our business, financial condition, cash flows and results of operations.

56. ***Foreign investors are subject to investment restrictions under Indian law, which could limit our ability to attract foreign investors and our ability to raise foreign capital may be constrained by Indian law, which in turn could adversely affect the market price of the Equity Shares.***

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into a foreign currency and repatriate that foreign currency from India will require a no-objection certificate or a tax clearance certificate from the Indian income tax authorities. Additionally, the GoI may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the GoI experiences extreme difficulty in stabilizing the balance of payments, or where there are substantial disturbances in the financial and capital markets in India. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2019 which came into effect from April 22, 2020, any investment into India by an entity of a country which shares a land border with India, or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall require the approval of the Government of India, as prescribed in the Consolidated FDI Policy and the FEMA Rules. For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 339.

As an Indian company, we are also subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business, financial condition and results of operations.

57. ***Investors may have difficulty enforcing foreign judgments against us or our management.***

We are a public company incorporated under the laws of India. The majority of our directors and key management personnel are residents of India and the majority of our assets are located in India.. As a result, it may not be possible for investors to effect service of process upon us or such persons outside of India, or to enforce judgments obtained against such parties outside of India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 ("**CPC**") on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

Among others, the United Kingdom, Singapore, the United Arab Emirates and Hong Kong have been declared by the GoI to be reciprocating territories for the purposes of Section 44A of the CPC. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate any amount recovered.

58. ***Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as IFRS and U.S. GAAP, with which investors may be more familiar.***

Our Restated Consolidated Financial Statements included in this Prospectus is presented in conformity with Ind AS, restated in accordance with the requirements of Section 26 of part I of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2019)" issued by the ICAI. Ind AS differs from accounting principles with which prospective investors may be familiar, such as IFRS and U.S. GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Prospectus, nor do we provide a reconciliation of our Restated Consolidated Financial Statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, which are restated as per the SEBI ICDR Regulations included in this Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should be limited accordingly.

RISKS RELATING TO THE OFFER AND THE EQUITY SHARES

59. ***Our Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Offer. Further, our Equity Shares may not result in an active or liquid market and the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Offer Price or at all. The Offer Price is also not indicative of the market price of the Equity Shares.***

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, does not guarantee the liquidity of such market for the Equity Shares. Investors might not be able to rapidly sell the Equity Shares at the quoted price if there is no active trading in the Equity Shares. The Offer

Price will be determined by our Company and the Selling Shareholders in consultation with the BRLMs through the Book Building Process. The Offer Price will be based on numerous factors, including certain qualitative and quantitative factors, the basic and diluted earnings per share, price earnings ratio in relation to the offer price per equity share of the face value, comparison with listed industry peers, if any, and return on net worth as described under "*Basis for Offer Price*" on page 103 and may not be indicative of the market price for the Equity Shares after the Offer.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- developments relating to our peer companies in our industry;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates
- speculative trading in the Equity Shares;
- investor perception of our Company;
- the public's reaction to our press releases and adverse media reports;
- fluctuations in stock market prices and volume;
- change in GST rates and/or direct tax rates; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares. The market price of the Equity Shares may decline below the Offer Price and investors may not be able to re-sell Equity Shares at or above the Offer Price, resulting in a loss of all or part of the investment.

60. ***You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold using any other platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long-term capital gains tax in India.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. The Finance Act, 2020, has, among others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, that such dividends not be exempt in the hands of the shareholders, both resident as well as non-resident, and that such dividends likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Historically, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows.

Further, the Finance Bill, 2022 has received assent from the President of India on March 30, 2022, and has been enacted as the Finance Act, 2022.There is no certainty on the impact that the Finance Act, 2022 may have on our business and operations or in the industry we operate in.

61. ***Any future issuance of Equity Shares or convertible securities or other equity linked securities of our Company may dilute your shareholding and sales of the Equity Shares by significant shareholders may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by our Company, including a primary offering or through the ESOP Scheme may lead to the dilution of investors' shareholdings in our Company. Any future issuances of Equity Shares or the disposal of Equity Shares by our significant Shareholders or the perception that such issuance or sale may occur may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. We cannot assure you that we will not issue further Equity Shares or that the Shareholders will not dispose of, pledge or otherwise encumber the Equity Shares held by them (subject to lock-in provisions under the SEBI ICDR Regulations). Any future issuances could also dilute the value of your investment in the Equity Shares. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

62. ***Fluctuation in the exchange rate of the Rupee and other currencies could have an adverse effect on the value of our Equity Shares, independent of our operating results.***

Our Equity Shares will be quoted in Rupees on the Stock Exchanges. Any dividends, if declared, in respect of our Equity Shares will be paid in Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the net proceeds received by shareholders.

The exchange rate of the Rupee has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

63. ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.***

Under the Companies Act, 2013 a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by our Company. However, if the laws of the jurisdiction the investors are located in, do not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If our Company elects not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

64. ***QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Offer Closing Date.***

Pursuant to the SEBI Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six working days from the Bid/Offer Closing Date (or such other period as prescribed under applicable laws), events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, cash flows, financial condition or results of operations or may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

65. ***A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer.

Offer(1)	22,886,595* Equity Shares aggregating up to ₹ 7,550.00 million
Of which:	
Fresh Issue	13,795,695* Equity Shares aggregating up to ₹ 4,550.00 million
Offer for Sale(2)	9,090,900* Equity Shares aggregating up to ₹ 3,000.00 million
The Offer comprises:	
Employee Reservation Portion(3)	83,610* Equity Shares aggregating up to ₹ 25.00 million
Net Offer	22,802,985* Equity Shares aggregating up to ₹ 7,525.00 million*
The Net Offer comprises:	
A. QIB Portion (4)	Not more than 11,401,470* Equity Shares
Of which:	
Anchor Investor Portion	6,840,855* Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	4,560,615* Equity Shares
Of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	228,031* Equity Shares
Balance for all QIBs including Mutual Funds	4,332,584 * Equity Shares
B. Non-Institutional Portion(5)	Not less than 3,420,450* Equity Shares
C. Retail Portion	Not less than 7,981,065* Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	77,248,410 Equity Shares
Equity Shares outstanding after the Offer	91,044,105* Equity Shares
Utilisation of Net Proceeds	For details, see "*Objects of the Offer*" on page 91.

**Subject to finalization of the Basis of Allotment*

(1) The Offer has been authorised by a resolution of our Board dated January 10, 2022. Our Shareholders have authorised the Fresh Issue pursuant to a special resolution dated January 11, 2022. Further, our IPO Committee has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated January 28, 2022.

(2) The Equity Shares being offered by the Selling Shareholders have been held for a period of at least one year immediately preceding the date of the Draft Red Herring Prospectus with SEBI, and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations.

S. No.	***Name of the Selling Shareholder***	***Date of consent letter ^***	***Offered Shares (in terms of amount, in ₹ million)***
1.	*Harish Rangwala*	*January 27, 2022*	*Up to 750.00*
2.	*Rajendra Shah*	*January 27, 2022*	*Up to 667.50*
3.	*Pilak Shah*	*January 27, 2022*	*Up to 165.00*
4.	*Charusheela Rangwala*	*January 27, 2022*	*Up to 750.00*
5.	*Nirmala Shah*	*January 27, 2022*	*Up to 667.50*
Total			*Up to 3,000.00*

^ The above Offered Shares are eligible to be offered for sale in accordance with Regulation 8 of the SEBI ICDR Regulations. The Selling Shareholders, severally and not jointly, have confirmed and authorised their respective participation in the Offer for Sale, as stated above. For further information, see "Capital Structure" beginning on page 77.

(3) In the event of under – subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹ 500,000), shall be added to the Net Offer. The Employee Reservation Portion did not exceed 5% of our post-Offer paid-up Equity Share capital. For further details, see "Offer Structure" beginning on page 318. Our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, offered a discount of 9.39% of the Offer Price (equivalent of ₹ 31 per Equity Share) to Eligible Employees bidding in the Employee Reservation Portion..

(4) Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, allocated up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which Equity Shares are allocated to Anchor Investors in the Offer. For further information, see "Offer Procedure" beginning on page 322.

(5) The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, have been subject to the following: (i) one-third of the portion available to Non-Institutional Bidders was reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders was reserved for applicants with application size of more than ₹ 1.00 million. The allotment to each Non-Institutional Bidder was not less than the

Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, was allotted on a proportionate basis. For details, see "Offer Procedure" beginning on page 322.

Allocation to all categories, other than Anchor Investors, if any, Non-Institutional Portion and Retail Individual Investors, was made on a proportionate basis, subject to valid Bids received at or above the Offer Price, as applicable. The allocation to each Retail Individual Investor was not less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares was allocated on a proportionate basis. The allocation to each Non-Institutional Investor was not less than ₹ 200,000, subject to the availability of Equity Shares in Non-Institutional Investors' category, and the remaining Equity Shares was allocated on a proportionate basis or in any other manner as introduced under applicable laws. Allocation to Anchor Investors was made on a discretionary basis. For further information, see "*Offer Procedure*" beginning on page 322.

SUMMARY FINANCIAL INFORMATION

The following table set forth summary financial information derived from the Restated Consolidated Financial Statements. The summary financial information presented below should be read in conjunction with "*Financial Information*" and "*Management's Discussion and Analysis of Financial Position and Results of Operation*s"on pages 204 and 265 respectively.

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Annexure -I: Restated Consolidated Statement of Assets and Liabilities

(In ₹ million)

Particulars	Notes	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	2	2,828.75	2,678.02	2,619.97
Capital Work-In-Progress		21.06	33.44	33.88
Goodwill on Consolidation	3	710.56	731.44	701.03
Other Intangible Assets	2	17.62	14.67	16.86
Financial Assets				
Investments	4	0.35	0.31	0.25
Loans & Advances	5	0.57	0.87	0.62
Other Financial Assets	6	6.37	4.02	3.90
Other Tax Assets [Net]	7	110.48	99.34	106.19
Other Non-Current Assets	8	86.46	77.86	72.57
Total Non-Current Assets		**3,782.22**	**3,639.97**	**3,555.27**
Current Assets				
Inventories	9	3,757.21	2,675.45	2,319.30
Financial Assets				
Investments	4	64.30	92.50	65.84
Trade Receivables	10	2,827.51	2,138.81	2,386.58
Cash and Cash Equivalents	11	214.17	330.47	242.78
Other Bank Balances	11	178.86	122.52	328.51
Loans & Advances	5	123.41	48.28	69.70
Other Financial Assets	6	107.52	69.46	55.48
Other Current Assets	8	527.33	693.22	708.93
Total Current Assets		**7,800.31**	**6,170.71**	**6,177.12**
TOTAL ASSETS		**11,582.53**	**9,810.68**	**9,732.39**

(In ₹ million)

Particulars	Notes	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	12	772.48	500.00	500.00
Other Equity	13	4,446.12	3,771.77	3,219.80
Non-Controlling Interest	14	0.00	0.00	0.00
Total Equity		**5,218.60**	**4,271.77**	**3,719.80**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	15	1,378.45	1,015.15	1,276.44
Lease liabilities	16	55.18	75.83	60.87
Provisions	17	110.57	95.15	68.88
Deferred Tax Liabilities (Net)	18	39.52	20.02	(148.98)
Other Non-Current Liabilities	21	21.85	20.88	20.67
Total Non-Current Liabilities		**1,605.57**	**1,227.03**	**1,277.88**
Current Liabilities				
Financial Liabilities				
Borrowings	15	2,406.41	2,469.79	2,844.27
Lease liabilities	16	8.58	5.97	9.72
Trade Payables				
-Dues to Micro & Small Enterprises	19	95.29	42.53	38.60
-Dues to other than Micro & Small Enterprises	19	1,732.59	1,124.25	1,076.00
Other Financial Liabilities	20	234.98	262.52	183.93

Particulars	Notes	As at	As at	As at
		31-Mar-22	**31-Mar-21**	**31-Mar-20***
Other Current Liabilities	21	238.32	398.08	551.91
Provisions	17	20.68	20.18	18.57
Current Tax Liabilities [Net]	22	21.51	(11.44)	11.71
Total Current Liabilities		**4,758.36**	**4,311.88**	**4,734.71**
Total Liabilities		**6,363.93**	**5,538.91**	**6,012.59**
TOTAL EQUITY AND LIABILITIES		**11,582.53**	**9,810.68**	**9,732.39**
Significant Accounting Policies	1			
[*] Refer Note-34.3				
The accompanying notes (1 to 37) are integral part of the financial statements.				

Annexure -II: Restated Consolidated Statement of Profit and Loss

(In ₹ million)

Particulars	Notes	For the year ended 31-Mar-22	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
INCOME				
Revenue from Operations	23	13,214.81	8,737.54	8,858.53
Other Income	24	175.18	29.80	136.52
Total Income (A)		**13,389.99**	**8,767.34**	**8,995.05**
EXPENSES				
Cost of Materials Consumed	25	7,991.64	4,340.61	4,480.10
Change In Inventories of Finished Goods & Work-In-Progress	26	(594.58)	(193.37)	100.97
Employee Benefits Expenses	27	1,580.27	1,463.78	1,490.34
Finance Costs	28	245.59	299.93	328.03
Depreciation and Amortization Expenses	2	353.56	341.09	352.44
Other Expenses	29	2,547.32	1,908.08	1,927.32
Total Expenses (B)		**12,123.80**	**8,160.12**	**8,679.20**
Profit/ (Loss) Before Tax (C)=(A-B)		**1,266.19**	**607.22**	**315.85**
Tax Expense				
Current Tax		332.45	-	145.74
Deferred Tax	31	14.30	152.83	(62.68)
MAT Credit reversed/(availed)		-	-	13.70
Total Tax Expense (D)		**346.75**	**152.83**	**96.76**
Profit/ (Loss) After Tax (E)=(D-C)		**919.44**	**454.39**	**219.09**
Less:Profit transferred to Non-Controlling Interest		0.00	0.00	0.00
Profit/ (Loss) After Tax (After Non-Controlling Interest) (F)		**919.44**	**454.39**	**219.09**
Other Comprehensive Income				
i) Items that will be reclassified to profit or loss				
Changes in fair value of FVTOCI equity instruments		-0.00	0.00	-
Gains / (Loss) of Cashflow Hedge		16.11	75.25	(74.71)
Income tax relating to these items	31	(4.05)	(18.94)	22.04
ii) Items that will not be reclassified to profit or loss				
Remeasurement of post-employment benefit obligations	32	3.15	(6.47)	(12.42)
Income tax relating to these items	31	(0.79)	1.63	0.59
Other Comprehensive Income, net of tax (G)		**14.42**	**51.47**	**(64.50)**
Total Comprehensive Income (F+G)		**933.86**	**505.86**	**154.59**
Earning Per Equity Share (EPS)	30			
Basic (Rs.)		16.06	9.09	6.26
Diluted (Rs.)		11.90	5.88	3.52
Significant Accounting Policies	1			
[*] Refer Note-34.3				
The accompanying notes (1 to 37) are integral part of the financial statements.				

Annexure -III: Restated Consolidated Cash flow Statement

(In ₹ million)

Particulars	For the year ended	For the year ended	For the year ended
	31-Mar-22	31-Mar-21	31-Mar-20*
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit Before Tax as per statement of Profit & Loss	1,266.19	607.22	315.85
Adjustments for:			
Depreciation, Amortisation, Depletion & Impairment	353.56	341.09	352.44
Interest Income	(16.43)	(22.77)	(30.39)
Finance Cost	245.59	299.93	328.03
Loss/(Profit) on Sale of Investment	(0.02)	(0.10)	-
Foreign Currency Translation Reserve	33.85	15.69	(18.04)
Bad debts/Provision for doubtful trade receivables	3.65	4.88	23.39
Share of Profit/Loss from Associates	2.98	(1.69)	(8.37)
Loss / (Profit) on Sale of Assets	0.43	1.38	4.23
Operating Profit before Working Capital Changes	1,889.80	1,245.63	967.14
Adjustments for Changes in Working Capital			
Inventories	(1,081.76)	(356.15)	83.49
Trade Receivables	(692.35)	242.89	423.03
Other Current / Non-Current Assets	39.21	30.00	94.00
Trade Payables	661.10	52.18	(536.89)
Other Current / Non-Current Liabilities	(159.76)	(153.94)	104.38
Provisions	46.98	83.81	(68.65)
Other Financial Liabilities	(27.54)	78.59	196.60
Cash Generated from Operations	675.68	1,223.01	1,263.10
Income Taxes Paid	(310.94)	(11.44)	(134.03)
Net Cash Flow from Operating Activities (A)	364.74	1,211.57	1,129.07
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets (Net)	(495.29)	(397.89)	(733.21)
Sale /(Purchase) of Other Investments	28.18	(26.62)	(8.37)
Loans and Advances (Net)	(8.30)	(5.54)	45.76
Investment in fixed deposits with bank (Net)	(56.34)	205.99	11.32
Interest Income	16.43	22.77	30.39
Share of Profit/Loss from Associates	(2.98)	1.69	8.37
Net Cash Flow from Investing Activities (B)	(518.30)	(199.60)	(645.74)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends Paid	-	-	(84.29)
Corporate Dividend Distribution Tax	-	-	(17.32)
Finance Cost	(245.59)	(299.93)	(328.03)
Availment /(Repayment) of Borrowings (Net)	281.88	(624.56)	44.34
Availment /(Repayment) of Non-Current Liability	0.97	0.21	2.80
Net Cash Flow from Financing Activities (C)	37.26	(924.28)	(382.50)
Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)	(116.30)	87.69	100.83
Cash and Cash Equivalents at the Beginning			
Cash on Hand	0.60	1.79	0.07
Balances with Banks	329.87	240.99	7.62
	330.47	**242.78**	**7.69**
Cash and Cash Equivalents added pursuant to the Scheme [Refer Note 34.3]			
Cash on Hand	-	-	0.88
Balances with Banks	-	-	133.38
	-	**-**	**134.26**
Cash and Cash Equivalents at the End			
Cash on Hand	0.63	0.60	1.79

Particulars	For the year ended	For the year ended	For the year ended
	31-Mar-22	31-Mar-21	31-Mar-20*
Balances with Banks	213.54	329.87	240.99
	214.17	**330.47**	**242.78**
[*] Refer Note-34.3			
The accompanying notes (1 to 37) are integral part of the financial statements.			

Trade Receivables

(In ₹ million)

Particulars	As at	As at	As at
	31-Mar-22	31-Mar-21	31-Mar-20
Unsecured and Considered Good			
Trade Receivables	2,886.80	2,198.96	2,445.71
Less: Provision for doubtful trade receivables	59.29	60.15	59.13
Total Trade Receivables	**2,827.51**	**2,138.81**	**2,386.58**

Age of Trade Receivables:

(In ₹ million)

Particulars	As at	As at	As at
	31-Mar-22	31-Mar-21	31-Mar-20
Not Due	1,964.15	1,406.04	1,014.44
0-3 Months	422.44	229.24	381.79
3-6 Months	20.18	35.51	46.68
6-12 Months	13.17	35.21	83.03
1-3 Years	9.57	44.44	774.44
>3 Years	398.00	388.37	86.20
Total	**2,827.51**	**2,138.81**	**2,386.58**

Trade Payables

(In ₹ million)

Particulars	As at	As at	As at
	31-Mar-22	31-Mar-21	31-Mar-20*
Dues to Micro and Small Enterprises	95.29	42.53	38.60
Dues to other than Micro and Small Enterprises	1,732.59	1,124.25	1,076.00
Total Trade Payables	**1,827.88**	**1,166.78**	**1,114.59**

Age of Trade Payables:

Outstanding for following periods from due date of payment

(In ₹ million)

Particulars	As at	As at	As at
	31-Mar-22	31-Mar-21	31-Mar-20*
(i) MSME			
Not Due	95.29	38.43	30.00
0-12 Months	-	3.04	7.51
1-2 Years	-	0.37	0.31
2-3 Years	-	-	0.78
>3 Years	-	0.69	-
Sub Total	**95.29**	**42.53**	**38.60**
(ii) Other			
Not Due	991.78	510.76	314.66
0-12 Months	714.33	561.99	669.53
1-2 Years	2.17	18.40	65.50
2-3 Years	2.26	30.34	23.92
>3 Years	22.05	2.76	2.39
Sub Total	**1,732.59**	**1,124.25**	**1,076.00**
Grand Total	**1,827.88**	**1,166.78**	**1,114.59**

GENERAL INFORMATION

Our Company 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 RoC. Subsequently, our Company's name was changed to Harsha Engineers International Private Limited pursuant to the Scheme approved by 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 pursuant to the Scheme 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.

Registered and Corporate Office of our Company

Harsha Engineers International Limited
(formerly known as Harsha Engineers International Private Limited and
Harsha Abakus Solar Private Limited)
NH-8A, Sarkhej-Bavla Highway,
Changodar,
Ahmedabad 382213,
Gujarat, India
Telephone: + (91) 2717-618200
Website: www.harshaengineers.com
Corporate Identity Number: U29307GJ2010PLC063233
Registration Number: 063233

Address of the RoC

Our Company is registered with the RoC, with its office located at the address set forth below.

The Registrar of Companies
ROC Bhavan,
Opp. Rupal Park Society,
Behind Ankur Bus Stop,
Naranpura,
Ahmedabad (Gujarat) 380 001

Board of Directors of our Company

Details regarding our Board of Directors as on the date of this Prospectus are set forth below.

S. No.	Name	Designation	DIN	Address
1.	Rajendra Shah	Chairman and Whole-time Director	00061922	C-289, Manekbag Society, Near Manekbaug Hall, Ambawadi, Ahmedabad, Gujarat – 380 015
2.	Harish Rangwala	Managing Director	00278062	1, Ashwavilla Society, Part-2 Off Sindhu Bhavan Road, Bodakdev, Thaltej, Ahmedabad, Gujarat – 380 059
3.	Vishal Rangwala	Chief Executive Officer and Whole-time Director	02452416	1, Ashwavilla Society, Part-2 Off Sindhu Bhavan Road, Bodakdev, Thaltej, Ahmedabad, Gujarat – 380 059
4.	Pilak Shah	Chief Operating Officer and Whole-time Director	00407960	C-289, Manekbaug Society, b/h Manekbaug Hall, Ambawadi, Ahmedabad City, Ahmedabad, Gujarat – 380 015
5.	Hetal Ukani	Whole-time Director	01990172	20, Meghana Row House, b/h Maharaja Agrasen Bhavan, Citylight Road, Surat, Gujarat – 395 007
6.	Ambar Patel	Independent Director	00050042	15, Sagar Society, Judges Bunglow Road, Near Shakti Enclave, Ahmedabad City, Ahmedabad, Gujarat – 380 054
7.	Neharika Vohra	Independent Director	06808439	413, IIM Campus, Vastrapur, Ahmedabad City, Ambawadi Vistar, Ahmedabad, Gujarat – 380 015
8.	Kunal Shah	Independent Director	02087152	Sevasadan 218, Sushil Park, Vastrapur, Ahmedabad, Gujarat – 380 015

S. No.	Name	Designation	DIN	Address
9.	Bhushan Punani	Independent Director	00119874	34, Spring Field, Judges Bunglows Road, Vastrapur, Ahmedabad City, Ahmedabad, Gujarat – 380 015
10.	Ramakrishnan Kasinathan	Independent Director	09461806	B-202, Orange County, Pashan Baner Link Road, Near Balaji Chowk, Pashan, Armament, Pune City, Maharashtra – 411 021

For further details of our Board of Directors, see "*Our Management – Board of Directors*" beginning on page 177.

Filing

A copy of the Draft Red Herring Prospectus has been filed electronically on the SEBI's online portal and at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "*Easing of Operational Procedure – Division of Issues and Listing – CFD*", and with SEBI's electronic platform at: https://siportal.sebi.gov.in/intermediary/index.html, in accordance with circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 issued by SEBI and Regulation 25(8) of the SEBI ICDR Regulations.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, has been filed with the RoC, and a copy of this Prospectus shall be filed with the RoC as required under Sections 26 and 32 of the Companies Act and through the electronic portal at www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Company Secretary and Chief Compliance Officer

Kiran Mohanty is the Company Secretary and Chief Compliance Officer of our Company. His contact details are set forth below.

Kiran Mohanty
NH-8A, Sarkhej-Bavla Highway,
Changodar,
Ahmedabad 382213,
Gujarat, India
Telephone: + (91) 2717 618200
E-mail: sec@harshaengineers.com

Investor Grievances

Investors may contact the Company Secretary and Chief Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer-related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode or other means. For all Offer related-queries and for redressal of complaints, investors may also write to the BRLMs.

All Offer-related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid-cum-Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid-cum-Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for Retail Individual Investors who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the Sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the respective BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

Book Running Lead Managers

Axis Capital Limited
1st Floor, Axis House
C-2 Wadia International Centre
Pandurang Budhkar Marg,
Mumbai – 400 025,
Maharashtra, India
Tel: +(91) 22 4325 2183
E-mail: harsha.ipo@axiscap.in
Investor Grievance E-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Sagar Jatakiya / Simran Gadh
SEBI Registration No.: INM000012029

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi,
Mumbai – 400 025
Maharashtra, India
Tel: (+91) 2266 303030;
E-mail: harsha.ipo@jmfl.com
Investor Grievance E-mail: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Prachee Dhuri
SEBI Registration No.: INM000010361

Equirus Capital Private Limited
12th Floor, C Wing,
Marathon Futurex,
N M Joshi Marg,
Lower Parel,
Mumbai 400 013,
Maharashtra, India
Tel: +(91) 2243 320700
E-mail: harsha.ipo@equirus.com
Investor Grievance E-mail: investorsgrievance@equirus.com
Website: www.equirus.com
Contact Person: Ankesh Jain
SEBI Registration No.: INM000011286

Statement of inter-se allocation of responsibilities amongst the BRLMs

The responsibilities and coordination by the BRLMs for various activities in this Offer are as set forth below.

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing	Axis, JM and Equirus	Axis
2.	Drafting and approval of statutory advertisements	Axis, JM and Equirus	Axis
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.	Axis, JM and Equirus	JM
4.	Appointment of intermediaries – Printers and Advertising Agency, including coordination of all agreements to be entered into with such intermediaries	Axis, JM and Equirus	Axis

Sr. No.	Activity	Responsibility	Co-ordination
5.	Appointment of intermediaries – Registrars, Sponsor Bank, Bankers to the Issue and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	Axis, JM and Equirus	JM
6.	Preparation of road show marketing presentation and frequently asked questions	Axis, JM and Equirus	Equirus
7.	International Institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule	Axis, JM and Equirus	JM
8.	Domestic Institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule	Axis, JM and Equirus	Axis
9.	Retail marketing of the Offer, which will cover, inter alia: • Formulating marketing strategies, preparation of publicity budget; • Finalizing media, marketing and public relations strategy; • Finalizing centres for holding conferences for brokers, etc.; • Finalizing collection centres; • Arranging for selection of underwriters and underwriting agreement; and • Follow-up on distribution of publicity and offer material including form, Prospectus and deciding on the quantum of the offer material	Axis, JM and Equirus	JM
10.	Non-Institutional marketing of the Offer, which will cover, inter alia: • Finalizing media, marketing and public relations strategy; and • Finalizing centres for holding conferences for brokers, etc.	Axis, JM and Equirus	Equirus
11.	Managing the book and finalization of pricing in consultation with the Company and the Selling Shareholders and payment of 1% security deposit to the designated stock exchange.	Axis, JM and Equirus	JM
12.	Coordination with Stock-Exchanges for book building software, bidding terminals and mock trading; anchor co-ordination and intimation of anchor allocation.	Axis, JM and Equirus	JM
13.	Post- Issue activities, which shall involve essential follow-up with bankers to the Issue and SCSBs to get quick estimates of collection and advising our Company about the closure of the Issue, based on correct figures, finalization of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Issue activity such as Registrar to the Issue, Bankers to the Issue, SCSBs including responsibility for underwriting arrangements, as applicable and submission of all post Offer reports including the final post Offer report to SEBI, co-ordination with designated exchange and SEBI for release of 1% security deposit.	Axis, JM and Equirus	JM

Syndicate Members

Equirus Securities Private Limited
21st Floor, A Wing, Marathon Futurex,
N M Joshi Marg, Lower Parel, Mumbai 400 013
Maharashtra, India
Tel.: +91 22 4332 0700
E-mail: Mahek.gandhi@equirus.com
Attention: Mahek Gandhi

JM Financial Services Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025,
Maharashtra, India

Tel: +91 22 6136 3400
E-mail: tn.kumar@jmfl.com /sona.verghese@jmfl.com
Attention: TN Kumar /Sona Verghese

Legal Advisors to the Offer

Legal Counsel to the Company and to the Selling Shareholders as to Indian Law

Trilegal
One World Centre
10th Floor, Tower 2A & 2B,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai - 400 013
Telephone: +91 22 4079 1000

Legal Counsel to the BRLMs as to Indian Law

J. Sagar Associates
Vakils House
18 Sprott Road
Ballard Estate, Mumbai
Maharashtra – 400 001
Telephone: +91 22 4341 8600

Special Purpose International Legal Counsel to the BRLMs

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore 049321
Telephone: +65 6538 0900

Registrar to the Offer

Link Intime India Private Limited
C 101, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai 400083
Maharashtra, India
Telephone: +91 22 4918 6200
E-mail: harshaengineers.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor Grievance E-mail: harshaengineers.ipo@linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Bankers to the Offer

Escrow Collection Bank / Public Offer Account Bank / Refund Bank / Sponsor Bank

Axis Bank Limited
Balleshwar Avenue, Ground Floor,
Opposite Rajpath Club, SG Highway,
Ahmedabad 380054
Telephone: 8758101081
Email: archita.shah@axisbank.com
Website: www.axisbank.com
SEBI Registration Nnumber: INBI00000017
Contact Person: Archita Shah

Sponsor Bank

Kotak Mahindra Bank Limited
Kotak Infiniti, 6th Floor, Building No. 21,
Infinity Park, Off Western Express Highway,
General AK Vaidya Marg, Malad (East).
Mumbai – 400 097,
Maharashtra, India
Telephone: 022-66056588
Email: cmsipo@kotak.com
Website: www.kotak.com
SEBI Registration Number: INBI00000927
Contact Person: Kushal Patankar

Statutory Auditors to our Company

M/s. Pankaj R. Shah & Associates
701 / 702 Regency Plaza,
Behind Rahul Tower,
Anandnagar Road,
Anand Nagar Road,
Satellite, Ahmedabad,
Gujarat 380 015
Telephone: +9179 26931024
E-mail: info@prsca.in
Peer Review Certificate Number: 013474
Firm Registration No: 107361W

Changes in Auditors

Except as disclosed below, there have been no changes in the statutory auditors of our Company during the three years immediately preceding the date of this Prospectus:

S. No.	Particulars	Date of change	Reason for change
1.	Pankaj R. Shah & Associates, Chartered Accountants	December 27, 2021	Appointed as Statutory Auditor for a period of five years
2.	Pankaj R. Shah & Associates, Chartered Accountants	August 14, 2021	Appointed as Statutory Auditor to fill casual vacancy for the financial year 2020-2021
3.	CP Shah & Co, Chartered Accountants	August 12, 2021	Resigned as Statutory Auditor due to preoccupation in other assignments

Bankers to our Company

Citibank N.A.
Address: Citibank N.A., 1st Floor,
Kalapurnam, C G Road, Ahmedabad – 380009
Telephone Number(s): 079-40015835
Contact Person: Mr. Birud Shah
Website: www.citibank.co.in
Email: birud.shah@citi.com
Contact Person: Mr. Birud Shah
CIN: F00471

HDFC Bank Limited
Address: HDFC Bank Limited,
FIG-OPS Department-Lodha,
I Think Techno Campus, 0-3
Level, Next to Kanjurmarg,
Railway Station, Kanjurmarg (East),
Mumbai – 400 042,
Maharashtra, India.
Telephone Number(s): +91 22 30752927;
+91 22 30752928; +91 22 30752914
Contact Person: Tushar Gavankar, Siddharth Jadhav, Prasanna Uchil, Neerav Desai
Website: www.hdfcbank.com
Email: Tushar.gavankar@hdfc.com;
siddharth.jadhav@hdfcbank.com;
Prasanna.uchil@hdfcbank.com; neerav.desai@hdfcbank.com
CIN: L65920MH1994PLC080618

ICICI Bank Limited
Address: JMC House, Sheth Mangaldas Rd,
Opposite Parimal Gardens,
Ambawadi, Tulsibag Society,
Ambawadi, Ahmedabad,
Gujarat 380006
Telephone Number(s): +91 70435 36096

State Bank of India
Address: Neptune Tower Annexe, Opp. Gandhiram Railway Station, Ashram Road, Ahmedabad,
Telephone Number(s): 079 26582505
Contact Person: Branch Head
Website: www.sbi.co.in
Email: sbi.03993@sbi.co.in

The Hongkong and Shanghai Banking Corporation Limited
Address: 35 – 47, Mardia Plaza,
C. G. Road, Ahmedabad – 380006
Telephone Number(s): 079 – 40204704
Contact Person: Mr. Vivek Agarwal
Website: www.hsbc.co.in
Email: vivek.j.agarwal@hsbc.co.in
CIN/FCRN: F00947

RBL Bank Limited
Address: One Indiabulls Centre,
Tower 2B, 6th Floor,
841, Senapati Bapat Marg,
Lower Parel, Mumbai - 400013
Telephone Number(s): 022-43020579
Contact Person: Pankaj Gehlot
Website: https://www.rblbank.com/
Email: Pankaj.gehlot@rblbank.com
CIN: L65191PN1943PLC007308

YES Bank Limited
Address: 102/103, CG Centre,
CG Road, Ahmedabad – 380 009.
Telephone Number(s): 079 67168755
Contact Person: Mr. Manish Soni
Website: www.yesbank.in

Contact Person: Roma Dave
Website: www.icicibank.com
Email: roma.dave@icicibank.com
CIN: L65190GJ1994PLC021012

Kotak Mahindra Bank Limited
Address: 7th Floor, B-Wing,
Venus Amadeus, Jodhpur Cross Road,
Ahmedabad – 380 015.
Telephone Number(s): 079 67168755
Contact Person: Mr. Niraj Shah
Website: N.A.
Email: niraj.shah@kotak.com
CIN: L65110MH1985PLC038137

Email: manish.soni@yesbank.in
CIN: L65190MH2003PLC143249

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.

SCSBs 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.

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.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with circular no. CIR/CFD/14/2012 dated October 4, 2012 and circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI, Bidders (other than Anchor Investors) can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. The list comprising the details of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34and updated from time to time.

Grading of the Offer

No credit agency registered with SEBI has been appointed for grading for the Offer.

Monitoring Agency

Our Company has appointed CARE Ratings Limited as its monitoring agency prior to the filing of this Prospectus in accordance with Regulation 41 of the SEBI ICDR Regulations.

Expert

Except as stated below, our Company has not obtained any expert opinions.

Our Company has received written consent dated August 30, 2022, from M/s. Pankaj R. Shah & Associates, Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations, in this Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated August 30, 2022 on our Restated Consolidated Financial Statements; and (ii) report dated August 30 , 2022 on the statement of special tax benefits with respect to our Company, its shareholders and its Material Subsidiaries included in this Prospectus, and such consent has not been withdrawn as on the date of this Prospectus.

Our Company has received written consent dated August 29, 2022 from the independent chartered engineer, namely Vitthal & Associates, Chartered Engineer, to include his name in this Prospectus, as an "expert" as defined under section 2(38) and section 26(5) of the Companies Act, 2013 to the extent and in his capacity as a chartered engineer, certifying the installed production capacities and capacity utilisation of the manufacturing facility of our Company and certifying the capital expenditure towards purchase of machinery proposed as part of the Objects of the Offer such consent has not been withdrawn as on the date of this Prospectus.

Our Company has received written consent dated August 29, 2022 from the independent chartered engineer, namely Hitesh Parekh, Chartered Engineer, to include his name in this Prospectus, as an "expert" as defined under section 2(38) and section 26(5) of the Companies Act, 2013 to the extent and in his capacity as a chartered engineer, certifying the costs for infrastructure repairs and renovation proposed as part of the Objects of the Offer and such consent has not been withdrawn as on the date of this Prospectus.

Further, our Company has received written consent dated August 29, 2022, 2022 from CARE Advisory as an "expert" as defined under section 2(38) and section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, to include their name in this Prospectus, to the extent and in their capacity as an industry vendor in respect of their report titled "*Industry Research Report on Bearings, Bearings cages & Stampings Market*" dated August, 2022.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any external agency or bank/financial institution.

Credit Rating

As the Offer is of Equity Shares, credit rating is not required.

Debenture Trustees

As the Offer is of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidder on the basis of this Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band which was decided by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs and minimum Bid lot which was decided by our Company and Promoter Selling Shareholders, in consultation with the BRLMs and advertised in editions of Financial Express (a widely circulated English national daily newspaper), editions of Jansatta (a widely circulated Hindi national daily newspaper) and Ahmedabad edition of Financial Express (a widely circulated Gujarati newspaper, Gujarati being the regional language of Gujarat, where our Registered and Corporate Office is located), at least two Working Days prior to the Bid/Offer Opening Date and were made available to the Stock Exchanges for the purposes of uploading on their respective website. The Offer Price was determined by our Company and Promoter Selling Shareholders, in consultation with the BRLMs after the Bid/Offer Closing Date.

All Investors (other than Anchor Investors) were mandatorily required to participate in this Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors were not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors or Eligible Employees Bidding in the Employee Reservation Portion could revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors were not allowed to revise and withdraw their Bids after the Anchor Investor Bid/ Offer Period. Except Allocation to Retail Individual Bidders, Non-Institutional Investors and the Anchor Investors, Allocation in the Offer was on a proportionate basis.

For further details on method and process of Bidding, see *"Offer Procedure"* and "*Offer Structure*" on pages 322 and 318, respectively.

The Book Building Process is subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid in the Offer.

Investors should note the Offer is also subject to obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law.

For an illustration of the Book Building Process, price discovery process and allocation, see "*Offer Procedure"* beginning on page 322.

Underwriting Agreement

Our Company and the Selling Shareholders have entered into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered pursuant to the Offer. The extent of underwriting obligations and the Bids to be underwritten by each BRLM shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated September 19, 2022. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be Underwritten	Amount underwritten (₹ in million)
Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: +(91) 22 4325 2183 E-mail: harsha.ipo@axiscap.in	7,628,865	2,516.66
Equirus Capital Private Limited 12th Floor, C Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400 013 Maharashtra, India Tel: +(91) 22 4332 0700 E-mail: harsha.ipo@equirus.com	7,628,765	2,516.64
Equirus Securities Private Limited A – 2102 B, 21st Floor, A Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai – 400 013, Maharashtra Tel: +91 70690 30851 E-mail: mahek.gandhi@equirus.com	100	0.03
JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai – 400 025 Tel: (+91) 22 6630 3030; E-mail: harsha.ipo@jmfl.com	7,628,765	2,516.64
JM Financial Services Limited	100	0.03

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be Underwritten	Amount underwritten (₹ in million)
7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India Tel: (+91) 22 6136 3400 E-mail: tn.kumar@jmfl.com /sona.verghese@jmfl.com		
Total	**22,886,595**	**7,550.00**

The abovementioned amounts are provided for indicative purposes only and would be finalised after the actual allocation and subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations. In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board, at their meeting held on September 19, 2022, has approved the execution of the Underwriting Agreement by our Company.

Allocation amongst the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to Investors procured by them in accordance with the Underwriting Agreement. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Prospectus, is set forth below.

(*in ₹, except share data*)

Sr. No.	Particulars	Aggregate nominal value (₹)	Aggregate value at Offer Price [(1)]
A	**AUTHORIZED SHARE CAPITAL**		
	100,000,000 Equity Shares of face value ₹ 10 each	1,000,000,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	77,248,410 Equity Shares of face value ₹10 each	772,484,100	-
C	**PRESENT OFFER IN TERMS OF THIS PROSPECTUS**		
	Offer of 22,886,595 Equity Shares of face value ₹ 10 each aggregating up to ₹ 7,550.00 million [(1) (2)(3)]	228,865,950[(1)]	7,549,984,440*
	Of which		
	Fresh Issue of 13,795,695 Equity Shares of face value ₹10 each aggregating up to ₹ 4,550.00 million [(1) (2)]	137,956,950[(1)]	4,549,987,440*
	Offer for Sale of 9,090,900 Equity Shares of face value ₹10 each aggregating up to ₹ 3,000.00 million [(1) (3)]	90,909,000[(1)]	2,999,997,000*
	Which includes:		
	Employee Reservation portion of 83,610 Equity Shares aggregating up to ₹ 25.00 million [(4)]	836,100	24,999,390*
	Net Offer of 22,802,985 Equity Shares aggregating up to ₹ 7,525.00 million[(1)]	228,029,850	7,524,985,050*
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	91,044,105 Equity Shares of face value ₹10 each [(1)]	910,441,050	
E	**SHARE PREMIUM ACCOUNT**		
	Before the Offer	7,500,000	
	After the Offer	4,419,530,490*#	

**Adjusted for employee discount of ₹ 31 per Equity Share.*

#*The share premium account has not been adjusted for share issue expenses in relation to the Fresh Issue.*

(1) *Subject to finalization of Basis of Allotment.*

(2) *The Offer has been authorised by our Board pursuant to its resolution dated January 10, 2022 and Fresh Issue of equity shares by our Shareholders pursuant to a special resolution dated January 11, 2022.*

(3) *Each of the Selling Shareholders, severally and not jointly, confirms that its portion of the Offered Shares has been held by it for a period of at least one year prior to filing of the Draft Red Herring Prospectus and are eligible for the Offer for Sale in accordance with the provisions of the SEBI ICDR Regulations. Our IPO Committee has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to a resolution at its meeting held on January 28, 2022. For details on the consents, confirmation and authorization of each of the Selling Shareholders for their participation in the Offer for Sale, see "Other Regulatory and Statutory Disclosures – Authority for the Offer" on page 302.*

(4) *Our Company and Promoter Selling Shareholders, in consultation with the BRLMs, have offered an Employee Discount of 9.39% to the Offer Price (equivalent to ₹ 31 per Equity Share).*

Details of changes to our Company's authorised share capital in the last 10 years:

Except as disclosed in "*History and Certain Corporate Matters - Amendments to our Memorandum of Association in the last 10 years*" on page 167, there have been no changes to our authorised share capital in the last 10 years preceding the date of this Prospectus.

Notes to the Capital Structure

1. **Share capital history of our Company:**

(a) Equity Share capital

The history of the Equity Share capital of our Company is set forth in the table below:

Date of Allotment	No. of Equity Shares Allotted	Face Value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)
December 11, 2010	10,000	10	10	Cash	Initial Subscription to the Memorandum of Association (1)	10,000	100,000
March 15, 2011	560,000	10	20.18	Cash	Further issue (2)	570,000	5,700,000
March 15, 2011	180,000	10	20	Cash	Further issue (3)	750,000	7,500,000
March 31, 2014	5,000,000	10	10	Cash	Further issue (4)	5,750,000	57,500,000
September 12, 2015	14,250,000	10	10	Cash	Further issue (5)	20,000,000	200,000,000
September 28, 2019	30,000,000	10	10	Other than cash	Preferential Allotment (6)	50,000,000	500,000,000
Pursuant to the Scheme becoming effective as on December 24, 2021, the paid up equity share capital of our Company shall stand reduced from ₹500,000,000 to ₹50,000,000 divided into 50,000,000 equity shares of ₹1 each fully paid up. Simultaneously, every 10 such equity shares of the reduced face value of ₹1 each of our Company shall stand consolidated into 1 Equity Share of face value of ₹ 10 each fully paid up. Also, fractional shares have been rounded off to the nearest whole number by issuing and allotting 10 additional Equity Shares(7) of ₹ 10 each fully paid up such that the equity share capital of our Company shall be ₹50,000,100 divided into 5,000,010 Equity Shares of ₹10 each fully paid up.							
December 25, 2021	72,248,400	10	NA	Other than Cash	Allotment pursuant to Scheme(8)	77,248,410	772,484,100

(1) *List of allottees who were allotted equity shares is as follows:*

Sr. No.	***Name of allottee***	***Number of Equity Shares allotted***
1.	*Harsha Engineers Limited*	*9,998*
2.	*Harish Rangwala (as nominee of Harsha Engineers Limited)*	*1*
3.	*Rajendra Shah (as nominee of Harsha Engineers Limited)*	*1*

(2) *List of allottees who were allotted equity shares is as follows:*

Sr. No.	***Name of allottee***	***Number of Equity Shares allotted***
1.	*Harsha Engineers Limited*	*560,000*

(3) *List of allottees who were allotted equity shares is as follows:*

Sr. No.	***Name of allottee***	***Number of Equity Shares allotted***
1.	*Abakus Solar A.G.*	*180,000*

(4) *Allotment of 5,000,000 Equity Shares to Harsha Engineers Limited.*

(5) *List of allottees who were allotted equity shares is as follows:*

Sr. No.	***Name of allottee***	***Number of Equity Shares allotted***
1.	*Rajendra Shah*	*1,426,750*
2.	*Nirmala Shah*	*561,940*
3.	*Pilak Shah*	*948,950*
4.	*Vaishali Shah*	*93,815*
5.	*Krina Shah*	*93,815*
6.	*Milly Mehta*	*93,815*
7.	*Hetal Ukani*	*237,475*
8.	*Harish Rangwala*	*912,251*
9.	*Munjal Rangwala*	*1,199,999*
10.	*Vishal Rangwala*	*1,199,999*
11.	*Harsha Engineers Limited*	*7,481,191*

(6) *Allotment pursuant to conversion of unsecured loans into Equity Shares as follows:*

Sr. No.	***Name of allottee***	***Number of Equity Shares allotted***
1.	*Rajendra Shah*	*6,000,000*
2.	*Pilak Shah*	*9,000,000*
3.	*Harish Rangwala*	*11,000,000*
4.	*Munjal Rangwala*	*4,000,000*

[(7)] *Allotment in lieu of fractional entitlement pursuant to the NCLT order dated December 23, 2021 approving the Scheme in the following manner:*

Sr. No.	*Name of allottee*	*Number of Equity Shares allotted*
1.	*Harish Rangwala*	*1*
2.	*Charusheela Rangwala*	*1*
3.	*Vishal Rangwala*	*1*
4.	*Munjal Rangwala*	*1*
5.	*Rajendra Shah*	*1*
6.	*Dilipbhai Sanghvi jointly with Dinaben Sanghvi*	*1*
7.	*Dinaben Sanghvi jointly with Dilipbhai Sanghvi*	*1*
8.	*Lataben Sanghvi Jointly with Dilip Sanghvi*	*1*
9.	*Bhanuben Shah Jointly with Raman Shah*	*1*
10.	*Jyotsnaben Shah*	*1*

[(8)] *Allotment made to the shareholders of Harsha Engineers Limited pursuant the NCLT order dated December 23, 2021 approving the Scheme in the following manner and effective from December 24, 2021 pursuant to the filing of INC 28 with ROC:*

Sr. No.	*Name of allottee*	*Number of Equity Shares allotted*
1.	*Harish Rangwala*	*19,153,554*
2.	*Charusheela Rangwala*	*12,542,022*
3.	*Vishal Rangwala*	*720,000*
4.	*Munjal Rangwala*	*2,160,000*
5.	*Tanvi Rangwala*	*1,440,006*
6.	*Rajendra Shah*	*14,415,888*
7.	*Nirmala Shah*	*10,799,400*
8.	*Pilak Shah*	*7,200,000*
9.	*Hetal Uklani with Nirmala Shah*	*1,800,000*
10.	*Vaishali Pilak Shah*	*1,800,000*
11.	*Pilak Shah Family Trust (Shah Pilak)*	*300*
12.	*Munjal Rangwala Family Trust (Rangwala Harish)*	*300*
13.	*Mili Mehta Family Trust (Shah Rajendra)*	*300*
14.	*Hetal Ukani Family Trust (Ukani Hetal)*	*300*
15.	*Vishal Rangwala Family Trust (Rangwala Charusheela)*	*300*
16.	*Dilipbhai Sanghvi jointly with Dinaben Sanghvi*	*6*
17.	*Dinaben Sanghvi jointly with Dilipbhai Sanghvi*	*6*
18.	*Lataben Sanghvi jointly with Dilipbhai Sanghvi*	*6*
19.	*Dhirajlal Bhatt jointly with Harihar Bhatt and Nayana Bhatt*	*216,000*
20.	*Bhanumati Shah jointly with Raman Shah*	*6*
21.	*Jyotsnaben Shah.*	*6*

(b) Preference share capital

Our Company has not issued any preference shares as on the date of the filing of this Prospectus.

2. Except for the allotment of Equity Shares as set forth above in "*Capital Structure– Notes to the capital structure – Share capital history of our Company*", our Company has not issued any Equity Shares out of revaluation of reserves or for consideration other than cash since its incorporation.

3. Except for the allotment of Equity Shares as set forth above in "*Capital Structure – Notes to the capital structure – Share capital history of our Company*" and "*History and Certain Corporate Matters – Scheme of Amalgamation*" on pages 77 and 170, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013, as applicable.

4. Other than the equity shares allotted pursuant to the Scheme, our Company has not issued any equity shares or preference shares at a price that was lower than the Offer Price during a period of one year preceding the date of this Prospectus.

5. As on the date of this Prospectus, our Company has no Employee Stock Option Scheme. Further, our Company has not issued Equity Shares pursuant to any employee stock option schemes.

6. Shareholding pattern of our Company

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+ C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
(A)	Promoter and Promoter Group	15	77,017,433	0	0	77,017,433	99.70	77,017,433	0	77,017,433	99.70	0	0	0	0	0	0	77,017,433
(B)	Public	5	230,977	0	0	230,977	0.30	230,977	0	230,977	0.30	0	0	0	0	0	0	230,977
(C)	Non Promoter-Non Public	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0	0	0	0
(C1)	Shares underlying DRs	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0	0	0	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0	0	0	0
	Total	**20**	**77,248,410**	**0**	**0**	**7,7248,410**	**100.00**	**77,248,410**	**0**	**77,248,410**	**100.00**	**0**	**0**	**0**	**0**	**0**	**0**	**7,7248,410**

7. **Other details of Shareholding of our Company**

a) As on the date of filing of this Prospectus, our Company has 20 Equity Shareholders.

b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity share capital of our Company, as on the date of filing of this Prospectus;

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer equity share capital (%)
1	Harish Rangwala	13,479,089	17.45
2	Charusheela Rangwala	12,719,487	16.47
3	Vishal Rangwala	7,769,829	10.06
4	Tanvi Rangwala	4,539,663	5.88
5	Rajendra Shah	15,413,550	19.95
6	Nirmala Shah	9,622,530	12.46
7	Pilak Shah	7,698,281	9.97
8	Hetal Ukani jointly with Nirmala Shah	1,924,571	2.49
9	Vaishali Shah	1,924,571	2.49
10	Mili Mehta Family Trust	1,924,571	2.49
	Total	**77,016,142**	**99.70**

c) Set forth below is a list of Shareholders holding 1% or more of the paid-up share Equity capital of our Company, as of 10 days prior to the date of filing of this Prospectus.

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer equity share capital (%)
1	Harish Rangwala	13,479,089	17.45
2	Charusheela Rangwala	12,719,487	16.47
3	Vishal Rangwala	7,769,829	10.06
4	Tanvi Rangwala	4,539,663	5.88
5	Rajendra Shah	15,413,550	19.95
6	Nirmala Shah	9,622,530	12.46
7	Pilak Shah	7,698,281	9.97
8	Hetal Ukani jointly with Nirmala Shah	1,924,571	2.49
9	Vaishali Shah	1,924,571	2.49
10	Mili Mehta Family Trust	1,924,571	2.49
	Total	**77,016,142**	**99.70**

d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity share capital of our Company, as of the date one year prior to the date of filing of this Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer equity share capital (%)
1	Munjal Rangwala	1,494,843	2.99
2	Vishal Rangwala	498,281	1.00
3	Nirmala Shah	7,473,799	14.95
4	Vaishali Shah	1,245,702	2.49
5	Tanvi Rangwala	996,566	1.99
6	Charusheela Rangwala	8,679,792	17.36
7	Rajendra Shah	9,976,614	19.95
8	Pilak Shah	4,982,809	9.97
9	Hetal Ukani	1,245,707	2.49
10	Harish Rangwala	13,255,348	26.51
	Total	**49,849,461**	**99.70**

e) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity share capital of our Company, as of the date two years prior to the date of filing of this Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer equity share capital (%)
1	Munjal Rangwala	6,999,850	14.00
2	Vishal Rangwala	2,999,850	6.00
3	Nirmala Shah	2,999,850	6.00

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer equity share capital (%)
4	Vaishali Shah	499,975	1.00
5	Krina Shah	499,975	1.00
6	Milly Mehta	499,975	1.00
7	Charusheela Rangwala	1,999,900	4.00
8	Rajendra Shah	8,999,850	18.00
9	Pilak Shah	10,999,900	22.00
10	Hetal Ukani	499,975	1.00
11	Harish Rangwala	12,999,900	26.00
	Total	**49,999,000**	**100.00**

f) *Shareholding of our Directors and/or Key Managerial Personnel*:

Except as set forth below, none of our Directors or Key Managerial Personnel hold any Equity Shares as on the date of this Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer equity share capital (%)
1.	Harish Rangwala	1,34,79,089	17.45
2.	Rajendra Shah	1,54,13,550	19.95
3.	Vishal Rangwala	7,769,829	10.06
4.	Pilak Shah	7,698,281	9.97
5.	Hetal Ukani jointly with Nirmala Shah	1,924,571	2.49

8. **Details of Shareholding of our Promoters and members of the Promoter Group in our Company**

(a) As on the date of this Prospectus, our Promoters hold 44,360,749 Equity Shares, equivalent to 57.43% of the issued, subscribed and paid-up equity share capital of our Company.

(b) The build-up of the equity shareholding of our Promoters since incorporation of our Company is set forth in the table below:

Nature of transaction	Date of allotment and the date on which the equity Shares were made fully paid-up / acquisition	No. of Equity Shares	Face value per equity share (₹)	Issue/ transfer price per equity share (₹)	Percentage of the pre-Offer equity share capital (%) *#	Percentage of the post-Offer equity share capital (%)
Harish Rangwala						
Subscription to MOA (in the capacity as nominee of Harsha Engineers Limited)	December 11, 2010	1	10	10	0.00	0.00
Transferred to Munjal Rangwala (in the capacity as nominee of Harsha Engineers Limited)	March 30, 2015	(1)	10	10	0.00	0.00
Further issue	September 12, 2015	912,251	10	10	1.18	1.00
Transfer from Harsha Engineers Limited	March 30, 2017	1,087,649	10	8.49	1.41	1.19
Preferential Allotment pursuant to conversion of unsecured loans into Equity Shares	September 28, 2019	11,000,000	10	10	14.24	12.08
Gift to Vishal Rangwala Family Trust	February 18, 2021	(208)	10	N.A.	0.00	0.00

Nature of transaction	Date of allotment and the date on which the equity Shares were made fully paid-up / acquisition	No. of Equity Shares	Face value per equity share (₹)	Issue/ transfer price per equity share (₹)	Percentage of the pre-Offer equity share capital (%) *#	Percentage of the post-Offer equity share capital (%)
Transfer from Abakus Solar AG#	February 18, 2021	1,000	10	8.35	0.00	0.00
Gift from Vishal Rangwala	February 18, 2021	82,611	10	N.A.	0.11	0.09
Gift from Vishal Rangwala	February 18, 2021	172,045	10	N.A.	0.22	0.19
Reduction of share capital subsequent consolidation of shares pursuant to the Scheme	December 24, 2021	Reduction of share capital pursuant to which 13,255,348 Equity Shares of ₹10 each held by Harish Rangwala shall stand reduced to 13,255,348 equity shares of ₹ 1 each. Further, the share capital of 13,255,348 Equity Shares of ₹1 each held by Harish Rangwala shall stand consolidated to 1,325,535 Equity Shares of ₹10 each (including fractional share issued for rounding off to the nearest whole number)				
Allotment pursuant to the Scheme	December 25, 2021	19,153,554	10	N.A.	24.79	21.04
Gift to Vishal Rangwala	January 25, 2022	(7,000,000)	10	N.A.	(9.06)	(7.69)
Sub Total:		**13,479,089**			**17.45**	**14.81**
Rajendra Shah						
Subscription to MOA (in the capacity as nominee of Harsha Engineers Limited)	December 11, 2010	1	10	10	0	0
Transferred to Vishal Rangwala (in the capacity as nominee of Harsha Engineers Limited)	March 30, 2015	(1)	10	10	0	0
Further issue	September 12, 2015	1,426,750	10	10	1.85	1.57
Transfer from Harsha Engineers Limited	March 30, 2017	1,573,100	10	8.49	2.04	1.73
Preferential Allotment pursuant to conversion of unsecured loans into Equity Shares	September 28, 2019	6,000,000	10	10	7.77	6.59
Gift from Pilak Shah	February 18, 2021	976,972	10	N.A.	1.26	1.07
Gift to Pilak Shah Family Trust	February 18, 2021	(208)	10	N.A.	0	0
Reduction of share capital and subsequent consolidation of shares pursuant to the Scheme	December 24, 2021	Reduction of share capital pursuant to which 9,976,614 Equity Shares of ₹10 each held by Rajendra Shah shall stand reduced to 9,976,614 equity shares of ₹ 1 each. Further, the share capital of 9,976,614 Equity Shares of ₹1 each held by Rajendra Shah shall stand consolidated to 997,662 Equity Shares of ₹10 each (including fractional share issued for rounding off to the nearest whole number)				
Allotment pursuant to the Scheme	December 25, 2021	14,415,888	10	N.A.	18.66	15.83
Sub Total:		**15,413,550**			**19.95**	**16.93**
Pilak Shah						
Further issue	September 12, 2015	948,950	10	10	1.23	1.04
Transfer by Harsha Engineers Limited	March 30, 2017	1,050,950	10	8.49	1.36	1.15

Nature of transaction	Date of allotment and the date on which the equity Shares were made fully paid-up / acquisition	No. of Equity Shares	Face value per equity share (₹)	Issue/ transfer price per equity share (₹)	Percentage of the pre-Offer equity share capital (%) *#	Percentage of the post-Offer equity share capital (%)
Preferential Allotment pursuant to conversion of unsecured loans into Equity Shares	September 28, 2019	9,000,000	10	10	11.65	9.89
Gift to Nirmala Shah	February 18, 2021	(3,974,390)	10	N.A.	(5.14)	(4.37)
Gift to Hetal Ukani jointly with Nirmala Shah	February 18, 2021	(745,732)	10	N.A.	(0.97)	(0.82)
Gift to Rajendra Shah	February 18, 2021	(976,972)	10	N.A.	(1.26)	(1.07)
Gift to Vaishali Shah	February 18, 2021	(245,752)	10	N.A.	(0.32)	(0.27)
Gift to Jyotsna Shah	February 18, 2021	(3)	10	N.A.	0	0
Gift to Dhirajlal Bhatt, Harihar Bhatt & Nayana Bhatt	February 18, 2021	(74,239)	10	N.A.	(0.10)	(0.08)
Gift to Bhanumatiben Shah jointly with Raman Shah	February 18, 2021	(3)	10	N.A.	0	0
Reduction of share capital and subsequent consolidation of shares pursuant to the Scheme	December 24, 2021	Reduction of share capital pursuant to which 4,982,809 Equity Shares of ₹10 each held by Pilak Shah shall stand reduced to 4,982,809 equity shares of ₹1 each. Further, the share capital of 4,982,809 Equity Shares of ₹1 each held by Pilak Shah shall stand consolidated to 498,281 Equity Shares of ₹10 each				
Allotment pursuant to the Scheme	December 25, 2021	7,200,000	10	N.A.	9.32	7.91
Sub Total:		**7,698,281**			**9.97**	**8.46**
Vishal Rangwala						
Transfer from Rajendra Shah (in his capacity as nominee of Harsha Engineers Limited)	March 30, 2015	1	10	10	0	0
Further issue	September 12, 2015	1,199,999	10	10	1.55	1.32
Transfer from Harsha Engineers Limited	March 30, 2017	1,799,850	10	8.49	2.33	1.98
Gift to Charusheela Rangwala	February 18, 2021	(1,199,999)	10	N.A.	(1.55)	(1.32)
Gift to Harish Rangwala	February 18, 2021	(82,611)	10	N.A.	(0.11)	(0.09)
Gift to Charusheela Rangwala	February 18, 2021	(1,046,914)	10	N.A.	(1.36)	(1.15)
Gift to Harish Rangwala	February 18, 2021	(172,045)	10	N.A.	(0.22)	(0.19)
Reduction of share capital subsequent consolidation of shares pursuant to the Scheme	December 24, 2021	Reduction of share capital pursuant to which 498,281 Equity Shares of ₹10 each held by Vishal Rangwala shall stand reduced to 498,281 equity shares of ₹1 each. Further, the share capital of 498,281 Equity Shares of ₹1 each held by Vishal Rangwala shall stand consolidated to				

Nature of transaction	Date of allotment and the date on which the equity Shares were made fully paid-up / acquisition	No. of Equity Shares	Face value per equity share (₹)	Issue/ transfer price per equity share (₹)	Percentage of the pre-Offer equity share capital (%) *#	Percentage of the post-Offer equity share capital (%)
		49,829 Equity Shares of ₹10 each (including fractional share issued for rounding off to the nearest whole number)				
Allotment pursuant to the Scheme	December 25, 2021	720,000	10	N.A.	0.93	0.79
Gift from Harish Rangwala	January 25, 2022	7,000,000	10	N.A.	9.06	7.69
Sub Total:		**7,769,829**			**10.06**	**8.53**

Transfer has taken place under section 236 of the Companies Act, 2013.

(c) Except as disclosed below, no shares have been acquired by the promoters, members of the promoters group and/or the selling shareholders, the shareholders entitled to the right to nominate directors or any other rights during the last three years:

Name of Acquirer		Date of Acquisition	No. of Equity Shares acquired	Acquisition price per Equity Share (₹)
Promoters	**Vishal Rangwala**	December 25, 2021	720,000	-
		January 25, 2022	7,000,000	0*
	Sub-total		**7,720,000**	
	Rajendra Shah	September 28, 2019	6,000,000	10**
		February 18, 2021	976,972	0*
		December 24, 2021	(6,976,972)	0##
		December 24, 2021	697,697	0***
		December 25, 2021	14,415,888	0.38#
	Sub-total		**15,113,585**	
	Pilak Shah	September 28, 2019	9,000,000	10**
		December 24, 2021	(9,000,000)	0##
		December 24, 2021	900,000	0***
		December 25, 2021	7,200,000	0.26#
	Sub-total		**8,100,000**	
	Harish Rangwala	September 28, 2019	11,000,000	10**
		February 18, 2021	1,000	8.35
		February 18, 2021	82,611	0*
		February 18, 2021	172,045	0*
		December 24, 2021	(11,255,656)	0##
		December 24, 2021	1,125,566	0***
		December 25, 2021	19,153,554	0.93#
	Sub-total		**20,279,120**	
	Total - Promoters		**51,212,705**	
Members of the Promoters group	**Nirmala Shah**	November 12, 2020	143,660	0^
		November 12, 2020	93,815	0^
		November 12, 2020	262,500	0^
		February 18, 2021	3,974,390	0*
		December 24, 2021	(4,474,365)	0##
		December 24, 2021	447,437	0***
		December 25, 2021	10,799,400	0.20#
	Sub-total		**11,246,837**	
	Vaishali Shah	February 18, 2021	237,475	0*
		February 18, 2021	262,500	0*
		February 18, 2021	245,752	0*
		December 24, 2021	(745,727)	0##
		December 24, 2021	74,573	0***
		December 25, 2021	1,800,000	0.56#
	Sub-total		**1,874,573**	
	Charusheela Rangwala	February 18, 2021	433,187	0*
		February 18, 2021	4,000,000	0*

Name of Acquirer		Date of Acquisition	No. of Equity Shares acquired	Acquisition price per Equity Share (₹)
		February 18, 2021	1,199,999	0*
		February 18, 2021	1,046,914	0*
		December 24, 2021	(6,680,100)	0##
		December 24, 2021	668,010	0***
		December 25, 2021	12,542,022	0.35#
		December 29, 2021	2,309,485	0^^
	Sub-total		**15,519,517**	
	Munjal Rangwala	September 28, 2019	4,000,000	10**
		December 24, 2021	(4,000,000)	0##
		December 24, 2021	400,000	0***
		December 25, 2021	2,160,000	0#
	Sub-total		**2,560,000**	
	Munjal Rangwala Family Trust	February 18, 2021	208	0*
		December 24, 2021	(208)	0##
		December 24, 2021	21	0***
		December 25, 2021	300	3.33#
	Sub-total		**321**	
	Vishal Rangwala Family Trust	February 18, 2021	208	0*
		December 24, 2021	(208)	0##
		December 24, 2021	21	0***
		December 25, 2021	300	3.33#
	Sub-total		**321**	
	Hetal Ukani with Nirmala Shah	February 18, 2021	143,660	0*
		February 18, 2021	93,815	0*
		February 18, 2021	262,500	0*
		February 18, 2021	745,732	0*
		December 24, 2021	(1,245,707)	0##
		December 24, 2021	124,571	0***
		December 25, 2021	1,800,000	0.56#
	Sub-total		**1,924,571**	
	Tanvi Rangwala	February 18, 2021	996,566	0*
		December 24, 2021	(996,566)	0##
		December 24, 2021	99,657	0***
		December 25, 2021	1,440,006	0.0001#
		January 25, 2022	3,000,000	0*
	Sub-total		**4,539,663**	
	Milly Mehta Family Trust	February 18, 2021	208	0*
		December 24, 2021	(208)	0##
		December 24, 2021	21	0***
		December 25, 2021	300	3.33#
		January 25, 2022	1,924,250	0*
	Sub-total		**1,924,571**	
	Hetal Ukani Family Trust	February 18, 2021	208	0*
		December 24, 2021	(208)	0##
		December 24, 2021	21	0***
		December 25, 2021	300	3.33#
	Sub-total		**321**	
	Jyotsnaben Harshadbhai Shah	February 18, 2021	3	0*
		December 24, 2021	(3)	0##
		December 24, 2021	1	0***
		December 25, 2021	6	26.83#
	Sub-total		**7**	
	Pilak Shah Family Trust	February 18, 2021	208	0*
		December 24, 2021	(208)	0##
		December 24, 2021	21	0***
		December 25, 2021	300	3.33#
	Sub-total		**321**	
	Total -Members of the Promoters group		**3,95,91,022**	

* *Gift*

**** *Allotment pursuant to conversion of loan into equity*
***** *Consolidation of Shares pursuant to the Scheme becoming effective as on December 24, 2021.*
^ *Transmission from Krina Shah*
^^ *Transmission from Munjal Rangwala*
# *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 three years preceding this Prospectus has been considered for the purpose of calculation of the above acquisition price 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 alloted pursuant to above-mentioned Scheme within the three years period prior to this Prospectus.*
Reduction of share capital pursuant to the Scheme becoming effective as on December 24, 2021.

(d) All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment or acquisition, as the case may be.

(e) As on the date of this Prospectus, none of the Equity Shares held by our Promoters are pledged.

(f) The details of the shareholding of our Promoters and members of our Promoter Group, as on the date of this Prospectus, are set forth in the table below:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer equity share capital (%)	Percentage of the post-Offer equity share capital (%)
		Promoters (A)		
1.	Harish Rangwala	1,34,79,089	17.45	14.81
2.	Rajendra Shah	1,54,13,550	19.95	16.93
3.	Vishal Rangwala	77,69,829	10.06	8.53
4.	Pilak Shah	76,98,281	9.97	8.46
		Promoter Group (B)		
5.	Charusheela Rangwala	12,719,487	16.47	13.97
6.	Tanvi Rangwala	45,39,663	5.88	4.99
7.	Nirmala Shah	96,22,530	12.46	10.57
8.	Hetal Ukani with Nirmala Shah	19,24,571	2.49	2.11
9.	Vaishali Shah	19,24,571	2.49	2.11
10.	Pilak Shah Family Trust	321	0.00	0.00
11.	Munjal Rangwala Family Trust	321	0.00	0.00
12.	Mili Mehta Family Trust	1,924,571	2.49	2.11
13.	Hetal Ukani Family Trust	321	0.00	0.00
14.	Vishal Rangwala Family Trust	321	0.00	0.00
15.	Jyotsnaben Shah	7	0.00	0.00
	Total (A) + (B)	**77,017,433**	**99.70**	**84.59**

9. The entire shareholding of our Promoters is in dematerialised form as of the date of this Prospectus.

10. None of the members of the Promoter Group, our Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Prospectus.

11. **Details of Promoter's contribution and lock-in**

a) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20 % of the fully diluted post-Offer Equity Share capital of our Company held by the Promoter, shall be locked in for a period of eighteen months as minimum Promoter's contribution ("**Minimum Promoter's Contribution**") from the date of Allotment and the shareholding of the Promoter in excess of 20 % of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment.

b) Details of the Equity Shares to be locked-in for eighteen months from the date of Allotment as Minimum Promoter's Contribution are set forth in the table below:

Name of Promoter	Number of Equity Shares locked-in	Date of allotment of Equity Shares and when made fully paid-up	Nature of transaction	Face Value per Equity Share (₹)	Offer/ Acquisition price per Equity Share (₹)	Percentage of the pre-Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)*	Date up to which Equity Shares are subject to lock-in
Rajendra Shah	9,104,411	December 25, 2021	Allotment pursuant to the Scheme	10	N.A.	11.79%	10.00%	March 21, 2024
Harish Rangwala	9,104,411	December 25, 2021	Allotment pursuant to the Scheme	10	N.A.	11.79%	10.00%	March 21, 2024
Total	**18,208,822**					**23.57%**	**20.00%**	

* *Subject to finalisation of basis of allotment.*

c) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution in terms of Regulation 15 of the SEBI ICDR Regulations and includes Equity Shares allotted pursuant to the Business Reorganisation Scheme.

d) In this connection, please note that:

(i) The Equity Shares offered for Minimum Promoter's Contribution do not include (i) Equity Shares acquired in the three immediately preceding years for consideration other than cash and revaluation of assets or capitalisation of intangible assets was involved in such transaction, (ii) Equity Shares resulting from bonus issue by utilization of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of Minimum Promoter's Contribution.

(ii) The Minimum Promoter's Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer.

(iii) The Equity Shares forming part of the Minimum Promoters' Contribution are not subject to any pledge.

(iv) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm.

12. **Details of equity share capital locked-in for six months**

Unless provided otherwise under applicable law, pursuant to the SEBI ICDR Regulations, the entire pre-Offer capital of our Company (including those Equity Shares held by our Promoters in excess of the Minimum Promoter's Contribution) shall be locked-in for a period of six months from the date of Allotment, except as permitted under the SEBI ICDR Regulations. Further, any unsubscribed portion of the Offered Shares will also be locked in, as required under the SEBI ICDR Regulations.

13. **Lock-in of Equity Shares Allotted to Anchor Investors**

50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

14. **Recording on non-transferability of Equity Shares locked-in**

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

15. **Other requirements in respect of lock-in**

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan granted by a scheduled commercial bank, a public financial institution, NBFC-SI or a housing finance company, subject to the following:

(i) With respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan; and

(ii) with respect to the Equity Shares locked-in as Minimum Promoter's Contribution for eighteen months from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in, in the hands of such transferee, for the remaining period and compliance with provisions of the SEBI Takeover Regulations.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons prior to the Offer and locked-in for a period of one year, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in in the hands of such transferee and compliance with the applicable provisions of the SEBI Takeover Regulations.

16. Except for the Offer, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

17. There have been no financing arrangements whereby our Promoters, members of the Promoter Group and / or our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Prospectus.

18. All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Prospectus.

19. As on the date of this Prospectus, none of the Equity Shares held by our Promoters and members of our Promoter Group are pledged or otherwise encumbered. Further, none of the Equity Shares being offered for sale through the Offer for Sale are pledged or otherwise encumbered, as on the date of this Prospectus.

20. Other than to the extent of the Equity Shares being offered by certain of our Promoters and certain members of our Promoter Group, none of our other Promoters or members of our Promoter Group will submit Bids or otherwise participate in the Offer.

21. As on the date of this Prospectus, the BRLMs and their respective associates, as defined under the SEBI Merchant Bankers Regulations, do not hold any Equity Shares. The BRLMs, and their associates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

22. There were no transactions in the Equity Shares by the Promoters and the members of the Promoter Group during the period between the date of filing of the Draft Red Herring Prospectus and the date of closure of the Offer that were required to be reported to the Stock Exchanges within 24 hours of such transaction.

23. Our Company, the Promoters, our Directors and the BRLMs have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.

24. There are no outstanding convertible securities or warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares as on the date of this Prospectus.

25. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

26. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, our Directors, our Promoters, members of our Promoter Group, Group Companies or the Selling Shareholders, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services

or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.

27. Neither the (i) BRLMs or any associate of the BRLMs (other than mutual funds sponsored entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs sponsored by the entities which are associates of the BRLMs and or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs); nor (ii) any person related to the Promoters or Promoter Group can apply under the Anchor Investor Portion.

28. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

OBJECTS OF THE OFFER

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

Appraising Agency

None of the Objects of the Offer for which the Net Proceeds will be utilized have been appraised by any external agency or any bank/financial institution.

The Offer for Sale

The Selling Shareholders will be entitled to their respective portions of the proceeds of the Offer for Sale after deducting their proportion of Offer related expenses. Our Company will not receive any proceeds from the Offer for Sale by the Selling Shareholders and the proceeds received from the Offer for Sale (net of Offer related expenses to be borne by the Selling Shareholders) will not form part of the Net Proceeds. Other than the listing fees for the Offer and expense on account of corporate advertisements (which shall be exclusively borne by our Company), all cost, fees and expenses in respect of the Offer will be shared among our Company and the Selling Shareholders, respectively, in proportion to the proceeds received from the Fresh Issue and its portion of the Offered Shares, as may be applicable, upon the successful completion of the Offer. For further information regarding the name of the Selling Shareholders and Equity Shares being offered for sale by them (in terms of amount), see *'The Offer'* on page 59.

Fresh Issue

Requirement of funds

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

(a) Pre-payment or scheduled repayment of a portion of the existing borrowing availed by our Company;

(b) Funding capital expenditure requirements towards purchase of machinery;

(c) Infrastructure repairs and renovation of our existing production facilities including office premises in India; and

(d) General corporate purposes.

(collectively, the "**Objects**").

The main objects clause and the objects ancillary to the main objects clause of our Memorandum of Association enables us to (i) to undertake our existing business activities and (ii) to undertake the activities proposed to be funded from the Net Proceeds. Further, our Company expects to receive the benefits of the listing of the Equity Shares on the Stock Exchanges, including enhancing our visibility and our brand image among our existing and potential customers.

Offer Proceeds

The details of the proceeds of the Fresh Issue are summarized in the table below:

Sr. No.	Particulars	Amount (in ₹ million)
1.	Gross Proceeds of the Fresh Issue	Up to 4,550.00
2.	(Less) Offer related expenses in relation to the Fresh Issue*	256.00
3.	Net Proceeds from the Fresh Issue after deducting the Offer related expenses to be borne by our Company ("**Net Proceeds**")	4,294.00

* *See "Offer Expenses" below.*

Proposed Utilisation and Schedule of Implementation and Deployment of Funds

Our Board, in its meeting dated January 10, 2022 approved the utilisation of the Net Proceeds towards: (i) pre-payment or scheduled repayment of a portion of the existing borrowing availed by our Company; (ii) funding capital expenditure requirements towards purchase of machinery; (iii) infrastructure repairs and renovation of our existing production facilities including office premises in India; and (iv) 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	743.30	743.30	743.30	-
Total			**4,294.00**	**4,009.57**	**284.43**

Means of Finance

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described above during the Fiscals 2023 and 2024. However, if the Net Proceeds are not completely utilised for the objects stated above in the Fiscals 2023 and 2024 due to factors such as (i) economic and business conditions; (ii) increased competition; (iii) market conditions outside the control of our Company and its management; and (iv) other commercial considerations such as availability of alternate financial resources, the same would be utilised (in part or full) in a subsequent period as may be determined by our Company in accordance with applicable law. The Company may, however, propose to utilize the proceeds prior to the specific dates mentioned in the schedule of deployment, in accordance with capital expenditure requirements of the Company. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds. For further details, see "*Risk Factors – Our management will have broad discretion in how we apply the Net Proceeds, including interim use of the Net Proceeds, and there is no assurance that the objects of the Offer will be achieved within the time frame expected or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment.*", beginning on page 51.

Our fund requirements and deployment of the Net Proceeds with regard to the aforesaid object are based on internal management estimates and on current market conditions, and have not been appraised by any external agency or bank or financial institution or other independent agency. They are based on current conditions of our business which are subject to change in the future. Our Company operates in a highly competitive and dynamic industry and may have to revise our estimates from time to time on account of changes in external circumstances or costs, or changes in other financial conditions, business or strategy. Our historical funding requirements may not be reflective of our future funding plans. In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements may be financed through our internal accruals and/or incremental debt, as required. If the actual utilization towards any of the objects is lower than the proposed deployment, such balance will be used for future growth opportunities including funding existing objects, if required, and general corporate purposes, to the extent that the total amount to be utilized towards the general corporate purposes will not exceed 25% of the Gross Proceeds in compliance with the SEBI ICDR Regulations. We confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, in addition to the Net Proceeds.

Details of the Objects of the Offer

The details in relation to objects of the Offer are set forth herein below.

1. Pre-payment or scheduled repayment of a portion of the existing borrowing availed by our Company

Our Company proposes to utilise an estimated amount of up to ₹ 2,700.00 million from the Net Proceeds towards re-payment or pre-payment of the existing borrowings availed by our Company for the purposes stipulated as part of the table set forth. Our Company may repay or refinance part of its existing borrowings prior to Allotment. Accordingly, our Company may utilise the Net Proceeds for part or full pre-payment or scheduled repayment of any such refinanced borrowings or additional borrowings obtained. However, our Company confirms that the aggregate amount to be utilised from the Net Proceeds towards pre-payment or scheduled repayment of its existing borrowings (including re-financed or additional borrowings availed, if any), in part or full, would not exceed ₹ 2,700.00 million.

The pre-payment or scheduled repayment will help reduce our existing borrowings, assist us in maintaining a favourable debt-equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, we believe that the debt-equity ratio of our Company will improve significantly enabling us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

Our Company confirms that the Net Proceeds proposed to be utilized under this object, will not be used for the purpose of repayment of loans primarily availed by our Subsidiaries or for the purpose of repayment of loans availed by our Group Companies.

The following table provides details of the existing borrowings availed by our Company as on July 31, 2022, out of which we propose pre-payment or scheduled repayment of up to an amount aggregating to ₹ 2,700 million from the Net Proceeds:

Sr. No.	Name of the lender	Date of Sanction Letter	Nature of Loan	Interest Rate (% per annum)	Amount Sanctioned as on July 31, 2022 (₹ million)	Total outstanding amount as on July 31, 2022 (₹ million)	Repayment Schedule/ Tenor	Purpose of Loan[(1)]	Prepayment Penalty
1	Citi Bank N.A.	June 21, 2022	Fund Base Working capital facilities	From 1.50% p.a. to 10.25% p.a.	400.00	380.00	Upto 180 days to upto 365 days	Working Capital	2% of the sanctioned amount or amount outstanding, whichever is higher
2	HDFC Bank Limited	March 15, 2022	Fund Base Working capital facilities	from 1.50% p.a. to 10.25% p.a.	200.00	200.00	Upto 180 days	Working Capital	Prepayment penalty applicable at the rate of 2% for 2 years and NIL thereafter if paid from internal accruals otherwise rate of 2% applicable for upto 4 years
		March 15, 2022	Fund Base Working capital facilities	from 1.50% p.a.to 10.25% p.a.	100.00	90.00	Upto 180 days	Working Capital	
		January 7, 2020	Term Loan	from 6.50% p.a. to 9.00% p.a. (Floating rate)	300.00	204.00	66 months – to be repaid in 20 quarterly instalments after a moratorium period of 6 months from the date of first disbursement	For Capacity expansion, capital expenditure maintenance, automation as well as improvisation at building at Moraiya plant	
		January 8, 2020	Guaranteed Emergency Credit Line (GECL)- Working Capital Term Loan	from 6.50% p.a.- 8.00% p.a. (Floating Rate)	430.00	388.26	60 months – to be repaid in 48 monthly instalments after a moratorium period of 12 months	To augment working capital requirement to enable business unit to meet operating liabilities & restart/increase operations	No Prepayment Penalty
		October 18, 2021	Term Loan	from 5.90% p.a.- 8.00% p.a.- (Floating Rate)	350.00	350.00	5.5 years including 6 months moratorium. Repayment in 20 quarterly instalments	For capital expenditure	Prepayment applicable 2% for 2 years and NIL thereafter if paid from internal accruals otherwise 2% upto 4 years
3	ICICI Bank Limited	June 27, 2022	Fund Based Working capital facilities	from 1.50% p.a.to 10.25% p.a.	110.00	100.00	Upto 180 days to upto 365 days	For working capital of engineering division	0.25% - 1% subject to the Company giving 15 days prior notice
4	Kotak Mahindra Bank Limited	May 20, 2021	Fund Based Working capital facilities	from 6.25% to 7.00%	300.00	220.00	Upto 180 days to upto 365 days	For working capital of engineering division	Foreclosure before or takeover by other lender subject to 2% penal charge
5	RBL Bank Limited	September 14, 2021	Fund Based Working capital facilities	from 1.50% p.a.to	440.00	365.00	Upto 180 days to upto 365 days	To meet working capital requirements	Cancellation or prepayment will be subject to penalties at the

Sr. No.	Name of the lender	Date of Sanction Letter	Nature of Loan	Interest Rate (% per annum)	Amount Sanctioned as on July 31, 2022 (₹ million)	Total outstanding amount as on July 31, 2022 (₹ million)	Repayment Schedule/ Tenor	Purpose of Loan[(1)]	Prepayment Penalty
				10.25% p.a.-					Bank's discretion
6	State Bank Of India	June 17, 2021	Fund Based-working capital facilities	from 1.50% p.a.to 10.25% p.a.	150.00	98.36	Upto 365 days	working capital purposes	Cancellation or prepayment will be subject to penalties at the Bank's discretion
7	YES Bank Limited	October 20, 2021	Working Capital Demand Loan/ Fund Based Woking capital facilities	from 1.50% p.a.to 8.50% p.a.-based on facility availed	400.00	130.00	Upto 270 days; upto 365 days	To meet working capital requirements	Cancellation or prepayment will be subject to penalties at the Bank's discretion
8	HSBC Limited	December 1, 2021	Fund Based Working capital facilities	from 1.50% p.a.to 8.50% p.a.-based on facility availed	450.00	120.00	upto 90 days; upto 365 days	To meet working capital requirements	Cancellation or prepayment will be subject to penalties at the Bank's discretion
		December 1, 2021	Guaranteed Emergency Credit Line (GECL)-Working Capital Term Loan	from 6.50% p.a.- 8.00% p.a. (Floating Rate)	105.00	91.88	Maximum 44 months	Funding Working Capital Gap, payment to creditors and for procurement of raw material	Cancellation or prepayment will be subject to penalties at the Bank's discretion
9	YES Bank Limited	April 21, 2022	Fund Based Working capital facilities	8.90% p.a. to 9.50% p.a.	50.00	30.00	Maximum 60 months (including a moratorium of 12 months from date of first disbursement)	To meet working capital requirements	Cancellation or prepayment will be subject to penalties at the Bank's discretion
10	RBL Bank Limited	August 26, 2021	Fund Based Working capital facilities	9.90% p.a. to 10.25% p.a.	100.00	30.88	Upto 365 days	To meet Working Capital requirements	Cancellation or prepayment will be subject to penalties at the Bank's discretion
	Grand Total				**3,885.00**	**2,798.37**			

(1) *As certified by M/s Pankaj R. Shah & Associates, our Statutory Auditor, pursuant to their certificate dated August 30, 2022.*

Our Statutory Auditor has confirmed that the borrowings set out in the table above have been utilised for the purposes as stipulated in each of the relevant borrowing documents.

The part pre-payment of term loans and working capital facilties availed by our Company as set out above shall be based on various factors including; (i) any conditions attached to the loans restricting our ability to pre-pay existing borrowings and time taken to fulfil such requirements or obtain waivers for fulfilment of, such conditions; (ii) levy of any pre-payment penalties and the quantum thereof; (iii) provisions of any law, rules, regulations and contracts governing such borrowings; and (iv) other commercial considerations including, the interest rate on such borrowings, the amount of the borrowing outstanding and the remaining tenor of the such borrowing.

In case we are unable to raise the Offer Proceeds till the due date for repayment of above mentioned portion of the loan, the funds earmarked for such repayment may be utilised for payment of future instalments of the above mentioned loans and working capital facilities for an amount not more than the amount mentioned above. For further details in relation to the terms and conditions under the aforesaid loan agreement as well as restrictive covenants in relation to thereof, see the section "*Financial Indebtedness*", beginning on page 261. Our Company may also avail further loans after the date of filing of this Prospectus. Accordingly, we may utilise the Net Proceeds towards pre-payment of such additional borrowings. However, the quantum of Net Proceeds that will be utilised for pre-payment or repayment of loans shall not exceed ₹ 2,700.00 million.

2. Funding capital expenditure requirements towards purchase of machinery

As a part of our strategy to enhance market leadership with focus on operational efficiency to improve returns, we intend to increase our capacities in primary operations such as, casting, machining, stamping, injection moulding and secondary processes such as vibro-finishing, shotblasting, washing, precision measuring equipment' such as CMMs (co-ordinate measuring machines) and automation of various processes to eliminate waste and improve efficiency to reduce our fixed costs and as part of our strategies including to grow our cage making and special components business and large cage size, brass / bushes, stamping and specialised components segment, for further details of the aforesaid strategies, see, "*Our Business – Our Strategies*" beginning on page 145. Accordingly, in furtherance of the aforesaid, we intend to utilize up to ₹ 779.54 million out of the Net Proceeds towards purchase of machinery for our existing production facilities in India in order to increase the automated processes available at such facilities as well as for the replacement of existing machinery, for capacity expansion and storage facility improvisations**.**

While we propose to utilize up to ₹ 779.54 million towards purchasing machinery for deployment at our principal production facilities at Changodar and Moraiya, based on our current estimates, the specific number and nature of such machinery to be purchased by our Company, at its discretion, will depend on our business requirements at the time of such purchase.

An indicative list of such machinery that we intend to purchase for deployment at our principal production facilities at Changodar and Moraiya, based on management estimates, along with details of the quotations, as certified by Vitthal & Associates, Chartered Engineer, pursuant to their certificate dated August 29, 2022, have been set forth.

Sr.	Type of Machinery	Description of Machinery	Quantity	Cost per Unit (in ₹ million)*	Total Cost (in ₹ million)*@	Details in relation to quotations obtained		Validity
						Name of Vendor	Date of Quotation	From the date of quotation
1	Vibro Dryer	Medium size Vibro Dryer	5	2.28	11.38	Gala Precision Engineering Pvt Ltd	December 06, 2021	12 Months
2	CNC	Large size milling machine	1	64.94	64.94	Huron GRAFFENSTADEN	December 07, 2021	12 Months
3	CNC	CNC turning machine	5	2.38	11.88	Jyoti CNC Automation Ltd	December 07, 2021	1 Year
4	CMM	Medium size CMM	1	6.12	6.12	Carl Zeiss India (Bangalore) Private Limited	December 06, 2021	1 Year
5	CMM	Large size CMM	1	28.68	28.68	Carl Zeiss Industrielle Messtechnik GmbH	December 06, 2021	1 Year
6	Vibro Dryer	Medium size Vibro Dryer	1	2.40	2.40	SM System Pvt Ltd	December 07, 2021	1 Year
7	Robot	Robot for component loading	1	6.42	6.42	Geometrix Automation And Robotics Pvt Ltd	December 06, 2021	12 Months
8	Press	Mechanical press medium size	1	12.45	12.45	Impact Machine	December 09, 2021	1 Year
9	Press	Mechanical press medium size	1	2.10	2.10	Impact Machine	December 09, 2021	1 Year
10	Press	Mechanical press small size	2	1.24	2.48	Impact Machine	December 09, 2021	1 Year
11	Press	Mechanical press small size	2	1.65	3.30	Impact Machine	December 09, 2021	1 Year
12	CNC	Special purpose turning machine	2	1.85	3.70	Mahek SPM Automation	December 07, 2021	1 Year
13	CNC	Special purpose turning machine	2	1.68	3.35	Mahek SPM Automation	December 07, 2021	1 Year
14	CNC	Special purpose deburring machine	10	2.88	28.75	Mahek SPM Automation	December 06, 2021	1 Year
15	CNC	Special purpose milling machine	9	2.95	26.55	Mahek SPM Automation	December 06, 2021	1 Year
16	CNC	EDM machine	3	8.07	24.22	FANUC India Private Limited	December 06, 2021	1 Year
17	Microscope	3 Axis measurement microscope	1	1.25	1.25	Mitutoyo South Asia Pvt. Ltd.	December 06, 2021	365 days
18	Foundry Machine	Horizontal Centrifugal Casting Machine	1	7.89	7.89	Gautam Industries	December 09, 2021	1 Year
19	Conventional	Heavy duty Belt Driven Lathe machine	3	1.65	4.94	Supertech Machine Tools	December 07, 2021	365 days
20	CNC	CNC turning machine	1	2.19	2.19	Zenith Automation	December 06, 2021	360 days
21	Washing Machine	Special purpose Washing machine	1	1.60	1.60	Aviva Equipments Pvt. Ltd	December 07, 2021	1 Year
22	Washing Machine	Washing machine for brass cage	1	13.70	13.70	NGCT Cleansys Pvt. Ltd.	December 07, 2021	1 Year
23	Washing Machine	Washing machine for steel cage	1	16.88	16.88	NGCT Cleansys Pvt. Ltd.	December 07, 2021	1 Year
24	Furnace	Heat treatment furnace	1	34.48	34.48	KGO GMBH	December 07, 2021	360 days
25	Vibro Dryer	Cleaning machine	1	45.05	45.05	Intersonik	December 08, 2021	1 Year
26	Spinning machine	Spin forming machine	1	51.14	51.14	Prosper CNC Spinning Machine Co., Ltd.,	December 07, 2021	1 Year
27	Washing Machine	Special purpose washing machine for steel cage	2	1.68	3.36	Arbuda Packaging Machinery	December 15, 2021	1 Year
28	Washing Machine	Special purpose washing machine for steel cage	1	1.82	1.82	Arbuda Packaging Machinery	December 15, 2021	1 Year
29	Injection Moulding Machine	Injection moulding machine	1	6.27	6.27	Shibaura Machine Co., Ltd.,	December 10, 2021	1 Year
30	Injection Moulding Machine	Injection moulding machine	1	7.01	7.01	Shibaura Machine Co., Ltd.,	December 10, 2021	1 Year

Sr.	Type of Machinery	Description of Machinery	Quantity	Cost per Unit (in ₹ million)*	Total Cost (in ₹ million)*@	Details in relation to quotations obtained		Validity
						Name of Vendor	Date of Quotation	From the date of quotation
31	Injection Moulding Machine	Injection moulding machine	1	7.61	7.61	Shibaura Machine Co., Ltd.,	December 10, 2021	1 Year
32	Injection Moulding Machine	Injection moulding machine	1	8.39	8.39	Shibaura Machine Co., Ltd.,	December 10, 2021	1 Year
33	Press	Medium size mechanical press	3	3.25	9.75	Impact Machine	December 09, 2021	1 Year
34	Press	Small size mechanical press	1	1.76	1.76	Impact Machine	December 09, 2021	1 Year
35	Laser	Laser Cutting machine	1	77.54	77.54	TRUMPF Laser- und Systemtechnik GmbH	December 06, 2021	1 Year
36	CNC	Special purpose vertical turning lathe	2	24.23	48.45	Kennametal India Limited	December 17, 2021	380 Days
37	Shot Blasting Machine	Shot Blasting machine	1	1.87	1.87	Gostol TST India Pvt Ltd	December 16, 2021	1 Year
38	Press	Large size Progressive press	1	71.68	71.68	AIDA India Private Limited	January 03, 2022	1 Year
39	Racks	Storage Racks for FGS	1	17.15	17.15	Effistack India Private Limited	December 20, 2021	1 Year
40	CNC	Grinding Machine	1	10.05	10.05	TGT Tech Private Limited	January 10, 2022	355 Days
		Total			690.53			
		Contingency @12.89% of total machinery cost **			89.01			
		Total machinery cost including contingency			779.54			

Note: The object deployment / purchase of machinery is subject to final terms and conditions including the finalization of price, payment/credit terms finalization with the supplier at the time of the final order placement, delivery schedule and also depends on other market factors prevailing at that time.

* *Calculated after converting USD @79.4203, EUR @81.1675 and JPY @0.5973 (100JPY= INR 59.73) to derive Indian Rupees as on July 29, 2022 where applicable.*

** *Considered to account for other miscellaneous expenditure such as, labour charges for loading/unloading, inspection charges, commissioning charges, freight, insurance, entry tax, customs duty, goods and services tax (wherever applicable), fluctuation in cost at the time of actual order and other applicable taxes as these can be determined only at the time of placing of orders*

@ *This includes instances of total cost post discount offered, if any.*

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The details of unit wise estimation of the proposed increase in the production capacity of our manufacturing units, on account of deployment of machineries at such units as indicated above, is as follows, as certified by Vitthal & Associates, Chartered Engineer by way of certificate dated August 29, 2022 :

Manufacturing Unit	Installed Processing Capacity	Estimation of the Proposed Increase in Installed Capacity		
	(In Million pieces per annum)	(In Million pieces per annum)		
	As at March 31, 2022	As at March 31, 2023	As at March 31, 2024	Total
Moraiya	226.15	6.67	0.0044	6.68
Changodar	860.37	20.29	8.0093	28.30
Total Quantity added	1,086.52	26.97	8.01	34.98

Our Company submits that Vitthal & Associates, Chartered Engineer is independent and has not been engaged in nor is interested in the formation or promotion or in the management of our Company. Further, Vitthal & Associates, Chartered Engineer is not in any way connected with or related to our Company or Promoters or Directors.

Whilst we have included a contingency of approximately 12.89% of the total machinery cost to account for other miscellaneous expenditure such as, freight, insurance, customs duty, goods and services tax (GST) (wherever applicable), labour charges for loading/unloading, inspection charges, commissioning charges and other applicable taxes as these can be determined only at the time of placing of orders or receipt of machinery. Such additional costs shall be funded from the Net Proceeds proposed to be utilised towards the purchase of machinery or through internal accruals, if required.

In relation to the purchase of machinery for deployment at our principal production facilities at Changodar and Moraiya, as set out above, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machinery or at the same costs. The quantity of machinery to be purchased will be based on management estimates and our business requirements. Our Company shall have the flexibility to deploy such machinery according to the business requirements of our Company and based on estimates of our management.

No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. Each of the units of machinery mentioned above is proposed to be acquired in a ready-to-use condition, post installation and commissioning requirement.Further, the Promoters, Directors, Key Managerial Personnel and the Group Company do not have any interest in the proposed acquisition of the machinery or in the entity from whom we have obtained quotations in relation to such proposed acquisition of the machinery and our Company has confirmed that such entities do not form part of our Promoter Group or Group Company.

3. Infrastructure repairs and renovation of our existing production facilities including office premises in India

We aim to continue investing in the infrastructure repair and renovation work of our existing production facilities, including office premises, at Changodar and Moraiya. Such infrastructure repair and renovation work will be mainly in the form of repairs and other related civil work. For further details, see "*Our Business*" beginning on page 138.

Accordingly, we have obtained a certification from Hitesh Parekh, Chartered Engineer pursuant to their certificate dated August 29, 2022 (the "**Certification**") for the purposes of estimation of cost involved in repair work for such infrastructure development at our existing production facilities at Changodar and Moraiya. On the basis of the cost estimation provided under the Certification, we propose to utilise up to ₹ 71.16 million from the Net Proceeds during Fiscal 2023 for such aforementioned infrastructure development. The break-up of such estimated costs is set forth below**:

Sr. No.	Location	Particulars	Total Estimated cost (in ₹ million)	Amount to be funded from the Net Proceeds (in ₹ million)	Quotation/cost summary received from	Date of Quotation/cost summary	Validity
1.	Plant at Moraiya	Concrete Road – RCC Road, TMT Bar, Extra for Trimish Finish, Floor Hardener carborendum base hardener,	7.00	7.00	Sarnar Buildtech Private Limited	December 8, 2021	1 year

Sr. No.	Location	Particulars	Total Estimated cost (in ₹ million)	Amount to be funded from the Net Proceeds (in ₹ million)	Quotation/cost summary received from	Date of Quotation/cost summary	Validity
		Extra over concreting with RMC etc.					
		Slab Casting- Pile boring work, RCC, Extra for laying RMC concrete, P&L Tor steel, P&L Shuttering work, Dismentalling work, Trimix Floor etc.	17.62	17.62	Panth Infrastructure	December 5, 2021	1 year
		Roof Extension- P&F RCC M-20 Flooring, P&F for steel, P&F for new structural sheet for cledding and portal frame, P&F Precoated metal sheet with insulation, P&F poly carbonate sheet, P&F turbo vent	31.03	31.03	Panth Infrastructure	December 5, 2021	12 months
2.	Plant at Changodar	Design office renovation- Dismentalling work, Civil work, Furniture and fixtures etc.	9.03	9.03	Panth Infrastructure	December 6, 2021	1 year
		Total civil cost*	64.69	64.69	-	-	
		Contingency @10%*	6.47	6.47			
		Total Civil works cost with contingencies	71.16	71.16			

* *Contingency @10% will be considered to the total civil repair works cost to account for other miscellaneous expenditure such as, labour charges, inspection charges, freight, commissioning charges, insurance, applicable taxes and duties fluctuation in cost at the time of actual order and other applicable taxes as these can be determined only at the time of placing of orders.*

** *Certified by Hitesh Parekh, Chartered Engineer by way of certificate dated August 29, 2022.*

Note: Hitesh Parekh, Chartered Engineer, is independent and has neither been engaged in nor is interested in the formation or promotion or in the management of our Company. Further, Hitesh Parekh is not in any way connected with or related to our Company or Promoters or Directors.

In addition to estimated expenses mentioned above for the two manufacturing facilities, there may be revision in the final amounts payable towards these quotations pursuant to any other taxes or levies payable on such item or pursuant to release of final order from our Company depending upon market conditions.

With respect to the civil repair works and other expenses, we have not entered into definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the repair materials and other items or at the same costs. The quantity of repair materials and other items to be purchased is based on the present estimates of our management. All quotations received from the vendors mentioned above are valid as on the date of this Prospectus. If we engage someone other than the identified third-party vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor’s estimates and actual costs for the items listed above may differ from the current estimates. Our Company shall have the flexibility to deploy the resources for infrastructure repairs and renovation of existing facilities as per the internal estimates of our management and business requirements. This may vary depending on the demand. The actual mode of deployment has not been finalised as on the date of this Prospectus. For further details, see "*Risk Factors - Our management will have broad discretion in how we apply the Net Proceeds, including interim use of the Net Proceeds, and there is no assurance that the objects of the Offer will be achieved within the time frame expected or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment*" on page 51.

4. General corporate purposes

The Net Proceeds will first be utilized for the objects as set out above. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds, aggregating upto ₹ 743.30 million, towards general corporate purposes and the business requirements of our Company and the Subsidiaries, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. Such general corporate purposes may include, but are not restricted to, (i) strategic initiatives; (ii) funding growth opportunities; (iii) strengthening marketing capabilities and brand building exercises; (iv) meeting ongoing general corporate contingencies or meeting of any exigencies which our Company may face during course of business; and (v) any other purpose, as may be approved by the Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by the Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilising surplus amounts, if any.

Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹ 424.29 million. The expenses of this Offer include, among others, listing fees, underwriting fees, selling commission, fees payable to the Book Running Lead Managers, fees payable to legal counsels,as fees payable to the Registrar to the Offer and Sponsor Banks, Escrow Collection Bank to the Offer, processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to the Registered Brokers, Collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than the listing fees, which will be paid by our Company, all costs, fees and expenses directly attributable to the Offer shall be borne by the Company and the Selling Shareholders, in proportion of gross proceeds received for the Fresh Issue and the Offered Shares in accordance with applicable law. All estimated Offer related expenses to be proportionately borne by the Selling Shareholders shall be deducted from the proceeds of the Offer for Sale, and subsequently, the balance amount from the Offer for Sale will be paid to the Selling Shareholders. The break up for the estimated Offer expenses is as follows:

S. No	Activity	Estimated amount(1) (*in ₹ million*)	As a % of total estimated offer Expenses(1)	As a % of Offer Size(1)
1.	BRLMs' fees and commissions (including underwriting commission, brokerage and selling commission)	232.46	54.79%	3.08%
2.	Selling commission/processing fee for SCSBs, Banker(s) to the Offer, Sponsor Banks and fee payable to the Sponsor Banks for Bids made by UPI Bidders(2)(3)(4)	12.79	3.01%	0.17%
3.	Brokerage and selling commission and bidding charges for members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs(5)	15.51	3.66%	0.21%
4.	Fees payable to the Registrar to the Offer	16.58	3.91%	0.22%
5.	Other expenses:			
	(i) Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	23.57	5.56%	0.31%
	(ii) Printing and stationery	19.69	4.64%	0.26%
	(iii) Advertising and marketing expenses	21.86	5.15%	0.29%
	(iv) Fee payable to legal counsels	38.82	9.15%	0.51%
	(v) Miscellaneous	43.01	10.14%	0.57%
	Total estimated Offer Expenses	**424.29**	**100.00%**	**5.62%**

(1) *Offer expenses include GST, where applicable. Offer expenses are estimates and are subject to change.*

(2) *Selling commission payable to the SCSBs on the portion for Retail Individual Bidders. Eligible Employees and Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows*

*Portion for Retail Individual Bidders**	*0.35% of the Amount Allotted* (plus applicable taxes)*
*Portion for Eligible Employees**	*0.25% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*0.15% of the Amount Allotted* (plus applicable taxes)*

**Amount allotted is the product of the number of Equity Shares Allotted and the Offer Price. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE*

(3) *No uploading/processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Bidders, Eligible Employees and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:*

Portion for Retail Individual Bidders	*₹10 per valid Bid cum Application Form (plus applicable taxes)*
Portion for Eligible Employees	*₹10 per valid Bid cum Application Form (plus applicable taxes)*
Portion for Non-Institutional Bidders	*₹10 per valid Bid cum Application Form (plus applicable taxes)*

Notwithstanding anything contained above the total processing fee payable under this clause will not exceed ₹ 1.0 million (plus applicable taxes) and in case if the total processing fees exceeds ₹ 1.0 million (plus applicable taxes) then processing fees will be paid on pro-rata basis.

(4) *The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:*

Members of the Syndicate / RTAs / CDPs (uploading charges)	*₹15 per valid application (plus applicable taxes)*
Sponsor Bank - Axis Bank Limited	*₹1 per valid Bid cum Application Form* (plus applicable taxes)* *The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*
Sponsor Bank – Kotak Mahindra Bank Limited	*₹8 per valid Bid cum Application Form* (plus applicable taxes)* *The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

**For each valid application by respective Sponsor Bank*

Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees for applications made by RIBs (up to ₹ 200,000), Non-Institutional Bidders (for an amount more than ₹ 200,000 and up to ₹ 500,000) using the UPI Mechanism and Eligible Employee(s) using the UPI Mechanism would not exceed Rs. 2.5 million (plus applicable taxes) and in case if the total uploading charges/ processing fees exceeds Rs 2.5 million (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis except the fee payable to respective Sponsor Bank.

(5) *Selling commission on the portion for Retail Individual Bidders, Eligible Employees and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:*

Portion for Retail Individual Bidders	*0.35% of the Amount Allotted* (plus applicable taxes)*
Portion for Eligible Employees	*0.25% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*0.15% of the Amount Allotted* (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in- 1 accounts, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

Bidding charges payable to the Registered Brokers, CRTAs/CDPs on the portion for RIBs and Non-Institutional Bidders which are directly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:

*Portion for Retail Individual Bidders**	*₹ 10 per valid application (plus applicable taxes)*
*Portion for Eligible Employees**	*₹ 10 per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ 10 per valid application (plus applicable taxes)*

** Based on valid applications*

Notwithstanding anything contained above the total uploading / bidding charges payable under this clause will not exceed Rs. 2.0 million (plus applicable taxes) and in case if the total uploading / bidding charges exceeds Rs 2.0 million (plus applicable taxes) then uploading charges will be paid on pro-rata basis.

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member. Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIBs, Eligible Employees and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement. Further, the processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, for the necessary duration, as may be approved by the Board. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for any investment in the equity markets.

Bridge Loan

Our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

Monitoring of Utilization of Funds

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company has appointed a monitoring agency for monitoring the utilisation of the Net Proceeds. Our Audit Committee and the monitoring agency will monitor the utilisation of the Net Proceeds and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations.

Our Company will disclose the utilisation of the Net Proceeds, including interim, use under a separate head in our balance sheet for such fiscals as required under applicable law, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such unutilised Net Proceeds.

Pursuant to the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. The Audit Committee will make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director’s report, after placing the same before the Audit Committee.

Variation in Objects of the Offer

In accordance with Sections 27 of the Companies Act, 2013 and Schedule XI and XX of the SEBI ICDR Regulations, any material deviation in the Objects of the Offer requires the Company to obtain the approval of its Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the “**Postal Ballot Notice**”) shall specify the prescribed details and be published in accordance with the Companies Act, 2013. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Gujarati, the vernacular language of the jurisdiction where the Registered Office is situated. Pursuant to the Companies Act, 2013, the Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders who do not agree to such material deviation of the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and provisions of Schedule XX of the SEBI ICDR Regulations.

Other Confirmations

No part of the Net Proceeds will be utilized by our Company as consideration to the Promoters, members of the Promoter Group, the Directors, the Group Companies or Key Management Personnel. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with the Promoters, the Directors, the Key Management Personnel or the Group Companies in relation to the utilization of the Net Proceeds of the Offer. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue as set out above.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Floor Price is 31.40 times the face value and Cap Price is 33.00 times the face value.

Bidders should read the below mentioned information along with "*Our Business*", "*Risk Factors*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 138, 27, 204 and 265, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe that some of the qualitative factors which form the basis for computing the Offer Price are as follows:

1. Comprehensive solution provider offering diversified suite of precision engineering products across geographies and end-user industries

2. Long standing relationships with leading clientele

3. Strategically located domestic and international production facilities and warehouses

4. Expertise in Tooling, design development and automation

5. Consistent track record of growth and financial performance

6. Strong, experienced and dedicated senior management team and qualified workforce

For further details, see "*Our Business – Our Strengths*" on page 141.

Quantitative Factors

Certain information presented below, relating to our Company, is derived from the Restated Consolidated Financial Statements. For further details, see "*Financial Information*" on page 204.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings / (Loss) Per Share ("EPS") at face value of ₹ 10, as adjusted for changes in capital:

As derived from the Restated Consolidated Financial Statements:

Financial Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Financial Year 2022	16.06	11.90	3
Financial Year 2021	9.09	5.88	2
Financial Year 2020	6.26	3.52	1
Weighted Average	12.10	8.50	

Notes:

Basic EPS = Net Profit after tax, as restated, attributable to equity shareholders for the year / period
Weighted average number of equity shares outstanding during the year / period

Diluted EPS = Net Profit after tax, as restated, attributable to equity shareholders for the year / period
Weighted average number of diluted equity shares and potential additional equity shares outstanding during the period

Notes:

(1) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.*

(2) *The figures disclosed above are based on the Restated Consolidated Financial Statements of our Company.*

(3) *The face value of each Equity Share is ₹10 each.*

(4) *Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*

(5) *The above statement should be read with Significant Accounting Policies and the Notes to the Restated Consolidated Financial Statement as appearing in "Financial Information" on page 204.*

2. Price/Earning ("P/E") ratio in relation to Price Band of ₹ 314 to ₹ 330 per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on Basic EPS for Financial Year 2022	19.55	20.55

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on Diluted EPS for Financial Year 2022	26.39	27.73

Industry P/E ratio

	P/E Ratio
Highest	69.30
Lowest	36.04
Industry Composite	50.98

Notes:

(1) *The industry high and low has been considered from the industry peers set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peers set disclosed in this section. For further details, see "Basis for Offer Price– Comparison of Accounting Ratios with Listed Industry Peers" on page 105.*

(2) *The industry P/E ratio mentioned above is as on financial year ended March 31, 2022.*

3. Average Return on Net Worth ("RoNW")

As derived from the Restated Consolidated Financial Statements of our Company:

Particulars	RoNW %	Weight
Financial Year 2022	17.42	3
Financial Year 2021	10.49	2
Financial Year 2020	5.80	1
Weighted Average	13.17	

Notes:

Return on Net Worth (%) = Net profit after tax, as restated, attributable to the equity shareholders of the company / Net-worth, as restated, attributable to the equity shareholders of the company

4. Net Asset Value per Equity Share

Net Asset Value per Equity Share	(₹)
As on March 31, 2022	68.34
After the Offer	
At Cap Price	107.96
At Floor Price	107.13
At Offer Price	107.96

Notes:

Net Asset Value per share = Net-worth, as restated attributable to the equity shareholders of the company / Number of equity shares outstanding at the end of the period

5. Key Performance Indicators

(in ₹ million, except for percentages)

Particulars	Fiscal 2022	Fiscal 2021	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)*

Explanation for the Key Performance Indicators

Revenue from operations: Revenue from operations represents the total turnover of the business as well as provides information regarding the year over year growth of our Company.

EBITDA: EBITDA is calculated as Restated profit / loss before tax plus finance costs, depreciation and amortization expense excluding the profit / loss from sale of fixed assets. EBITDA provides information regarding the operational efficiency of the business of our Company.

EBITDA margin: EBITDA Margin is the percentage of EBITDA divided by revenue from operations and is an indicator of the operational profitability of our business before interest, depreciation, amortisation, and taxes.

PAT: PAT represents the profit / loss that our Company makes for the financial year or during the a given period. It provides information regarding the profitability of the business of our Company.

PAT Margin: PAT Margin is the ratio of PAT to the total revenue. This provides the financial benchmarking against peers as well as to compare against the historical performance of our business.

RoAE: RoAE refers to Profit after Taxes divided by Average Equity for the period. Average Equity is calculated as average of the total equity at the beginning and ending of the period. RoAE is an indicator of our Company's efficiency as it measures our Company's profitability. RoAE is indicative of the profit generation by our Company against the equity contribution.

For further details on the Key Performance Indicators, please see the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Key Performance Indicators and Certain Non-GAAP Measures*" on page 271.

Comparison of Key Performance Indicators for Fiscal 2022 with listed industry peers

Particulars	Harsha Engineers International Limited	Timken India Limited	SKF India Limited	Rolex Rings Limited	Sundram Fasteners Limited
Revenue from Operations (₹ in million)	13,214.81	22,032.44	36,658.90	10,167.05	49,020.6
EBITDA (₹ in million)	1,865.77	5251.4	5,899.1	2,403.41	8,379.5
EBITDA Margin (%)	14.12%	23.83%	16.09%	23.64%	17.09%
Profit After Taxes (PAT) (₹ in million)	919.44	3,271.05	3,949.60	1,318.79	4,618.3
PAT Margin (%)	6.87%	14.75%	10.67%	12.83%	9.35%
Return on Average Equity (%)	19.13%	21.80%	22.90%	29.26%	18.49%

EBITDA = PBT + depreciation and amortisation + finance cost + loss/ (profit) on sale of fixed assets
EBITDA margin = EBITDA / revenue from operations
PAT margin = PAT / total income
Return on Average Equity = PAT / ((Beginning Equity + Ending Equity)/2)
Financial information for Company is derived from the Restated Consolidated Financial Statements for the year ended March 31, 2022
All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports/annual results as available of the respective company for the year ended March 31, 2022 submitted to stock exchanges.

6. Comparison of Accounting Ratios with Listed Industry Peers

Name of the Company	Total income (₹ in million)	Face value per equity share (₹)	Closing price on August 23, 2022 (₹)	P/E	EPS (Basic)	EPS (Diluted)	RoNW (%)	NAV (₹ per share)
Harsha Engineers International Limited	13,389.99	10.00	-	-	16.06	11.90	17.42%	68.34
Listed Peers								
Timken India Limited	22,175.33	10.00	3,014.05	69.30	43.49	43.49	19.74%	220.28
SKF India Limited	37,002.90	10.00	4,731.25	59.21	79.90	79.90	20.95%	381.43
Rolex Rings Limited	10,281.29	10.00	1,759.95	36.04	50.23	48.83	24.21%	200.05
Sundaram Fasteners Limited	49,414.00	1.00	856.05	39.38	21.74	21.74	17.42%	124.75

Notes:
(a) Financial information for Company is derived from the Restated Consolidated Financial Statements for the year ended March 31, 2022.
(b) P/E Ratio has been computed based on the closing market price of equity shares on NSE on August 23, 2022, divided by the Diluted EPS.
(c) Return on Net Worth (%) = Profit for the year attributable to owners of the company divided by Equity attributable to the owners of the Company for the year.
(d) NAV is computed as the Equity attributable to the owners of the Company divided by the outstanding number of equity shares at the end of the year.

(e) *All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports/annual results as available of the respective company for the year ended March 31, 2022 submitted to stock exchanges.*

The Offer Price is 33 times of the face value of the Equity Shares. The Offer Price of ₹ 330 per Equity Share has been determined by our Company and Promoter Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. The trading price of Equity Shares could decline due to factors mentioned in "*Risk Factors*" on page 27 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To

The Board of Directors
Harsha Engineers International Limited
(Formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
NH -8A, Sarkhej Bavla Highway,
Changodar, Ahmedabad – 382 213. Gujarat.

Dear Sir(s)

Sub: Statement of possible Special tax benefit ('the Statement') available to Harsha Engineers International Limited (the "Company"), the shareholders of the Company and its material subsidiaries being Harsha Precision Bearing Components (China) Co. Ltd., Harsha Engineers BV and Harsha Engineers Europe SRL prepared to comply with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'SEBI ICDR Regulations').

1. We, hereby confirm that the enclosed Annexure 'A' prepared by **Harsha Engineers International Limited** ("**Company**") and initialled by us and the Company for identification purpose (the "**Statement**"), provides the possible special tax benefits available to the Company, to its shareholders and its material subsidiaries Harsha Precision Bearing Components (China) Co. Ltd., Harsha Engineers BV and Harsha Engineers Europe SRL, under direct and indirect tax laws, including the Income-tax Act, 1961 ("**the Act**") as amended by the Finance Act 2022, i.e. applicable for the Financial Year 2022-23 relevant to the Assessment Year 2023-24, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("**GST Act**") read with Rules, Circulars, and Notifications, the Customs Act, 1962, Customs Tariff Act, 1975 ("**Customs Law**") and Foreign Trade Policy 2015-2020 ("**FTP**") as amended from time to time, presently in force in India (together, the "**Tax Laws**"). Several of these benefits are dependent on the Company, its shareholders and its material subsidiaries Harsha Precision Bearing Components (China) Co. Ltd., Harsha Engineers BV and Harsha Engineers Europe SRL, fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company, its shareholders and/or its material subsidiaries Harsha Precision Bearing Components (China) Co. Ltd., Harsha Engineers BV and Harsha Engineers Europe SRL to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

2. The benefits discussed in the enclosed Annexure covers only special tax benefits available to the Company, its shareholders and its material subsidiaries Harsha Precision Bearing Components (China) Co. Ltd., Harsha Engineers BV and Harsha Engineers Europe SRL, and do not cover any general tax benefits available to the Company. The benefits discussed in the enclosed Statement are not exhaustive. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering by the Company ("**Offer**").

3. In respect of the material subsidiaries, Harsha Precision Bearing Components (China) Co. Ltd., Harsha Engineers BV and Harsha Engineers Europe SRL, we have relied on the certificate from their statutory auditor to confirm that the material subsidiaries are not eligible for any special tax benefits.

4. We do not express any opinion or provide any assurance as to whether:

   (i) the Company, its shareholders or its material subsidiaries Harsha Precision Bearing Components (China) Co. Ltd., Harsha Engineers BV and Harsha Engineers Europe SRL, will continue to obtain these benefits in the future; or

   (ii) the conditions prescribed for availing of the benefits where applicable, have been/would be met with.

5. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

6. We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ('ICAI') which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI.

7. We hereby consent to the extracts of this certificate and the Statement being used in the Red Herring Prospectus, Prospectus and any other addendum or corrigendum thereto to be filed by the Company in connection with the Offer with the Securities and Exchange Board of India, Registrar of Companies, Gujarat at Ahmedabad and the concerned stock exchanges and other Offer related materials.

For M/s. Pankaj R. Shah & Associates
Chartered Accountants
Statutory Auditors
Firm Registration No: 107361W

CA Nilesh Shah
Partner
Membership No. 107414
UDIN: 22107414AQGVUE1669

Place: Ahmedabad
Date: August 30, 2022

Annexure A

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE DIRECT TAX LAWS IN INDIA AND IN RESPECTIVE COUNTRIES (IN CASE OF MATERIAL SUBSIDIARIES)

A. Special tax benefits available to the Company and its Material Subsidiaries in India under the Income Tax Act, 1961 (hereinafter referred to as 'the Act'), as amended by the Finance Act 2022, applicable for Financial Year 2022-23 relevant to Assessment Year 2023-24

1. Lower corporate tax rates on income of domestic companies - Section 115BAA of the Act

The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfilment of certain conditions. The option to apply this tax rate is available from FY 2019-20 relevant to AY 2020-21 and the option once exercised shall apply to subsequent assessment years. The concessional rate of 22% is subject to the company not availing any of the following specified tax exemptions/incentives under the Act:

- Deduction u/s 10AA: Tax holiday available to units in a Special Economic Zone;
- Deductions available under the Chapter VI-A except under section 80JJAA and section 80M;
- Deduction u/s 32(1)(iia): Additional Depreciation;
- Deduction u/s 32AD: Investment allowance;
- Deduction u/s 35AD: Deduction for capital expenditure incurred on specified businesses;
- Deduction under certain sub-sections/clauses of Section 35: Expenditure on scientific research.

The total income of a company availing the concessional rate of 22% is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the Act. Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the Act shall not be applicable to companies availing this reduced tax rate, thus, any carried forward MAT credit also cannot be claimed.

The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

Note: The company has opted the lower rate benefit from the financial year 2019-20 relevant to the assessment year 2020-21 as mentioned in the Section 115BAA for which declaration for the same has already been filed with the tax authority.

2. Deductions in respect of employment of new employees - Section 80JJAA of the Act

As per section 80JJAA, where a company is subject to tax audit under section 44AB of the Act and derives income from business, shall be allowed deduction of an amount equal to 30% of additional employee cost incurred in the course of business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

Additional employee cost means the total emoluments paid or payable to additional employees employed in the previous year through an account payee cheque or account payee bank draft or by use of electronic

clearing system through a bank account or through such other electronic mode as may be prescribed. These employees should also have total salary not more than Rs. 25,000/- per month and should also be member of a recognised provident fund.

The deduction under section 80JJAA would continue to be available to the company even where the company opts for the lower tax rate of 22% under the provisions of section 115BAA of the Act (as discussed above).

3. Deduction in respect of inter-corporate dividends - Section 80M of the Act

The Dividend Distribution Tax ('DDT') applicable on companies on declaration of dividend has been deleted by the Finance Act 2020 with effect from April 1, 2020. Dividend income shall be taxable in the hands of shareholders with effect from AY 2021-22.

The Finance Act, 2020 has inserted section 80M effective April 2020 to eliminate the cascading tax effect in case of inter-corporate dividends by providing a deduction in respect of dividends received by a domestic company, to the extent such dividend is distributed by it on or before the due date. In this case, due date means one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

B. Special tax benefits available to the Material Subsidiaries

a. Harsha Precision Bearing Components (China) Co. Ltd.

Harsha Precision Bearing Components (China) Co. Ltd. is a China based company and is a material subsidiary of Harsha Engineers International Limited.

As per the China registered Certified Public Accountants, Harsha Precision Bearing Components (China) Co. Ltd. is not receiving any special tax benefits in China.

However, according to the Investment Agreement and the Supplementary executed both on 18 November 2016 between and by the Company and the Changshu Economic and Technological Development Zone (CEDZ), CEDZ will provide certain fiscal subsidies to the Company. Details of the subsidies are as following:

Corporate Income Tax (CIT)

The Company shall receive 100% refund of the locally retained portion of CIT to be paid by the Company for the first 3 years and 50% refund for the next 3 years since the first year the Company starts making a profit after its relocation to the present location. The locally retained portion of CIT was 27.8% when the Agreements were executed.

The above subsidies for each year shall be paid by CEDZ to the Company by the end of the first quarter of each following year.

b. Harsha Engineers BV

Harsha Engineers BV is a Netherlands based company and is a material subsidiary of Harsha Engineers International Limited.

As per the India registered Chartered Accountants, Harsha Engineers BV is not receiving any special tax benefits in Netherlands.

c. Harsha Engineers Europe SRL

Harsha Engineers Europe SRL is a Romania based company and is a material subsidiary of Harsha Engineers International Limited.

As per the Romania registered Chartered Accountants, Harsha Engineers Europe SRL is not receiving any special tax benefits in Romania.

C. Special Tax Benefits available to the Shareholders under the Act

There are no special tax benefits available to the Shareholders of the Company.

Notes:

1. We have not considered the general tax benefits available to the Company, or shareholders of the Company.
2. The above is as per the prevalent Tax Laws as on date.
3. The above statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.
4. This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.
5. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE INDIRECT TAX LAWS IN INDIA AND IN RESPECTIVE COUNTRIES (IN CASE OF MATERIAL SUBSIDIARIES)

A. Special tax benefits available to the company under the Indirect Tax Regulations

1. Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20)

Remission of Duties and Taxes on Exported Products (RoDTEP)

The Remission of Duties and Taxes on Exported Products (RoDTEP) scheme was announced by Government of India (GOI) on September 14, 2019 to boost exports by allowing reimbursement of taxes and duties, which are not exempted or refunded under any other scheme in accordance with World Trade Organization (WTO) norms.

RoDTEP is a combination of the current Merchandise Export from India Scheme (MEIS) and Rebate of State and Central Taxes and Levies (RoSCTL) and will replace all these schemes once come in operations.

At present, embedded duties and taxes, which are not refunded under any other scheme, range from 1-3%. Under the scheme, rebate of these taxes will be given in the form of duty credit/electronic scrip.

Export Promotion Capital Goods (EPCG)

The objective of the EPCG Scheme is to facilitate import of capital goods for producing quality goods and services and enhancing India's manufacturing competitiveness. EPCG Scheme facilitates import of capital goods for producing quality goods and services at zero customs duty.

Import under EPCG Scheme shall be subject to a specific export obligation equivalent to 6 times of duties, taxes and cess saved on capital goods, to be fulfilled in 6 years reckoned from date of issue of authorization.

EPCG license holder is exempted from payment of whole of Basic Customs Duty, Additional Customs Duty and Special Additional Duty In lieu of Value Added Tax/local taxes (non-GST goods), Integrated Goods and Services Tax and Compensation Cess, wherever applicable, subject to certain conditions.

2. Benefits of Duty Drawback scheme under Section 74 and 75 of the Customs Act, 1962

Section 74 of the Act grants duty drawback up to 98% of the import duty paid on goods, if the goods are reexported by the importer. The importer is entitled to drawback subject to the fulfilment of the certain conditions. Presently the rate of Duty Drawback ranges from 0% to 95%.

As per section 75, Central Government is empowered to allow duty drawback on export of goods, where the imported materials are used in the manufacture of such goods. Unlike drawback of a portion of the customs duty paid on imported goods, here the main principle is that the Government fixes a rate per unit of final article to be exported out of the country as the amount of drawback payable on such goods.

3. Benefits under the Central Goods and Services Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant Rules prescribed thereunder)

Under the GST regime, all supplies of goods and services which qualify as export of goods or services are zero-rated, that is, these transactions attract a GST rate of zero per cent.

There are two mechanisms for claiming refund of accumulated ITC against export. Either person can export under Bond/ Letter of Undertaking (LUT) as zero-rated supply and claim refund of accumulated Input Tax Credit or person may export on payment of integrated Goods and Services Tax and claim refund thereof as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017.

Thus, the GST law allows the flexibility to the exporter (which will include the supplier making supplies to SEZ) to claim refund upfront as integrated tax (by making supplies on payment of tax using ITC) or export without payment of tax by executing a Bond/LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies.

B. Special tax benefits available to the Material Subsidiaries

a. Harsha Precision Bearing Components (China) Co. Ltd.

Harsha Precision Bearing Components (China) Co. Ltd. is a China based company and is a material subsidiary of Harsha Engineers International Limited.

As per the China registered Certified Public Accountants, Harsha Precision Bearing Components (China) Co. Ltd. is not receiving any special tax benefits in China.

However, according to the Investment Agreement and the Supplementary executed both on 18 November 2016 between and by the Company and the Changshu Economic and Technological Development Zone (CEDZ), CEDZ will provide certain fiscal subsidies to the Company. Details of the subsidies are as following:

Value Added Tax (VAT)

The Company shall receive 100% refund of the locally retained portion of VAT to be paid by the Company for the first 3 years and 50% refund for the next 3 years since the first year the Company commences productions after its relocation to the present location. The locally retained portion of VAT was 8.75% when the Agreements were executed.

The above subsidies for each year shall be paid by CEDZ to the Company by the end of the first quarter of each following year.

b. Harsha Engineers BV

Harsha Engineers BV is a Netherlands based company and is a material subsidiary of Harsha Engineers International Limited.

As per the India registered Chartered Accountants, Harsha Engineers BV is not receiving any special tax benefits in Netherlands.

c. Harsha Engineers Europe SRL

Harsha Engineers Europe SRL is a Romania based company and is a material subsidiary of Harsha Engineers International Limited.

As per the Romania registered Chartered Accountants, Harsha Engineers Europe SRL is not receiving any special tax benefits in Romania.

C. Special Tax Benefits available to the Shareholders

Shareholders of the Company are not eligible to special tax benefits under the provisions of the Central Goods and Services Act 2017 (read with Central Goods and Services Tax Rules, circulars, notifications), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20), Customs Act, 1962 (read with Custom Rules, circulars, notifications), Customs Tariff Act, 197 (read with Custom Tariff Rules, circulars, notifications).

Notes:

1. These special tax benefits are dependent on the Company or its material subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Indirect Tax Regulations. Hence, the ability of the Company or its material subsidiary to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its material subsidiaries may or may not choose to fulfil.

2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications.

3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing equity shares.

4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

   i. The Company or its material subsidiaries will continue to obtain these benefits in future;

   ii. The conditions prescribed for availing the benefits have been/ would be met with; and

   iii. The revenue authorities / courts will concur with the view expressed herein.

5. The above views are basis the provisions of law, their interpretation and applicability as on date, which may be subject to change from time to time.

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, the information in this section is obtained or extracted from the independent report titled "Industry Research Report on Bearings, Bearings Cages & Stampings Market" dated August 2022, prepared and released by CARE Advisory and commissioned and paid for by our Company. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. While preparing its report, CARE Advisory has also sourced information from publicly available sources, including our Company's financial information available publicly. However, financial information relating to our Company presented in other sections of this Prospectus has been prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations. Accordingly, the financial information of our Company in this section is not comparable with Ind AS financial information presented elsewhere in this Prospectus.

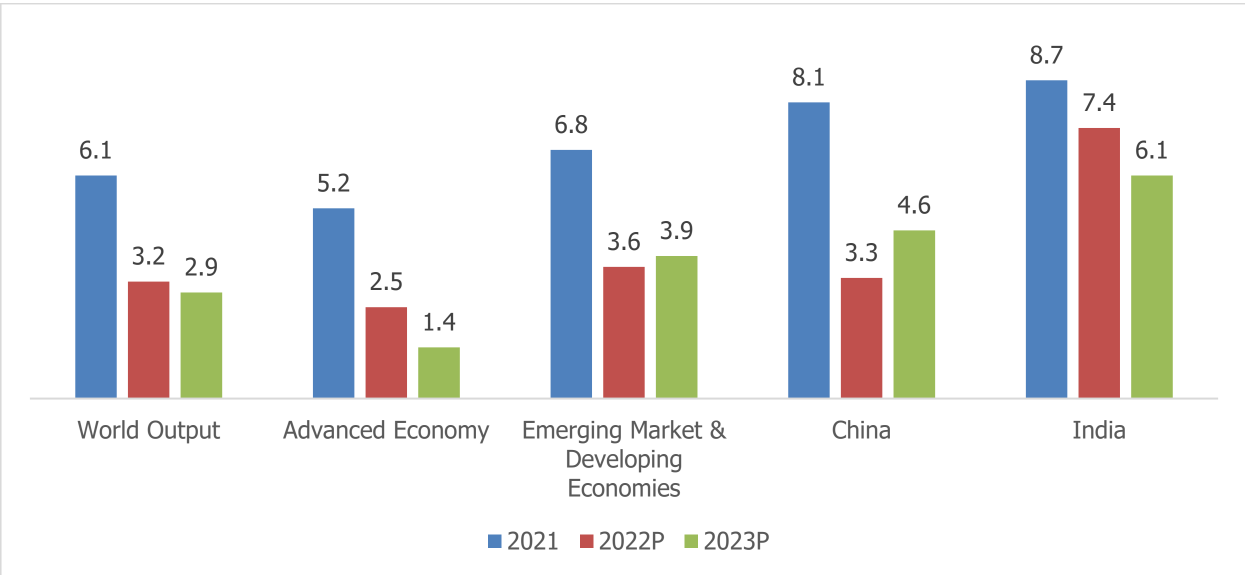
The CARE Advisory Report is available for inspection on the website of our Company at https://harshaengineers.com/InvestorRelations/industryreport.php. For details, see "Material Contracts and Documents for Inspection" on page 353.

1. Economic Outlook

1.1 Global Economy

As per the International Monetary Fund (IMF)'s World Economic Outlook growth projections released in July 2022, the world economy grew by 6.1% in CY21 majorly due to economic recovery and the lower base. For CY22, projection for global economic growth slashed to 3.2% citing disruptions due to the Russia-Ukraine conflict and higher-than-expected inflation worldwide. The IMF projects world economy growth between 2.9%-3.6% on year on year (Y-o-Y) basis for next 5 years.

Exhibit 1: Global Growth Outlook Projections (in %)



Notes: E-Estimates

* *For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.*

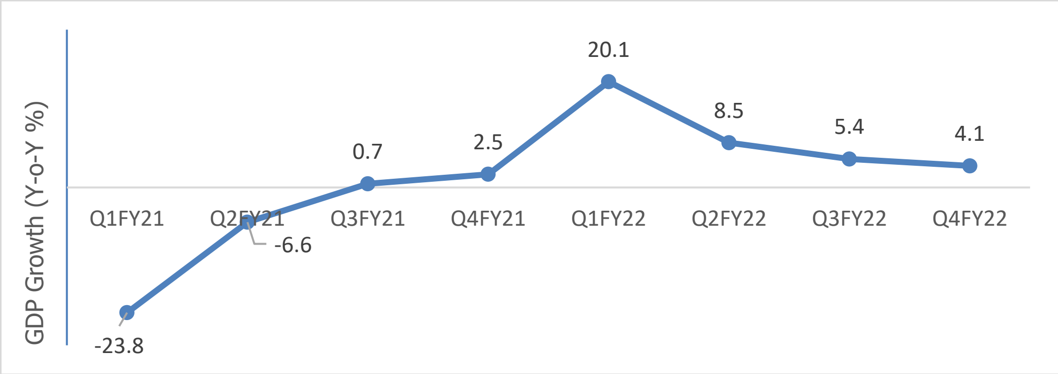
Source: IMF – World Economic Outlook, April 2022

1.2 Indian Economy

1.2.1 GDP growth and Outlook

India's economy recorded modest growth at 4.1% in Q4FY22, down from 5.4% in the previous quarter. The economy was hit by the third wave of Covid-19 during the quarter. Global supply bottlenecks due to the Russia-Ukraine conflicts and higher input costs did slow the pace of recovery in the last quarter. Overall, in FY22, India is expected to have witnessed 8.7% growth.

Exhibit 2: Sequential growth in GDP at constant prices (in %)



Source: MOSPI, CareEdge Research

As per CareEdge Research Ratings Economic Research Report, the GDP growth for the FY23 is estimated at 7.1%.

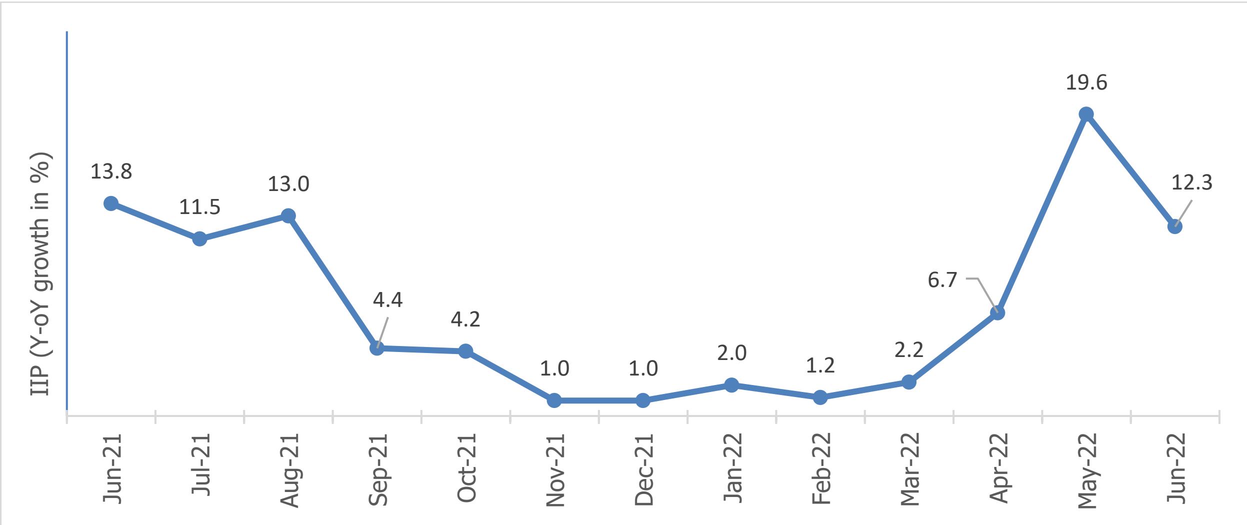
1.2.2 Industrial Growth

Index of Industrial production (IIP) is an index to track manufacturing activity in an economy.

On a cumulative basis, IIP grew by 11.4% in FY22. However, this high growth is mainly backed by a low base of FY21. The FY22 IIP is higher by 2.0% when compared with the pre-pandemic level of FY20, suggesting that while economic recovery is underway, it is still nascent.

In June 2022, the IIP growth slowed to 12.3% from 19.6% in the previous month primarily due to some waning of the base-effect. The industrial activity continued to show recovery recording a growth of 6.7% when compared with the corresponding month of FY20 (the pre-pandemic year) aided by a broad-based growth across all sectors.

Exhibit 3: y-o-y growth in IIP (in %)



Source: MOSPI, CareEdge Research Ratings Economics Research report

Healthy growth in credit offtake, gradual revival in the consumption sentiment, improving capacity utilization levels and strong government spending are some positives for industrial growth in FY23. However, downside risks are likely to persist owing to global growth slowdown and elevated input prices.

2. Overview of Global Bearings sector

2.1 General types of bearings and the components of a bearing

Bearings form an important part of many types of machines and is available in variety of shapes and sizes. The primary objective of a bearing is to prevent direct contact between two elements that are in relative motion. This in turn helps to prevent generation of heat and friction.

Rolling element bearings is a type of bearing that includes rolling components in the form of either balls or cylinders. These types of bearings aid in the free movement of parts in a rotational motion. The rolling element bearings usually consist of the following components:

- Inner ring

- Outer ring
- Rolling elements (rollers or balls)
- Cage
- Other elements of bearing apparatus

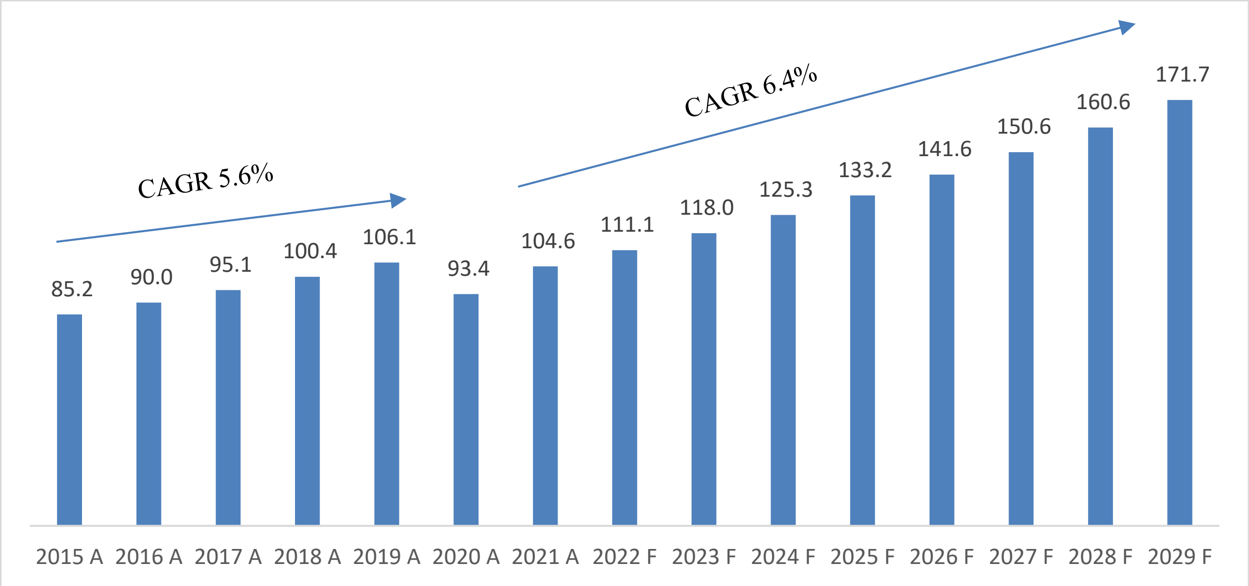
The rolling elements are trapped in between the rings and the cage holds the rolling elements in place.

2.2 Size of the global bearings market

The global bearings market was valued at USD 85.2 billion in 2015 and grew to USD 106.1 billion in the year 2019 at a CAGR of 5.6%. Owing to the global outbreak of Covid-19 since end of March 2020, the bearings market contracted in 2020 due to decline in demand and supply chain constraints on account of Covid-19 induced restrictions. However, a rebound was seen in 2021 and the market grew at an annual rate of 12% to USD 104.6 billion in 2021. Asia-Pacific region continued to grow rapidly during the year. The expected growth in usage of bearings in several applications such as mining, automotive, heavy machinery, infrastructure development, power generation and construction is forecasted to drive the demand for bearings market and it is expected to grow at a CAGR of 6% to 8% over the period 2021 to 2029 and is estimated to be valued at USD 171.7 billion in the year 2029.

(Note: 2020 refers to fiscal year starting from April 2020 to March 2021 in the report.)

Exhibit 4: Global bearings market size (in USD billion)



Note: Market size is based on revenues; A – Actual, F – Forecast
Source: Bearings Market – Global Insights, Growth, Size, Comparative Analysis, Trends and Forecasts, 2021-2029 by Research N Reports, CareEdge Research

2.3 Type wise breakup of global bearings market

When split by type, the following are the types of rolling element bearings that hold majority of the market share.

- **Ball Bearings**

  Ball bearings as the name suggests involves balls in a row as the rolling elements and this type of bearing gives very low friction when rolling but has limited load capacity.

  The usage of ball bearings is growing in two and four-wheeler vehicles as they can withstand both thrust and radial loads which could be attributed to the rise in demand for ball bearings and they accounted for the largest share of about 43% in the global bearings market when split by type and stood at USD 44.5 billion in 2021.

- **Roller Bearings**

  Roller bearings contain rolling elements in the shape of a cylinder and can support greater loading than ball bearings. Roller bearings accounted for the second largest share of about 34% in the global bearings market when split by type and stood at USD 35.4 billion in 2021.

- The remaining 23% of the market includes 22% share of bearing units (consists of an insert bearing mounted in a housing) and 1% others.

2.4 Application wise breakup of global bearings market

Bearings by application can be used in varied industries as stated below:

- **Railways:** Auxiliary, Axel Box, Engine, Final Drive, Gear Box, Main Tractor motion, propeller shaft, transmission, wheel etc
- **Aviation & Aerospace:** passenger aircraft bodies, freight aircraft, helicopters, drones, aerospace engines, conveyors etc. This segment includes defense segment as well.
- **Automotive:** Passenger cars, passenger trucks, bus, commercial trucks, scooters, bikes, bicycles, etc
- **Agriculture**: Agriculture Trucks, Tractors, Loaders, Hay And Forage Equipments, Planting Machines, Floaters Tillage Machine etc.
- **Electrical & Electronics:** Alternators, Blowers, Compressors, Fans, Machine Tools, Power Tools, Pumps, Acs, Rolling Mills, Semiconductor Manufacturing, Computer Fans etc
- **Construction:** Cranes, Hydraulic Excavators, Asphalt Pavers, Motor Graders, Wheel Loaders, Off-Highway Trucks etc
- **Mining:** Crushers, Shaker Screens, Pulverisers, Shuttle Cars, Feeders, Mining Trucks, Excavators etc
- **Others:** This category includes the industries not classified above including wind sector

In 2021, Automotive accounts for the largest share at about 22.5% followed by Aviation and Aerospace at about 19.7%. Automotive is likely to maintain its position as the largest share in 2029 as shown in the chart below:

Exhibit 5: Application wise percentage share breakup of global bearing market in 2021

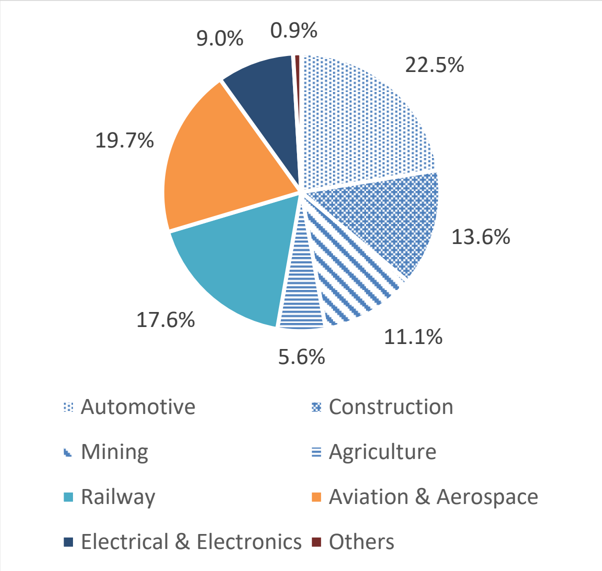
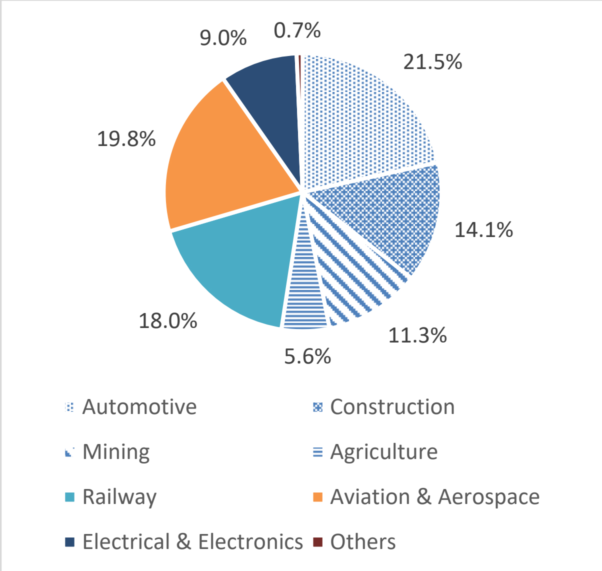


Exhibit 6: Application wise percentage share breakup of global bearing market in 2029



Note: The patterned sectors above include different automobile segments like passenger vehicles, agriculture trucks, tractors, cranes, crushers, mining trucks etc
Source: Bearings Market – Global Insights, Growth, Size, Comparative Analysis, Trends and Forecasts, 2021-2029 by Research N Reports

Exhibit 7: Breakup of global bearings market based on application (in USD billion)

Years	Automotive	Railways	Aviation & Aerospace	Agriculture	Electrical & Electronics	Construction	Mining	Others
2015 A	19.7	14.5	16.9	4.9	7.6	11.4	9.3	0.9
2016 A	20.7	15.4	17.8	5.1	8.0	12.0	9.9	0.9
2017 A	21.8	16.4	18.8	5.4	8.5	12.8	10.4	1.0
2018 A	22.9	17.4	19.9	5.7	9.0	13.5	11.1	1.0
2019 A	24.1	18.5	21.0	6.0	9.5	14.4	11.7	1.1
2020 A	21.1	16.4	18.4	5.2	8.4	12.7	10.3	0.9

Years	Automotive	Railways	Aviation & Aerospace	Agriculture	Electrical & Electronics	Construction	Mining	Others
2021 A	23.5	18.4	20.6	5.9	9.4	14.3	11.6	1.0
2022 F	24.8	19.5	21.9	6.2	10.0	15.2	12.3	1.0
2023 F	26.2	20.8	23.4	6.6	10.6	16.2	13.1	1.1
2024 F	27.7	22.2	24.8	7.0	11.3	17.3	14.0	1.0
2025 F	29.3	23.6	26.4	7.4	12.0	18.5	14.9	1.1
2026 F	31.0	25.2	28.1	7.9	12.8	19.7	15.8	1.1
2027 F	32.8	26.9	29.9	8.4	13.6	21.1	16.9	1.2
2028 F	34.8	28.8	31.8	8.9	14.5	22.5	18.0	1.2
2029 F	37.0	30.9	34.0	9.5	15.5	24.2	19.3	1.2
CAGR (2015 to 2020)	**5.1%**	**6.3%**	**5.5%**	**5.2%**	**5.7%**	**6.1%**	**5.8%**	**3.8%**
CAGR (2022 to 2029)	**5.8%**	**6.7%**	**6.5%**	**6.3%**	**6.5%**	**6.8%**	**6.6%**	**2.4%**

Note: Market size is based on revenues; A – Actual, F – Forecast
Source: Bearings Market – Global Insights, Growth, Size, Comparative Analysis, Trends and Forecasts, 2021-2029 by Research N Reports, CareEdge Research

2.5 Geography-wise break-up of global bearings market

By region, in 2021, Asia Pacific bearings market accounted for the highest share in total bearings market at about 41.6% followed by Europe at around 27.6% and North America at about 25.9%. Latin America and Middle East & Africa stood at a share of 3% and 2% respectively.

Exhibit 8: Region wise percentage breakup of global bearings market in 2021

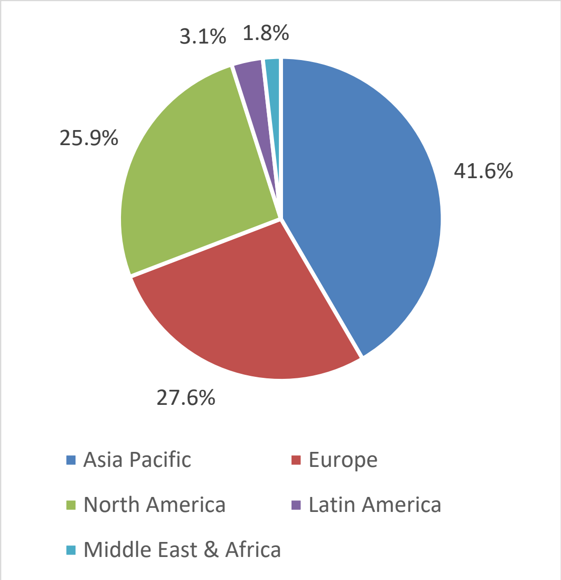
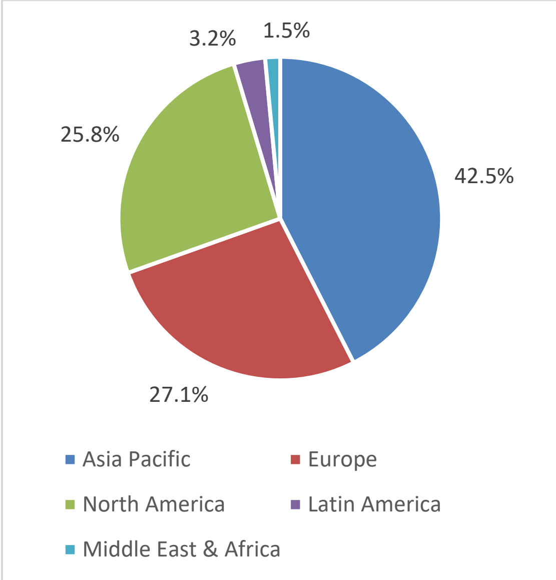


Exhibit 9: Region wise percentage breakup of global bearings market in 2029



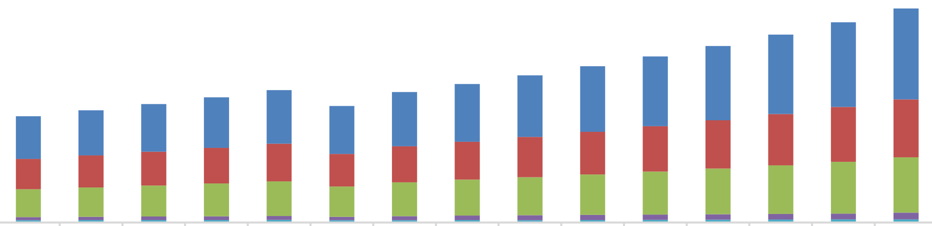
Source: Bearings Market – Global Insights, Growth, Size, Comparative Analysis, Trends and Forecasts, 2021-2029 by Research N Reports, CareEdge Research

Asia Pacific

With respect to revenue, the bearing market in Asia Pacific region was valued at USD 34.2 in 2015 and grew at a CAGR of 5.9% during 2015 to 2019. It is forecasted to grow at a CAGR of 6.7% during the period 2021 to 2029 and is expected to be valued at USD 73 billion in 2029.

Within Asia Pacific, India saw a rebound in growth in the automobile sector, particularly commercial vehicles segment. Growth in Passenger vehicle segment was dampened by semiconductor shortage. China's demand for light vehicles also witnessed a growth particularly in the EV space. Both these regions led to a sharp growth in 2021 for Asia-Pacific region. China accounted for the largest share at around 30% in 2021. Meanwhile, the revenues for bearings market in India accounted for a share of 12.5% and Indian bearings market is expected to grow at the highest CAGR of 8.3% amongst other countries within Asia Pacific region during 2021 to 2029 and is estimated to be valued at USD 10.3 billion in 2029.

Exhibit 10: Geography wise breakup of global bearings market (in USD billion)



	2015 A	2016 A	2017 A	2018 A	2019 A	2020 A	2021 A	2022 F	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F	2029 F
Asia Pacific	34.2	36.2	38.3	40.6	43.0	38.4	43.5	46.3	49.3	52.5	55.9	59.6	63.6	67.9	73.0
Europe	24.3	25.7	27.1	28.6	30.1	26.2	28.9	30.4	32.3	34.3	36.4	38.7	41.2	43.9	46.4
North America	22.3	23.6	24.9	26.3	27.8	24.3	27.1	28.8	30.6	32.5	34.5	36.7	39.0	41.6	44.3
Latin America	2.5	2.6	2.8	3.0	3.2	2.8	3.3	3.6	4.0	4.1	4.2	4.3	4.4	4.6	5.4
Middle East & Africa	1.9	1.9	2.0	2.1	2.1	1.8	1.9	2.0	1.9	2.0	2.1	2.3	2.4	2.6	2.6

Middle East & Africa Latin America North America Europe Asia Pacific

Source: Bearings Market – Global Insights, Growth, Size, Comparative Analysis, Trends and Forecasts, 2021-2029 by Research N Reports, CareEdge Research

Europe

With respect to revenue, the bearing market in Europe region was valued at USD 24.3 billion in 2015 and grew at a CAGR of 5.5% during 2015 to 2019. The demand in 2021 from Eastern Europe was high especially in the earlier part of the year when compared to Western Europe. However, the geopolitical conflict in Eastern Europe and inflationary pressures will have an overhang in the growth of Europe over the near term. Within Europe, the demand for bearings is expected to be driven via increasing demand from Germany, UK and France. Moreover, growing demand for sophisticated, high performance bearing augurs well for the European bearings market. It is forecasted to grow at a CAGR of 6.1% during the period 2021 to 2029 and is expected to be valued at USD 46.4 billion in 2029.

North America

With respect to revenue, the bearing market in North American region was valued at USD 22.3 billion in 2015 and grew at a CAGR of 5.6% during 2015 to 2019. The demand for bearings in this region is being driven by high value bearings such as customised bearing solutions that are used in heavy machinery and wind turbines. Moreover, the presence of major bearing providers in countries like USA, Mexico and Canada is aiding the growth in demand. Inflationary and recessionary fears remain in the near term but long-term growth prospects remain intact. It is forecasted to grow at a CAGR of 6.3% during the period 2021 to 2029 and is expected to be valued at USD 44.3 billion in 2029.

Latin America

With respect to revenue, the bearing market in Latin America region was valued at USD 2.5 billion in 2015 and grew at a CAGR of 6.3% during 2015 to 2019. It is forecasted to grow at a CAGR of 6.5% during the period 2021 to 2029 and is expected to be valued at USD 5.4 billion in 2029.

Middle East & Africa

With respect to revenue, the bearing market in Middle East & Africa region was valued at USD 1.9 billion in 2015 and grew at a CAGR of 2.9% during 2015 to 2019. It is forecasted to grow at a CAGR of 4% during the period 2021 to 2029 and is expected to be valued at USD 2.6 billion in 2029.

2.6 Growth drivers for the bearings industry

- **Global economic growth**
- **Increase in demand for customised bearings**
- **Need for high performance bearings**
- **Advancements in technology**
- **Demand from wind sector**

2.7 Challenges

- **Volatile prices of raw materials**
- **Increasing EV penetration**

2.8 Key players in global bearings market

Schaeffler AG

This company was established in 1883 and is headquartered in Germany. It offers bearings and other components. It has presence across North America, Europe and Asia.

JTEKT

It was incorporated in 1959 and is headquartered in Japan. It offers products such as sensors, bearings, automotive components and machine tools. It has presence in Europe, North America, Asia and other regions.

NSK

NSK commenced its operations in 1916 and is headquartered in Japan. It offers products such as bearings, precision machine components and automotive products. It has presence in Asia, America, Middle East, Europe and Africa.

SKF

SKF was established in 1907 and is headquartered in Sweden. It offers products such as machine tools, bearings etc. It operates in various regions including America, Asia Pacific, Europe, Middle East and Africa.

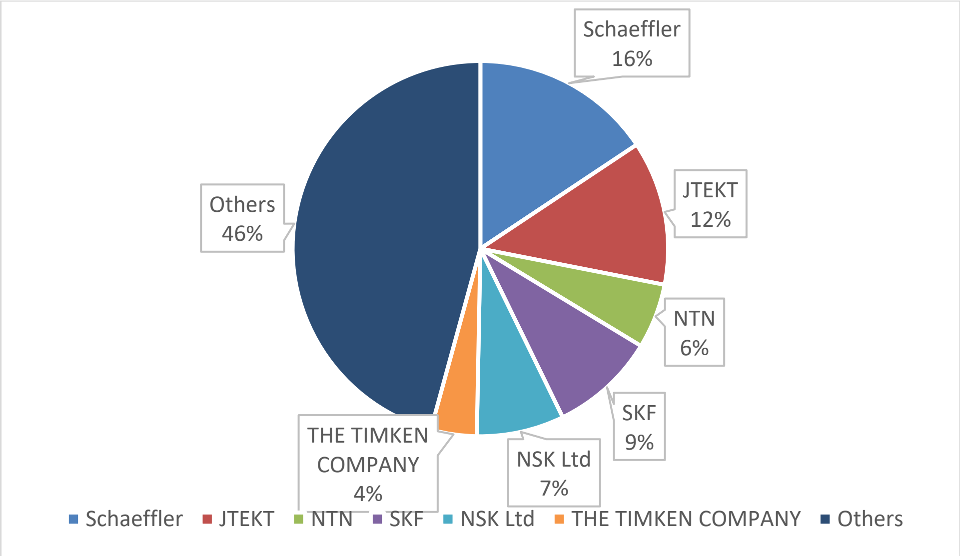
Timken

Timken was incorporated in 1899 and is headquartered in USA. It offers various types of bearings and power transmission products. It has presence in Europe, Middle East, Africa and America.

NTN

NTN is headquartered in Japan and is a precision machinery manufacturer that researches, develops, manufactures, and sells bearings and driveshafts (CVJs). It has presence in Europe, Africa, Asia Pacific and America.

Exhibit 11: Market share of key global bearing manufacturers in FY22

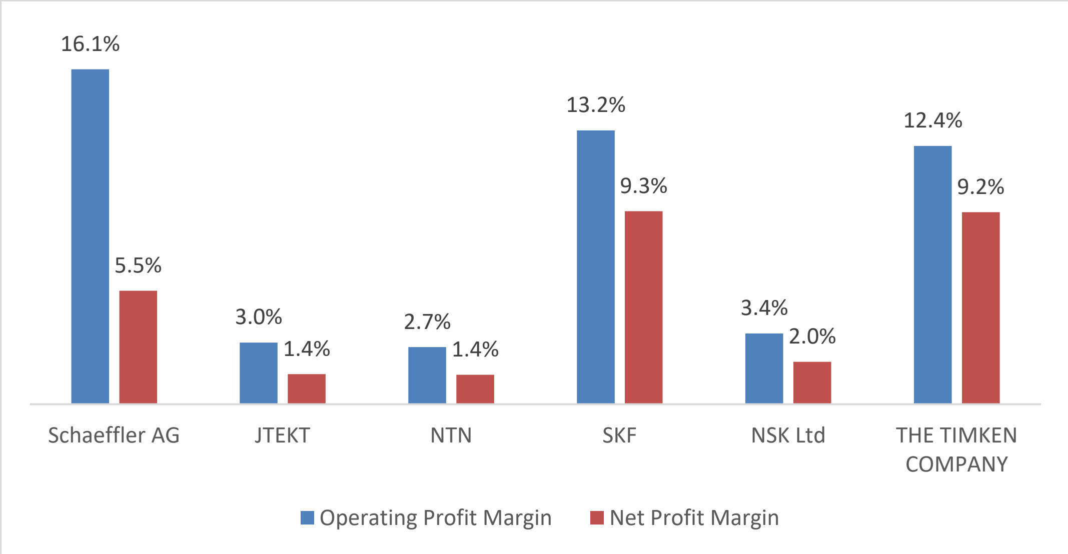


Notes:

- *Market share is based on revenues*
- *The share of others at 46% also includes unorganized market*
- *For Schaeffler, SKF and Timken data is CY2021*
- *Conversion rates:*
  1 USD = 0.846 Euro
  1 USD = 8.584 SEK
  1 USD = 109.817 JPY

Source: Company annual reports, CareEdge Research

Exhibit 12: Key financial metrics of major players

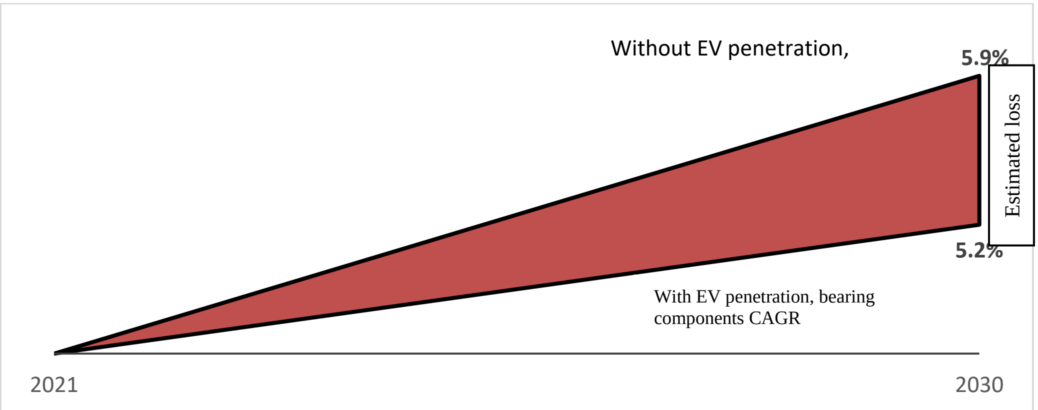


Source: company annual reports, CareEdge Research

2.9 Impact of Electric Vehicles on bearings industry

The growing demand for EVs is estimated to have an impact on the bearing industry volumes. On one hand, the number of bearings required in an electric vehicle is likely to be lower as compared to the ones required in an internal combustion engine (ICE) model. Moreover, needle cages bearings used in engines and small cage bearing used in 2 and 3 wheelers are likely to be the most impacted type of bearings due to increasing penetration of EVs. Also, the bearing manufacturers are faced with the challenge of developing customized bearings for EVs.

Exhibit 13: Estimated impact of EV on bearing components volumes



Notes:
Key assumptions; Number of bearing required in cars: ICE – 35; EV – 21 (60% of ICE)
Number of bearing required in 2&3 wheelers: ICE- 15; EV – 9 (60% of ICE)
Source: CareEdge Research

To estimate the impact of EV penetration on the bearings industry, the base scenario of EV penetration is compared with a scenario assuming no EV penetration. In a scenario assuming demand for all vehicles to be ICE models over the next 10 years, the volumes of bearings required for the automotive segment would have grown at a CAGR of 5.2% during the same period. However, with EV models, transmission bearings that are primarily used in engines of ICE models will get affected. Hence, with the growing penetration of EVs in the automotive market, the volumes of bearings are expected to grow at a CAGR of 5% during CY2020 to CY2030. Thus, EV penetration is expected to impact the volume of bearings demand by 0.7% in volumes. On the other hand, EV specific bearings are likely to command premium pricing in the market, as they will be customized to suit requirement of an EV with features such as higher precision, lower noise and friction. This premium pricing is likely to partially cushion the impact on overall sales of bearing components due to growing EV penetration in automotive market. Hence, the impact of growing penetration of EVs on bearing components over the next decade is expected to be limited. The automotive segment constitutes about 23% of the global bearings market and hence the impact on the global bearings industry overall is expected to be limited.

3. Global Bearing cage market

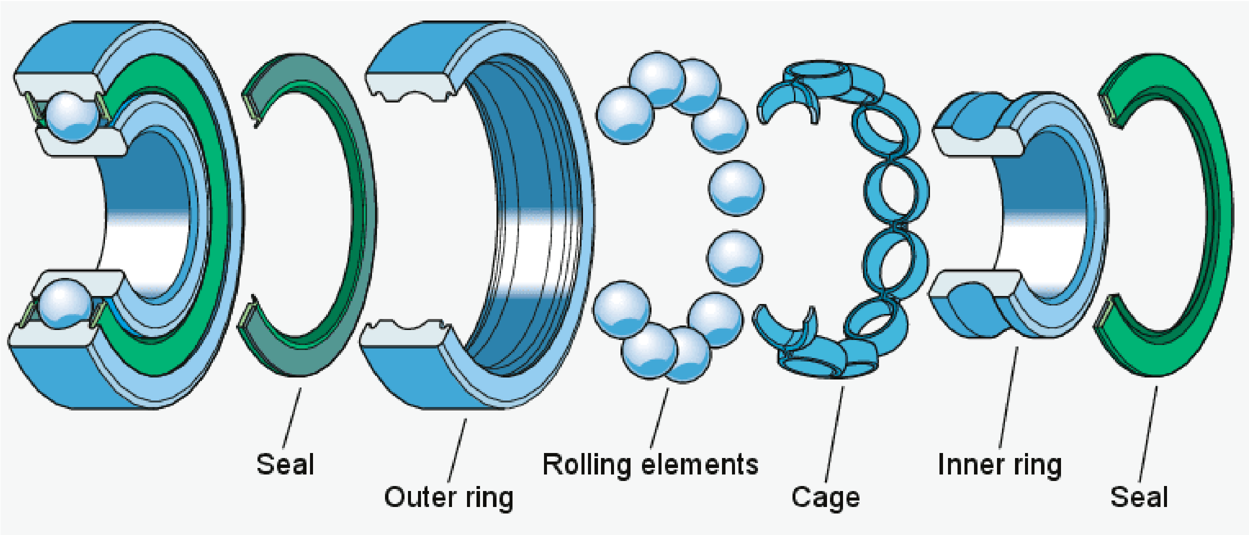
Precision bearing cages forms one of the five components of a bearing; other such components being, the inner ring, outer ring and rolling elements like rollers or balls and cages. It accounts for a small portion in the total cost of bearings. Bearing cages are primarily utilized to:

- separate the rolling elements, reducing the frictional heat generated in the bearing
- keep the rolling elements evenly spaced, optimizing load distribution on the bearing
- guide the rolling elements in the unloaded zone of the bearing
- retain the rolling elements of separable bearings when one bearing ring is removed during mounting or dismounting

Bearing cage is an important component within a bearing and requires the highest lead time for development and technical and tooling expertise, for its manufacture when compared to other components of a bearing.

The chart below is an illustration of bearing components:

Exhibit 14: Bearings components illustration



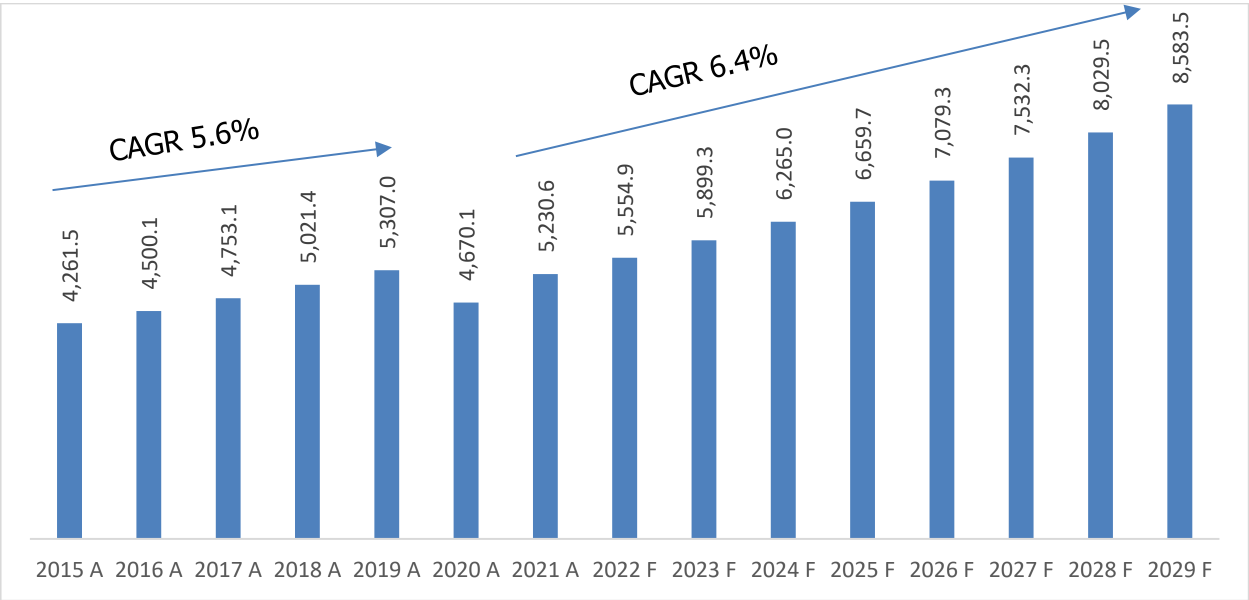
Source: SKF

The bearing cage category comprises of roller cages and ball bearing cages and the cages offer high rigidity, strength and high heat resistant operating conditions. Given the critical function of a bearing cage, and the resultant quality requirements, global bearing companies have steadily increased outsourcing manufacture of bearing cages and the business from these bearing companies has gotten concentrated to a few bearing cage manufacturers.

3.1 Size of the global bearing cages market

The global bearing cages is estimated at about 5% of the global bearings market. The global bearing cages market was valued at USD 4,261.5 million grew at a CAGR of 5.6% between 2015 and 2019. The pandemic situation and geopolitical tensions led to contraction in demand for bearing cages and manufacturers faced supply chain constraints owing to restrictions. This led to contraction in global bearing cages market. However, there was a rebound in 2021 and growth was driven by the usage of bearings in several applications such as mining, automotive, heavy machinery, infrastructure development, power generation and construction. The bearing cages market is expected to grow at a CAGR of 6% to 8% over the period 2021 to 2029 and is estimated to be valued at USD 8,583.5 million in the year 2029.

Exhibit 15: Global bearing cages market size (in USD million)



Note: Market size is based on revenues; A – Actual, F – Forecast
Source: Stampings Market – Global Insights, Growth, Size, Comparative Analysis, Trends and Forecasts, 2021-2029 by Research N Reports

3.2 Growth Drivers

Apart from the growth drivers stated for bearing manufacturers in bearings section of the report, other enablers are stated below:

- **Growing outsourcing trend of bearing components**

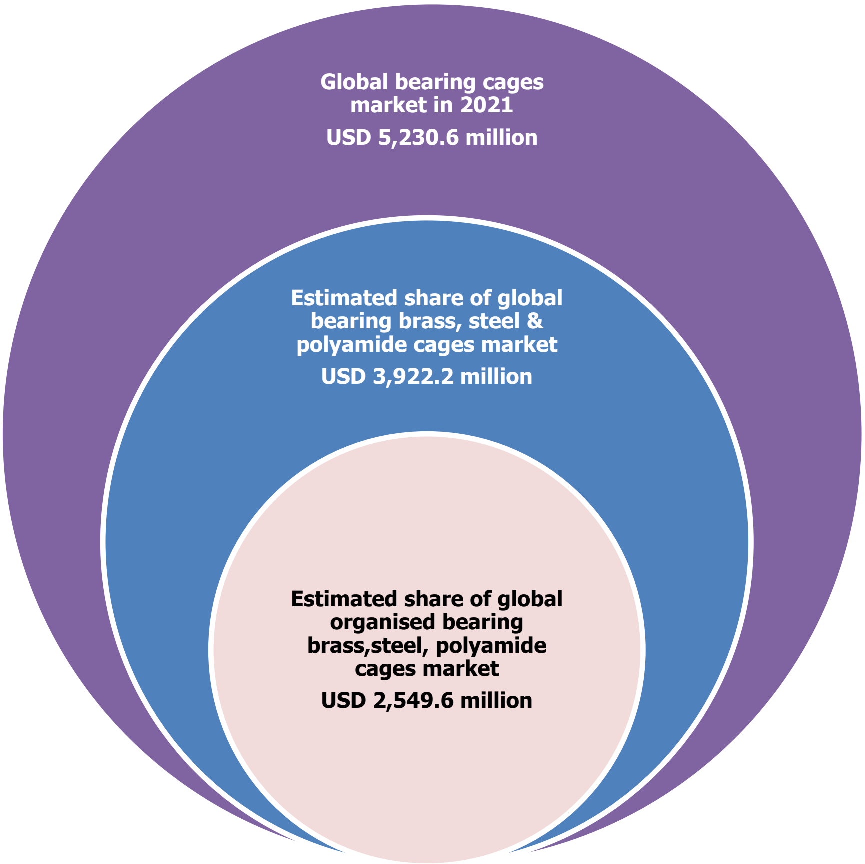
  Earlier, players used to manufacture bearing components inhouse. However, in recent years, manufacturers have started outsourcing to emerging regions such as China, India due to low cost manufacturing advantage. This is likely to positively impact the bearing cages manufacturers.

- **Shift of manufacturing units**

  While China is considered the global manufacturing hub, recent industry developments such as US China trade war and global outbreak of Covid-19 led to manufacturers setting up manufacturing units in regions other than China to emerging economies like India which bodes well for bearing cage manufacturers.

3.3 Market overview

The world bearing cage market is estimated at USD 5,230.6 million in 2021 as shown in the figure below. Brass, Steel and Polyamide cages form the majority share of the cages segment constituting an estimated 75% of the market. 60% of this market is estimated to be organized.

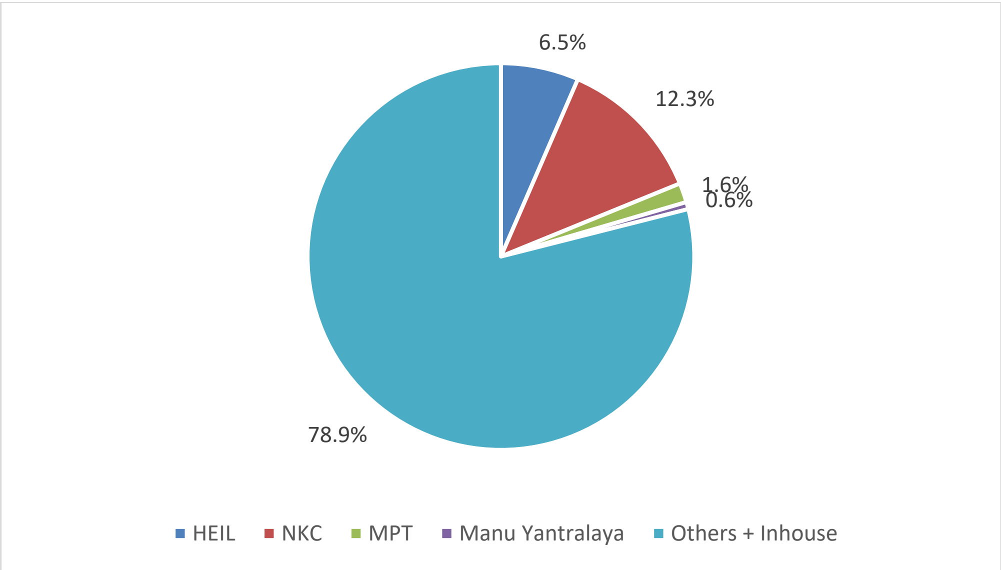


Notes:
Bearing cages is estimated as 5% of bearings market
The share of brass, steel and polyamide cages is estimated at 75%
The share of organized bearing cages market is estimated at 65%.
Source: CareEdge Research

Key players and market share

The global bearing cage market is quite fragmented with presence of global and regional players. Some of the key players operating in the global bearing cages market are Nakanishi Metal Works Co Ltd (NKC; Japan), Harsha Engineers International Ltd (HEIL, India), MPT Präzisionsteile GmbH Mittweida (MPT Group Gmbh, Germany) and Manu Yantralaya Pvt Ltd (MYPT, India). The share of some of the key players operating in the global organized bearing (brass, steel and polyamide) cages market in stated in the chart below. This includes outsourced players in bearing cages market. Meanwhile, the global bearing cages segment also has a significant share of inhouse-production by key bearing manufacturers which is reflected in the remaining 78.7% of the share in the chart below.

Exhibit 16: Market share of key players in global organized bearing (brass, steel & polyamide) cages market (USD 2,549.6 million)



Notes:

- For MPT and MYPT revenues are estimated basis previous years CAGR of the industry.
- Since NKC has a higher share of other businesses, estimated bearings sector revenue has been considered. Revenue from bearings segment is estimated at 60% for NKC.

Source: CareEdge Research

NKC

As seen from chart above, NKC has the largest market share globally. NKC was founded in 1941 and is headquartered in Japan. They manufacture products such as bearing cages, Conveyor Systems, Automatic Controlling Equipment, Sash Rollers, Residential Housing Related Products, Rubber Seals, Precision Tooling, Automatic Guided Vehicles (AGV), Various Metal Press Products, Various Plastic Injection-molded Articles, Cold-rolled Products. NKC bearing retainer division just like its conveyor division expanded its global presence with production facilities in Atlanta, Georgia, USA and in the Philippines. NKC owns [19] affiliated companies, including [6] factories, outside of Japan that export products to all corners of the world.

HEIL

The engineering business was incorporated in 1986 in India through flagship company, Harsha Engineers Limited (HEL). HEL was recently merged with its international business and renamed as Harsha Engineers International Ltd. It is a leading engineering company that offers diversified suite of products across geographies and end-user industries. It manufactures brass, steel and polyamide cages and stamped components with production facilities located in Asia (India & China) and in Europe (Romania). HEIL's market share is estimated to be around ~50-60% in the Indian bearing cages market[1] making it the largest manufacturer of precision bearing cages in organized sector in India in terms of revenues and amongst the leading manufacturers of precision bearing cages in the world. HEIL accounted for a share of 6.5% in the global organized bearing brass, steel and polyamide cages market in CY2021.

HEIL has also been providing comprehensive complete turnkey solutions to all Solar Photovoltaic requirements.

MYPT

It was founded in 1988 in Jaipur, India and manufactures bearing cages and other automotive components. MYPT's manufacturing facilities are located in Jaipur, India. It also exports bearing cages and auto parts to global companies.

MPT Group GmbH

MPT Group GmbH commenced its operations in 1895 and is head quartered in Germany. It provides industry solutions by manufacturing automotive and mechanical engineering components like cages, stampings, rings and components etc. Its production facilities are set up across the globe in regions such as Europe, Asia, North America and South America.

4. Overview of Global Stamping market

4.1 Stamping process

Stamping is the process of manufacturing which converts flat metal sheets into specific shapes and sizes depending upon the end user's requirement. It includes a number of metal forming techniques such as blanking, coining, bending, amongst others, which are used in the manufacturing process. Stamping experts also use Computer Aided Design or Computer Aided Manufacturing tools for creating different designs.

There are different stamping types or techniques which can be used depending upon the product. The major types of stampings are:

- Progressive die stamping
- Fourslide stamping
- Transfer die stamping
- Deep draw stamping

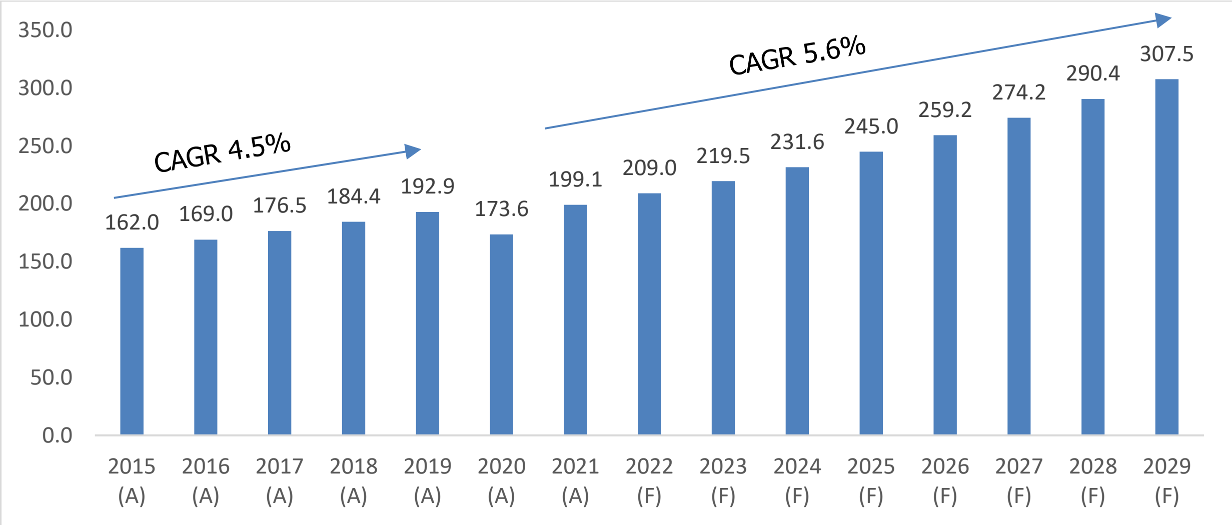
4.2 Size of the global stamping market

The global stampings market grew at 4.5% CAGR between 2015 to 2019 and was valued at USD 192.9 billion in the year 2019. In the year 2020, the global stampings market de grew by 10% and slipped to 173.6 billion due to Covid-19 impact. In coming years, the stampings market is projected to grow at a CAGR of 5.6% between 2021 and 2029

1 Indian bearing cages market refers to the organized segment in India which is estimated to be around 55-60% of the total consumption in India.

and is expected to be worth USD 307.5 billion by 2029. Due to Covid -19 the year 2020 registered a decline in the global market however, the stampings market is expected to rebound and grow at a 5.6% CAGR in future. This rebound is mainly on account of growth in the sectors related to stampings that are expected to perform better because of pent up demand in the past years.

Exhibit 17: Global stamping market value (in USD billion)

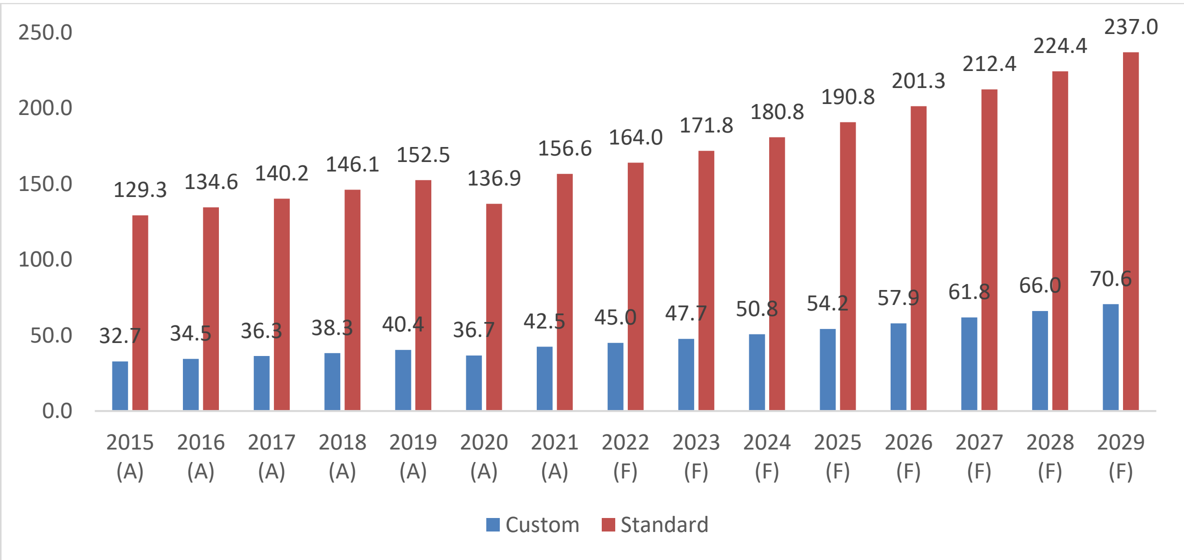


Note: Market size is based on revenues; A – Actual, F – Forecast
Source: Stampings Market – Global Insights, Growth, Size, Comparative Analysis, Trends and Forecasts, 2021-2029 by Research N Reports

4.3 Service wise breakup of global stampings market

On the basis of service, the stamping market is bifurcated into Custom and Standard. Custom stamping is a process that requires custom tooling or techniques to produce parts specified by the customer. Standard stamping helps in producing a high volume of identical components in a faster and more affordable way.

Exhibit 18: Global standard and custom market value in 2029 (in USD billion)



Source: Stampings Market – Global Insights, Growth, Size, Comparative Analysis, Trends and Forecasts, 2021-2029 by Research N Reports

Historical CAGR (2015-2019):

Custom	5.4%
Standard	4.2%

4.4 Geography wise break up of global stamping market

In the year 2021, the global stamping market was valued at USD 199.1 billion. By region, Asia Pacific was leading the stamping market and accounted for 48% of the total stamping revenue followed by Europe at 26.5% and North

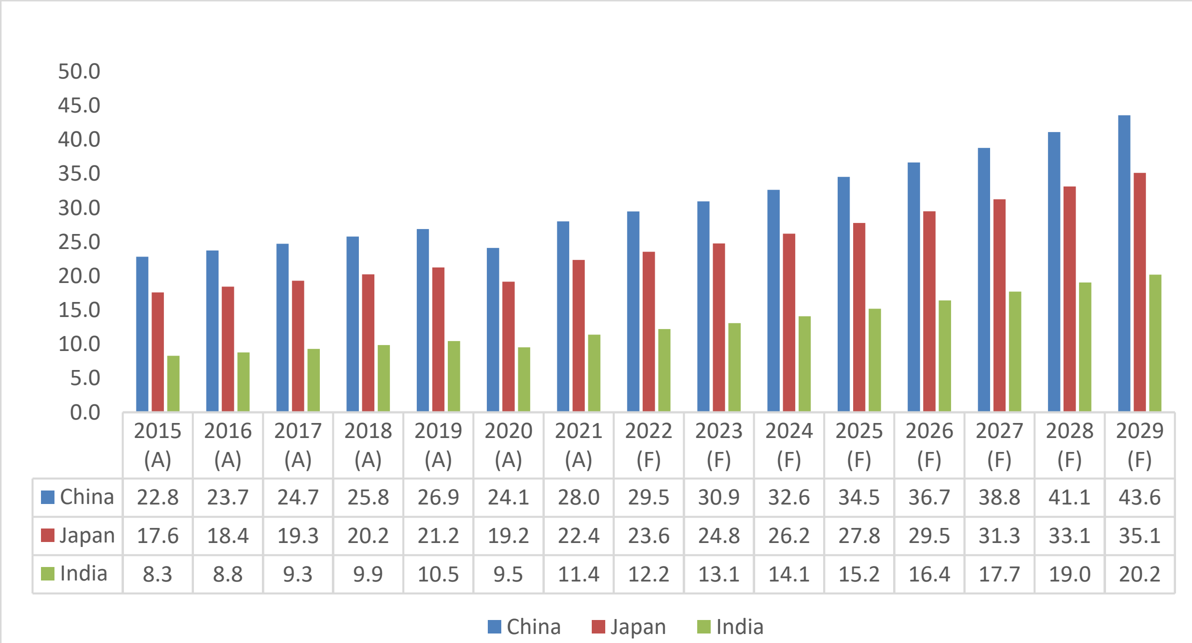
America at 21.3%. Latin America constituted for 2.6% and Middle East and Africa constituted for 1.7% market share respectively.

Asia Pacific

By Market Value, the Stampings market in Asia Pacific stood at USD 95.6 billion in 2021 and is expected to reach USD 148.4 billion by 2029, forecasted to grow at a 5.7% CAGR between 2021 and 2029.

Among Asia Pacific countries, India is expected to grow highest followed by Southeast Asia. Skilled and unskilled labour along with increasing awareness about stamping will drive the stamping market. Due to these factors, Southeast Asia is expected to emerge as a manufacturing hub in near future.

Exhibit 19: Asia Pacific Stamping market (in USD billion)

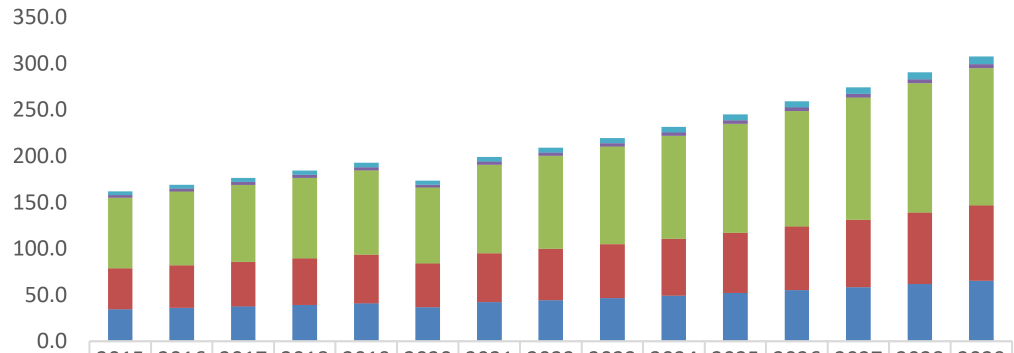


	2015 (A)	2016 (A)	2017 (A)	2018 (A)	2019 (A)	2020 (A)	2021 (A)	2022 (F)	2023 (F)	2024 (F)	2025 (F)	2026 (F)	2027 (F)	2028 (F)	2029 (F)
China	22.8	23.7	24.7	25.8	26.9	24.1	28.0	29.5	30.9	32.6	34.5	36.7	38.8	41.1	43.6
Japan	17.6	18.4	19.3	20.2	21.2	19.2	22.4	23.6	24.8	26.2	27.8	29.5	31.3	33.1	35.1
India	8.3	8.8	9.3	9.9	10.5	9.5	11.4	12.2	13.1	14.1	15.2	16.4	17.7	19.0	20.2

Source: Stampings Market – Global Insights, Growth, Size, Comparative Analysis, Trends and Forecasts, 2021-2029 by Research N Reports

Country	Historical CAGR (2015-2019)
China	4.2%
Japan	4.8%
India	5.9%

Exhibit 20: Global stamping market by region (in USD billion)



	2015 (A)	2016 (A)	2017 (A)	2018 (A)	2019 (A)	2020 (A)	2021 (A)	2022 (F)	2023 (F)	2024 (F)	2025 (F)	2026 (F)	2027 (F)	2028 (F)	2029 (F)
Latin America	4.1	4.3	4.5	4.7	5.0	4.5	5.1	5.4	5.6	6.0	6.4	6.8	7.2	7.6	8.2
Middle East & Africa	3.0	3.1	3.2	3.2	3.3	2.9	3.3	3.4	3.5	3.6	3.7	3.8	4.0	4.1	4.3
APAC	76.1	79.5	83.2	87.0	91.2	82.1	95.6	100.5	105.5	111.3	117.8	124.8	132.0	139.9	148.4
Europe	44.3	46.1	48.1	50.2	52.4	47.2	52.8	55.4	58.2	61.4	64.9	68.7	72.7	77.0	81.3
North America	34.5	36.0	37.6	39.2	41.0	36.8	42.3	44.4	46.6	49.2	52.2	55.2	58.4	61.9	65.4

Source: Stampings Market – Global Insights, Growth, Size, Comparative Analysis, Trends and Forecasts, 2021-2029 by Research N Reports

Historical CAGR (2015-2019)

North America	4.4%
Europe	4.3%
APAC	4.6%
Middle East & Africa	2.2%
Latin America	5.2%

4.5 Key players in the global stamping market and company profiles

AAPICO Hitech Public Company Limited

AAPICO Hitech Public Company Limited was established in 1996 and is headquartered in Thailand. The Company is listed on Thailand Stock Exchange and is a premier manufacturer of OEM automotive parts, is involved in design of jigs and dies, plastic parts, fuel tanks amongst others.

AAPICO recorded USD 0.6 billion revenue in the year 2021.

CIE Automotive

CIE Automotive was established in the year 1970 is headquartered in Spain. It Is a global supplier of components, assemblies and sub assemblies for the automotive market.

CIE offers products with multi technology for forging, aluminium injection, stamping and others. The company has a significant global presence across North America, Europe, Asia and others.

CIE recorded USD 3.7 billion revenue in the year 2021.

4.6 Growth Drivers for Stampings market

1. Growth in Customization of stamping

2. Ease of Application

3. Automation of Stamping process

4. Emergence of Online channels

4.7 Outlook for the Global Stampings market

Due to the Covid-19 outbreak, the global economy had to face enormous adversities in the last two years. The lockdowns helped in limiting the spread of virus but brutally affected the industries globally impacting supply chains, trade, automotive industry, agriculture industry, electronics industry and many more had been severely disrupted. The impact of these industries was further passed on to the supporting and end user industries like manufacturing of parts and components due to lack of demand. The situation only improved when the vaccination drives started globally.

Past year was a tough environment for the companies to carry on their business. However, returning back to normalcy, in the medium term the impacted sectors are expected to emerge stronger. With upgrading technologies, adoption to electric vehicles and improved demand supply conditions, in the upcoming years it is expected that there will be rise in focus on manufacturing in numerous countries, especially in the Asia Pacific region which will provide opportunities for the market participants. The usage of stamping in the manufacturing of car body panels, transmission components, and interior and external structural components is expected to stimulate the demand further.

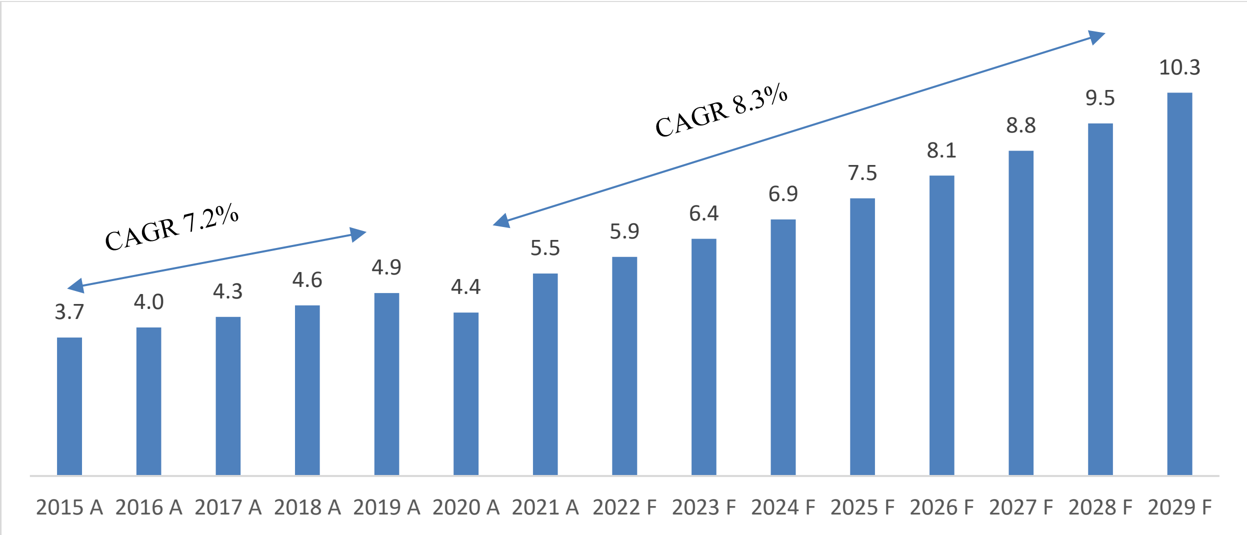
While Medical industry which uses stamping process in manufacturing equipments like oxygen tank, micro- miniature parts, insulin pumps, etc. is slated to grow at highest CAGR, Construction, Agriculture and Electrical and Electronics and Automotive industry will still hold the top market share in future. This is mainly due to increase in manufacturing of automotive components which will be used in EV and also increase in electronics like battery and connector manufacturing.

5. Indian Bearings market

5.1 Size of Indian Bearings market

In terms of revenue, bearings market in India accounted for a share of about 5.2% in the global bearings market in 2021. Meanwhile, within Asia Pacific region, the revenues for bearings market in India accounted for a share of about 12.5% of the Asia Pacific region's revenues. The Indian bearings market grew at a CAGR of 7.2% from 2015 to 2019. The global outbreak of Covid-19 and subsequent imposition of restrictions led to fall in demand for bearings from end user industries and bottlenecks in supply chain networks of manufacturers. This in turn led to contraction of domestic bearings market in 2020. High and volatile commodity prices posed significant risks to the global economy and the effects were felt on both inflation and growth, and will fall unevenly across countries. There was a rebound seen in 2021 led by growth in the Asia-Pacific region, including India which showed expected growth in usage of bearings in several applications such as mining, automotive, infrastructure development and construction. Sharp growth in commodity prices also augured well for the overall growth in 2021. Threat of geopolitical conflict and supply chain issues (especially the semi-conductor shortage) will have an overhang in the near-term growth prospects. However, long term growth prospects remain intact, the market is expected to grow at a CAGR of 8.3% during 2021 to 2029 and is estimated to be valued at USD 10.3 billion in 2029.

Exhibit 21: Indian Bearings market size (in USD billion)



Note: Market size is based on revenues; A – Actual, F – Forecast
Source: Bearings Market – Global Insights, Growth, Size, Comparative Analysis, Trends and Forecasts, 2021-2029 by Research N Reports, CareEdge Research

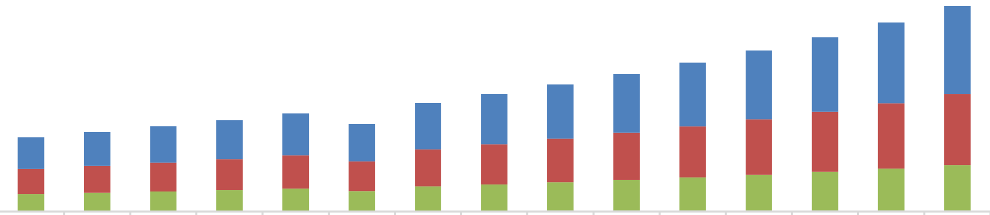
It is estimated that more than 50% of the consumption of bearings in the country is met through domestic production. Meanwhile, less than 40% of the demand is met through imports and it has been declining due to increasing localization by multinational players operating in the domestic bearing industry. It is likely that bearing players will make further investments to enhance product localization which will lead to decline in imports and in turn encourage domestic production.

5.2 Type-wise break up of domestic bearings market

The total bearings market on the basis of type can be split into ball bearings, roller bearings, bearing units and 'others' categories. Bearing units consists of a bearing mounted in a housing.

Ball bearings accounted for the largest share at 43% in 2021 followed by share of roller bearings at 34%. Bearings units and others category accounted for share of 22% and 1% respectively.

Exhibit 22: Domestic bearings market split by type (in USD billion)



	2015 A	2016 A	2017 A	2018 A	2019 A	2020 A	2021 A	2022 F	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F	2029 F
Ball Bearings	1.6	1.7	1.8	2.0	2.1	1.9	2.3	2.5	2.7	3.0	3.2	3.5	3.7	4.1	4.4
Roller Bearings	1.3	1.3	1.4	1.6	1.7	1.5	1.9	2.0	2.2	2.4	2.6	2.8	3.0	3.3	3.6
Bearings Units	0.8	0.9	1.0	1.0	1.1	1.0	1.2	1.3	1.4	1.5	1.7	1.8	1.9	2.1	2.3
Others	0.0	0.0	0.0	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

Others Bearings Units Roller Bearings Ball Bearings

Note: Market size is based on revenues; A – Actual, F – Forecast
Source: Bearings Market – Global Insights, Growth, Size, Comparative Analysis, Trends and Forecasts, 2021-2029 by Research N Reports, CareEdge Research

5.3 Application wise breakup of domestic bearings market

Exhibit 23: Application wise percentage breakup of Indian bearing market in 2021

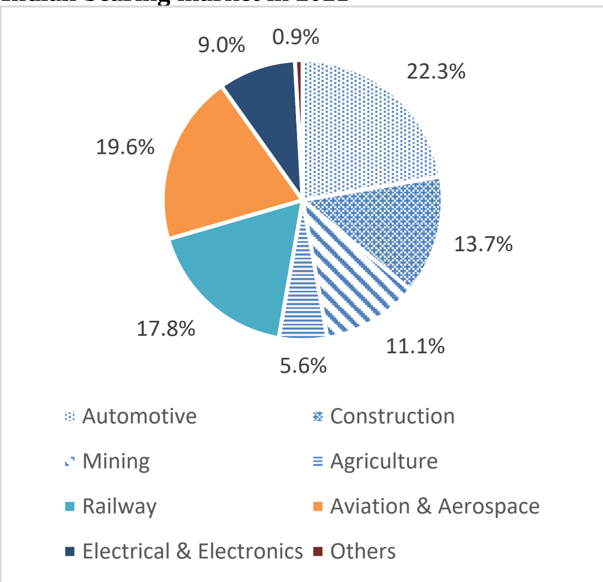
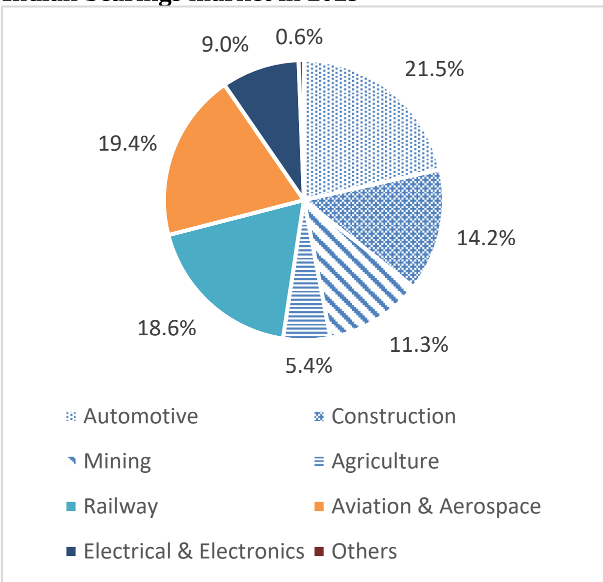


Exhibit 24: Application wise percentage breakup of Indian bearings market in 2029



Note: The patterned sectors above include different automobile segments like passenger vehicles, agriculture trucks, tractors, cranes, crushers, mining trucks etc
Source: Bearings Market – Global Insights, Growth, Size, Comparative Analysis, Trends and Forecasts, 2021-2029 by Research N Reports, CareEdge Research

Automotive

The domestic automotive bearings market accounted for the highest share at 22.3% of the total domestic bearing market in 2021. It stood at USD 0.9 billion in 2015 and grew at a CAGR of 6.7% during 2015 to 2019. The demand for automotive bearing is being driven by increasing demand for automobile. The commercial vehicle sector is witnessing a structural uptick. Demand for passenger vehicles is improving but dampened by the semi-conductor shortage in 2021. Over the long term, the domestic bearing industry is also expected to benefit from shifting of production facilities of global players to emerging geographies such as India. The domestic automotive bearings market is expected to grow to USD 2.2 billion in 2029 at a CAGR of 7.8% during 2021 to 2029.

Aviation & Aerospace

The domestic aviation & aerospace bearings market accounted for a share of 19.7% of the total domestic bearing market in 2021. It stood at USD 0.7 billion in 2015 and grew at a CAGR of 7% during 2015 to 2019. Increasing investments in defense and growing demand for high performance bearings in aviation and aerospace is likely to positively affect the aviation and aerospace bearings industry in the country. It is expected to grow to USD 2 billion in 2029 at a CAGR of 8.1% during 2021 to 2029.

Exhibit 25: Application wise breakup of Indian bearings market (in USD billion)

Years	Railway	Aviation and Aerospace	Automotive	Agriculture	Electrical and Electronics	Construction	Mining	Others
2015 A	0.6	0.7	0.9	0.2	0.3	0.5	0.4	0.0
2016 A	0.7	0.8	0.9	0.2	0.4	0.5	0.4	0.0
2017 A	0.7	0.8	1.0	0.2	0.4	0.6	0.5	0.0
2018 A	0.8	0.9	1.0	0.3	0.4	0.6	0.5	0.0
2019 A	0.9	1.0	1.1	0.3	0.4	0.7	0.5	0.0
2020 A	0.8	0.9	1.0	0.2	0.4	0.6	0.5	0.0
2021 A	1.0	1.1	1.2	0.3	0.5	0.7	0.6	0.0
2022 F	1.1	1.2	1.3	0.3	0.5	0.8	0.7	0.1
2023 F	1.1	1.2	1.4	0.4	0.6	0.9	0.7	0.1
2024 F	1.2	1.3	1.5	0.4	0.6	1.0	0.8	0.1
2025 F	1.4	1.5	1.6	0.4	0.7	1.0	0.8	0.1
2026 F	1.5	1.6	1.8	0.4	0.7	1.1	0.9	0.1
2027 F	1.6	1.7	1.9	0.5	0.8	1.2	1.0	0.1
2028 F	1.8	1.8	2.0	0.5	0.9	1.3	1.1	0.1
2029 F	1.9	2.0	2.2	0.6	0.9	1.5	1.2	0.1
CAGR (2015 to 2019)	7.8%	7.0%	6.7%	6.8%	7.3%	7.6%	7.4%	4.8%
CAGR (2021 to 2029)	8.9%	8.1%	7.8%	7.9%	8.3%	8.7%	8.5%	3.4%

Note: Market size is based on revenues; A – Actual, F – Forecast
Source: Bearings Market – Global Insights, Growth, Size, Comparative Analysis, Trends and Forecasts, 2021-2029 by Research N Reports, CareEdge Research

Railways

The domestic railways bearings market accounted for a share of 17.8% of the total domestic bearing market in 2021. It stood at USD 0.6 billion in 2015 and grew at a CAGR of 7.8% during 2015 to 2019. Growing investments in railways and thrust provided by the government on infrastructure included railways bodes well for bearings industry. The domestic railways bearings market is expected to grow to USD 1.9 billion in 2029 at a CAGR of 8.9% during 2021 to 2029.

Construction

The domestic construction bearings market accounted for a share of 13.7% of the total domestic bearing market. It stood at USD 0.5 billion in 2015 and grew at a CAGR of 7.6% during 2015 to 2019. Favourable policies introduced by the government for development and improvement of infrastructure including affordable housing is likely to positively impact the bearings industry. The domestic construction bearings market is expected to grow to USD 1.5 billion in 2029 at a CAGR of 8.7% during 2021 to 2029.

Mining

The domestic mining bearings market accounted for a share of 11.1% of the total domestic bearing market in 2021. It stood at USD 0.4 billion in 2015 and grew at a CAGR of 7.4% during 2015 to 2019. It is expected to grow to USD 1.2 billion in 2029 at a CAGR of 8.5% during 2021 to 2029.

Electrical & Electronics

The domestic electricals and electronics bearings market accounted for a share of 9% of the total domestic bearing market in 2020. It stood at USD 0.3 billion in 2015 and grew at a CAGR of 7.3% during 2015 to 2019. It is expected to grow to USD 0.9 billion in 2029 at a CAGR of 8.3% during 2021 to 2029.

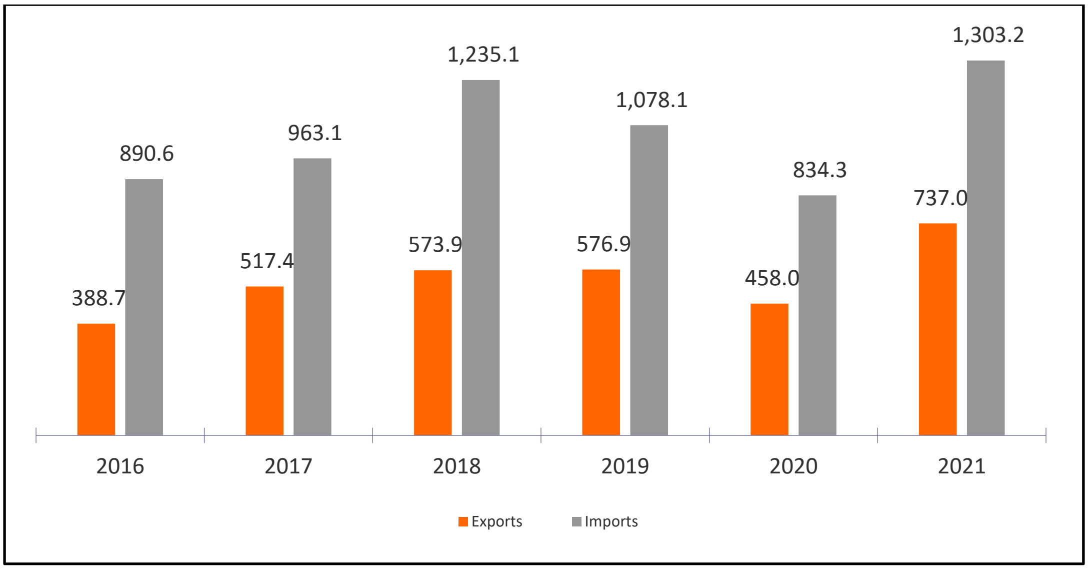
Agriculture

The domestic agriculture bearings market accounted for a share of 5.6% of the total domestic bearing market in 2021. It stood at USD 0.2 billion in 2015 and grew at a CAGR of 6.8% during 2015 to 2019. It is expected to grow to USD 0.6 billion in 2029 at a CAGR of 7.9% during 2021 to 2029.

5.4 Trade scenario

With respect to trade scenario of ball or roller bearings, India remained a net importer during 2016 to 2021. India exported USD 388.7 million ball or roller bearings in 2016 and grew at a CAGR of 17.3% during 2016 to 2021 to USD 737 million in 2021. On the other hand, India imported USD 890.6 million ball or roller bearings in 2016 and grew at a CAGR of 10% during 2016 to 2021 to moderate to USD 1303.2 million in 2021.

Exhibit 26: Trend in India's exports & imports of ball or roller bearings (in USD million)



Source: United Nations Comtrade

Exhibit 27: Country wise export mix of ball or roller bearings in 2021

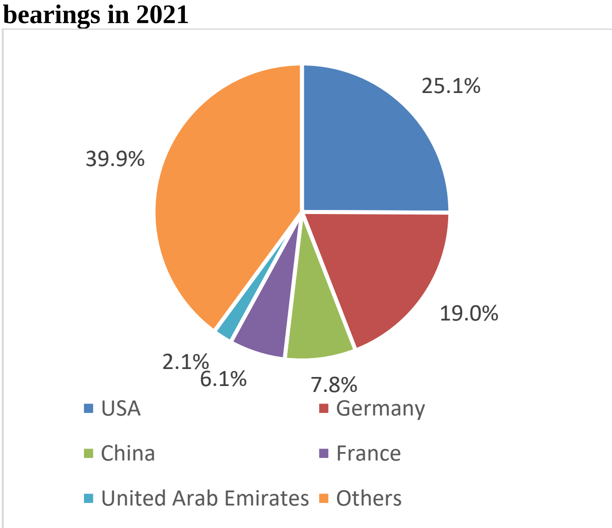
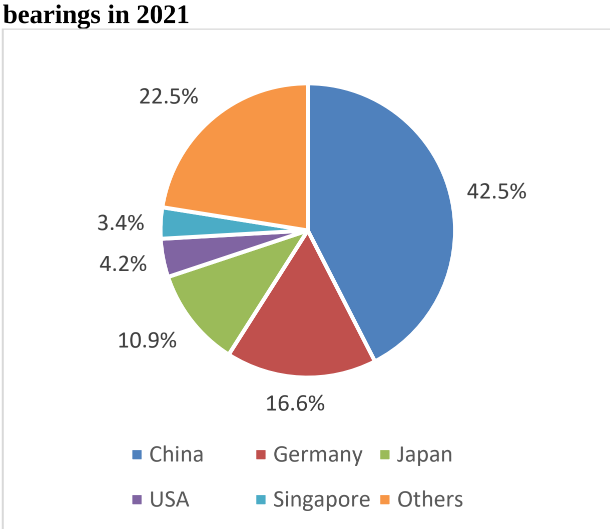


Exhibit 28: Country wise import mix of ball or roller bearings in 2021



5.5 Government Initiatives

5.5.1 Production Linked Incentive (PLI) scheme

5.5.2 National Infrastructure Pipeline (NIP)

5.5.3 National Auto Policy 2018

5.5.4 National Automotive Testing and R&D Infrastructure Project (NATRiP)

5.5.5 The Automotive Mission Plan 2016-26

5.5.6 National Electric Mobility Mission Plan 2020

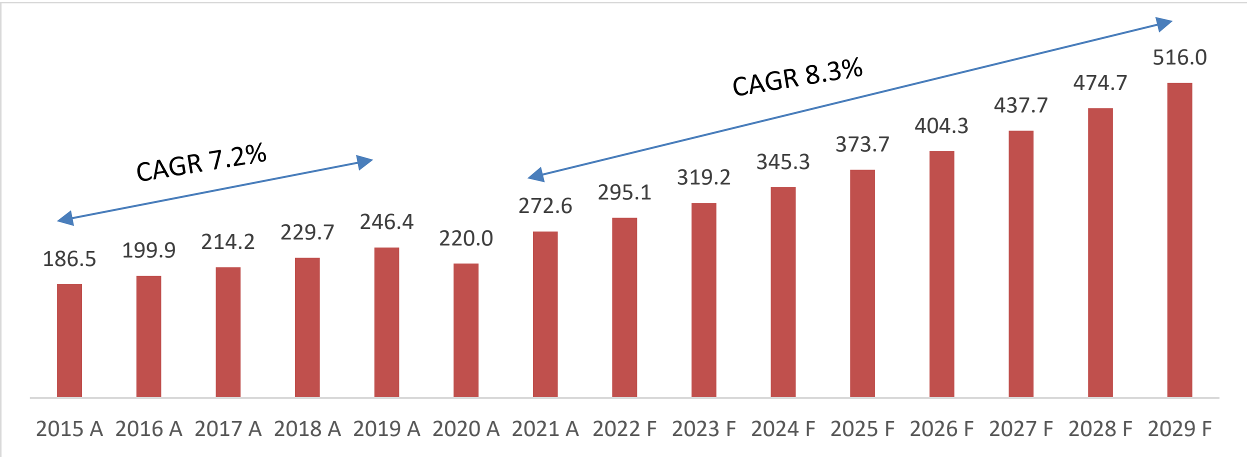
5.5.7 Production Linked Incentive (PLI) scheme for Semi-Conductors

6. Indian Bearing cages market

In terms of revenue, bearing cages market in India accounted for a share of about 5% in the global bearings market in 2021. Further, within Asia Pacific region, the revenues for bearings market in India accounted for a share of 12.5% of the Asia Pacific region's revenues.

The Indian bearing cages market stood at USD 186.5 million in 2015 and grew at a CAGR of 7.2% during 2015 to 2019. The Indian bearing cages market contracted owing to the global outbreak of Covid-19 and geopolitical tensions that led to decline in demand from end user industries of bearing cages and manufacturers witnessed supply chain constraints. However, going forward, with resumption of economic activities, the Indian bearing cages market is expected to grow at the highest CAGR of 8.3% amongst the countries within the Asia Pacific region during 2021 to 2029 and is estimated to be valued at USD 516 million in 2029.

Exhibit 29:Indian bearing cages market (in USD million)



Note: Market size is based on revenues; A – Actual, F – Forecast
Source: CareEdge Research

Bearing cages are usually made of materials such as Steel, Brass, Polyamide, Polyetheretherketone, Phenolic Resin etc. Bearing cage business into large diameter brass and steel bearing cages are still more concentrated inhouse and there is likely possibility of higher outsourcing of the same going forward.

6.1 Growth Drivers

- **Favorable policy and regulatory framework**
- **Growing demand from end users**
- **Manufacturers diversifying global supply chain network**

Apart from the demand drivers mentioned above, other key enablers like advancements in technology with digitization, Internet of Things (IOT) will drive the demand for bearings components including cages going forward. Moreover, the bearing component manufacturers are continuously working to develop customized bearings as per end user requirements which is likely to benefit the bearing cages manufacturers as well.

6.2 Challenges

- **Volatile prices of raw materials**
- **Increasing EV penetration**

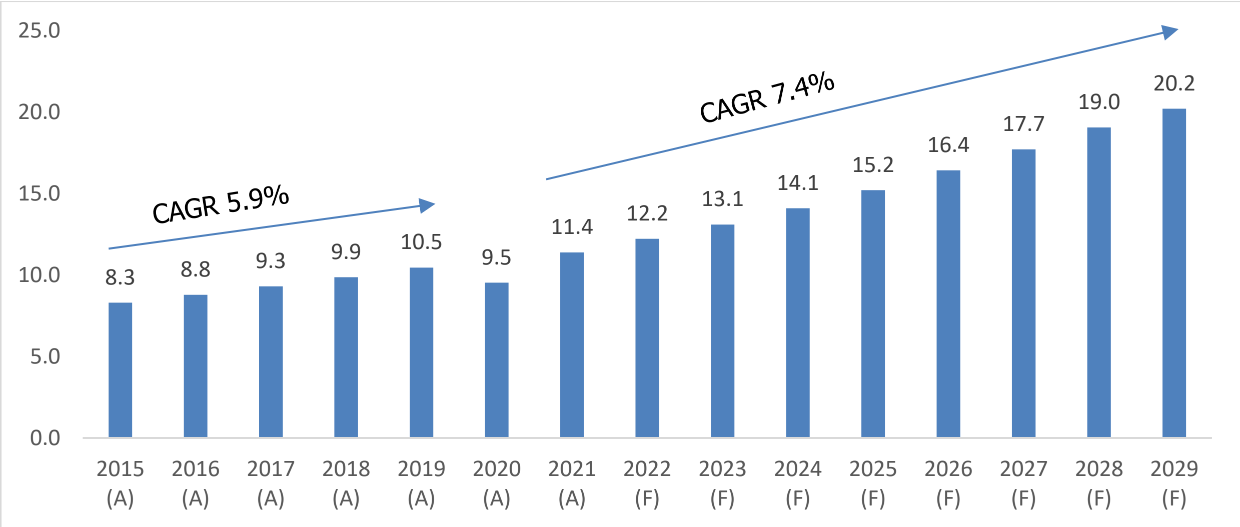
7. Indian Stamping market

7.1 Overview of Indian stamping market

The APAC region is forecasted to be the second largest growing region in global stampings market, in which India is estimated to lead with the highest CAGR.

The Indian Stampings market grew at 5.9% CAGR between 2015 to 2019 and was valued at USD 11.4 billion in 2021. It is forecasted to grow at a 7.4% CAGR between 2021-2029 to reach USD 20.2 billion by 2029. Within the Asia pacific region, India is one of the fastest growing regions.

Exhibit 30: Indian Stamping market Revenue in USD billion



Note: Market size is based on revenues; A – Actual, F – Forecast
Source: Stampings Market – Global Insights, Growth, Size, Comparative Analysis, Trends and Forecasts, 2021-2029 by Research N Reports

7.2 Key End user industries in India

The Automotive industry was leading the Indian Stamping market in 2021 with USD 2 billion in revenue. It is forecasted to reach USD 3.6 billion in revenue by 2029, growing at a CAGR of 7.4% between 2021-2029.

The industry which is expected to grow at highest CAGR is Medical, estimated to expand at 7.9% CAGR between 2021-2029 and reach USD 2 billion revenue in 2029.

- Stamping is used to produce a range of precision parts and components for the equipment used in medical industry.
- The Agriculture industry is estimated to grow at 7.8% CAGR between 2021-2029. The increased use of metal stamping components in manufacturing automated processing equipment in Agriculture and anticipation of further developments in the industry might be the reason for estimated surge in growth.
- The increased demand for phones and other consumer electronics is anticipated to grow the Electrical and Electronics industry in the coming years. This industry is forecasted to grow at 7.5% CAGR between 2021-2029 and reach USD 3.5 billion in revenues by 2029.
- The Automotive industry uses stamping in manufacturing body panels and other parts for light commercial vehicles, heavy trucks etc. As the vehicle production increases, the use of stamping is also expected to increase. The Automotive industry is forecasted to grow at 7.4% CAGR between 2021-2029.

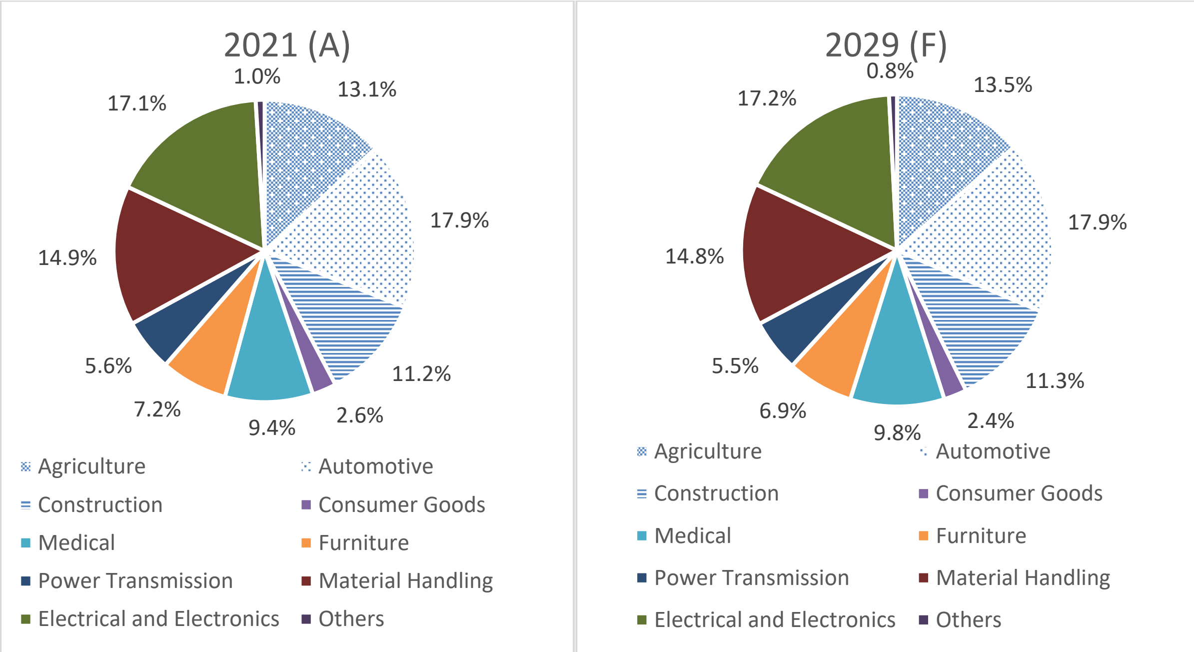
Exhibit 31: Indian Stamping market by industry (in USD billion)

Industry	Agriculture	Consumer Goods	Automotive	Medical	Construction	Furniture	Power Transmission	Material Handling	Electrical and Electronics	Others
2015 (A)	1.1	0.2	1.5	0.8	0.9	0.6	0.5	1.3	1.4	0.1

Industry	Agriculture	Consumer Goods	Automotive	Medical	Construction	Furniture	Power Transmission	Material Handling	Electrical and Electronics	Others
2016 (A)	1.1	0.2	1.6	0.8	1.0	0.6	0.5	1.3	1.5	0.1
2017 (A)	1.2	0.3	1.7	0.9	1.0	0.7	0.5	1.4	1.6	0.1
2018 (A)	1.3	0.3	1.8	0.9	1.1	0.7	0.6	1.5	1.7	0.1
2019 (A)	1.4	0.3	1.9	1.0	1.2	0.8	0.6	1.6	1.8	0.1
2020 (A)	1.2	0.3	1.7	0.9	1.1	0.7	0.5	1.4	1.6	0.1
2021 (A)	1.5	0.3	2.0	1.1	1.3	0.8	0.6	1.7	1.9	0.1
2022 (F)	1.6	0.3	2.2	1.2	1.4	0.9	0.7	1.8	2.1	0.1
2023 (F)	1.7	0.3	2.3	1.2	1.5	0.9	0.7	2.0	2.2	0.1
2024 (F)	1.9	0.4	2.5	1.3	1.6	1.0	0.8	2.1	2.4	0.1
2025 (F)	2.0	0.4	2.7	1.5	1.7	1.1	0.8	2.3	2.6	0.1
2026 (F)	2.2	0.4	2.9	1.6	1.9	1.1	0.9	2.4	2.8	0.1
2027 (F)	2.4	0.4	3.2	1.7	2.0	1.2	1.0	2.6	3.0	0.2
2028 (F)	2.6	0.5	3.4	1.9	2.2	1.3	1.0	2.8	3.3	0.2
2029 (F)	2.7	0.5	3.6	2.0	2.3	1.4	1.1	3.0	3.5	0.2
CAGR (2015 - 2019)	6.3%	4.9%	5.9%	6.4%	6.1%	5.4%	5.6%	5.8%	6.0%	5.0%
CAGR (2021 - 2029)	7.8%	6.3%	7.4%	7.9%	7.6%	6.9%	7.1%	7.3%	7.5%	5.5%

Source: Stampings Market – Global Insights, Growth, Size, Comparative Analysis, Trends and Forecasts, 2021-2029 by Research N Reports

Exhibit 32: Indian Stamping by key end user by market share



Note: The patterned industries above include different automobile segments like Agricultural thatching equipment, tractors and Construction equipments like lighting components, shields, trusses. Etc

Source: Stampings Market – Global Insights, Growth, Size, Comparative Analysis, Trends and Forecasts, 2021-2029 by Research N Reports

7.3 Growth Drivers for the Indian Stamping market

1. **Increase in investments in Automotive segment**
2. **India as the alternate manufacturing base**
3. **Rise in focus on manufacturing**
4. **Expansion of Indian Construction Equipment (CE) industry**

7.4 Indian Stamping market Outlook

The rapid spread of Covid-19 pandemic had a devastating impact on the Indian economy. All the major sectors, except agriculture were badly hit due to the pandemic. The Indian economy was already facing the headwinds before the onset of second wave. However, India's recovery gained momentum after fast paced vaccination drives in the country.

The outlook for the Indian market is promising as in Asia Pacific, India is forecasted to grow at the CAGR of 7.4% between 2021-2029. The Stamping market has growth potential, mainly due to the progress in the automotive and electrical and electronics sector in India. Favorable conditions from manufacturing sector through Make in India and several governments initiatives are helping in growth of automotive sector. As agriculture and allied industries are largest sectors in the country, technological advances in agricultural equipment will lead to increased use of stamping technology. The increasing industrialization, infrastructure development and growth in defence sector in the country is expected to increase manufacturing of machines/equipment in near term. Additionally, expected shifts in manufacturing units to India is also anticipated to grow the stampings market.

Post Covid – 19, factors like low inventory levels, improvement in consumer sentiment, pent up demand will help the Indian market to grow in the coming years. Further, Government infrastructure projects like the National Infrastructure Pipeline will benefit the stampings industry. Increase in B2B sales channels and websites like IndiaMart provide opportunities to the sellers to reach high demand markets and expand.

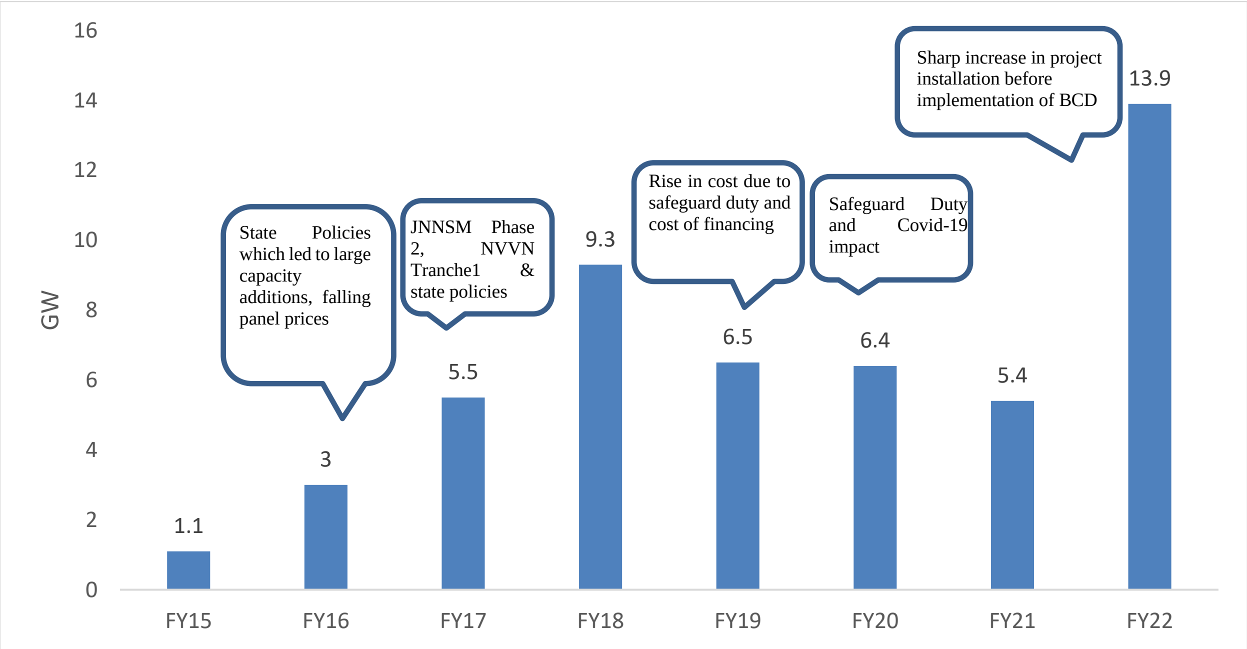
8. Brief of solar industry

8.1 Overview of Solar Industry

India has a large amount of solar energy potential. Approximately 5,000 trillion kWh of energy is incident over India's geographical area each year. Solar photovoltaic electricity can be successfully harvested, allowing for massive scalability in India. Rural electrification will benefit from off-grid, decentralized, and low-temperature applications. Millions of people in Indian communities have profited from solar energy-based decentralized and distributed applications that satisfy their cooking, lighting, and other energy demands. The social and economic benefits include less drudgery for rural women and girls who go great distances to harvest fire wood.

Furthermore, throughout the years, India's solar energy sector has emerged as a key participant in grid-connected power generation capacity. It contributes to the government's objective of sustainable growth while emerging as a key anchor in meeting the nation's energy demands and ensuring energy security.

Exhibit 33: Trend in Solar Capacity Additions in India



Source: CEA, CareEdge Research

India has estimated the country's solar potential to be at 749 GW assuming that solar PV modules cover 3% of the waste land area while the installed capacity is only around 58 GW (Refer table above).

8.1.1 Solar Capacity Additions trends (Roof top and ground mounted)

Solar power continues to be a key source of new renewable energy capacity. The breakup of installed capacities in ground-mounted and roof-top capacities are as follows:

Exhibit 34: Capacity additions in solar rooftop and solar ground mounted (MW)

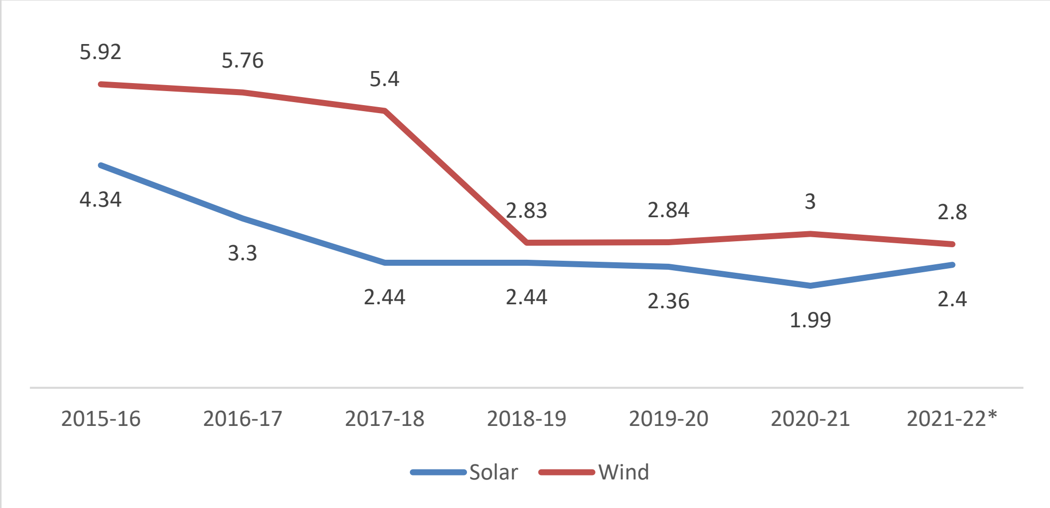
Sector	Cumulative Achievements as on 31.7.22
Solar Power- Ground Mounted	47,766
Solar Power- Roof Top	7,083
Solar in Hybrid	1,380
Off-grid	1,744
Total	57,971

Source: MNRE

8.1.2 Trends in Solar Tariffs

The last six years, since April 2014 have also witnessed a steep decline in solar tariffs from Rs. 6.47/ Kwh in 2013-14 to Rs. 1.99/Kwh in December 2020, similar decrease was noticed in wind power when procurement model changed from Feed in Tariffs to bidding in 2017. This is driven by lower capital cost per megawatt because of advancement in panel design, enabling a higher capacity utilization factor.

Exhibit 35: Trend of decreasing Tariff (in Rs/Kwh)



Source: MNRE Annual report

8.2 Outlook

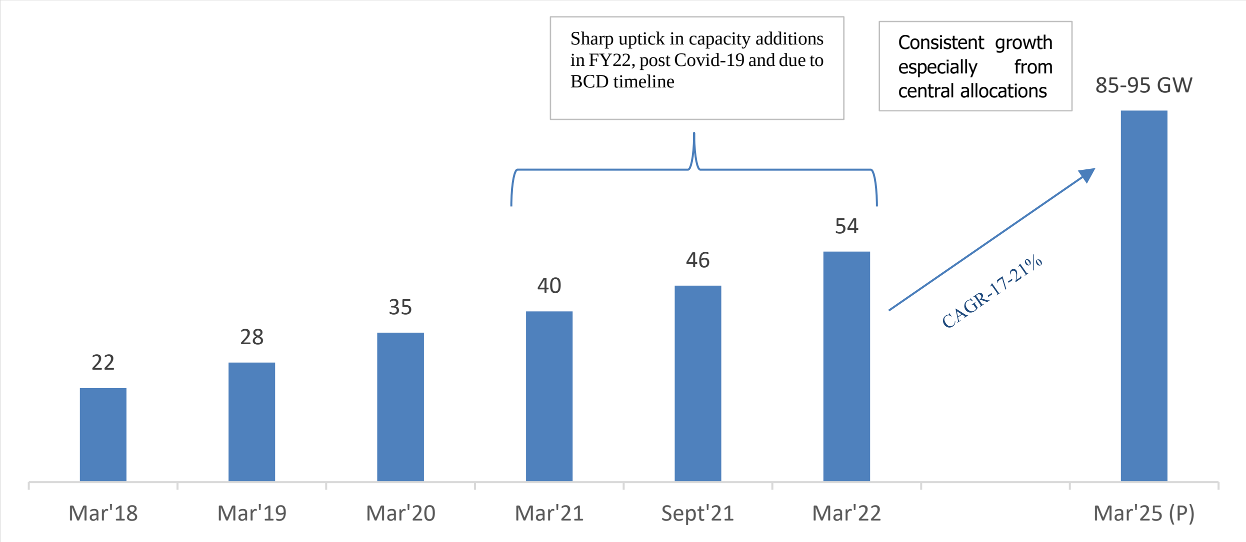
Solar capacity addition witnessed a marginally slower pace in FY21 due to the Covid-19. However, capacity additions have picked up pace sharply this year – there are already capacity additions of about 14 GW in FY22 due to the introduction of basic custom duty on solar module and cells.

Starting April 1, 2022, the Ministry of New and Renewable Energy (MNRE) has imposed a basic customs tax (BCD) of 40% on solar modules and 25% on solar cells. The April 2022 implementation date assures that currently contracted bids will not be harmed, and renewable energy providers will be able to factor in the new cost of solar cells and modules in future bids. Hence to meet the BCD timelines, there has been an increased pace of commissioning this year, as developers hurry to complete power purchase agreements (PPAs) and then sign equipment orders before the new duty cycle begins.

The pace of commissioning of new capacities is expected to continue over the medium term, owing to increase in domestic manufacturing of solar modules, technological breakthroughs, interest from domestic and institutional investors, and the Government of India's sustained attention. The developers are expected to face challenges amounting to rising cost of modules and other ancillary products due to increase in the prices of raw materials like polysilicon, glass, steel, aluminium and cost of fright; but it is expected late in 2023 or Q1 2024 the downward trajectory in solar modules prices will return.

In near term, the solar-plus-storage infrastructure industry is expected to grow, as is the exploration of floating solar PV modules and the growth of community solar projects into new markets. Cost reductions, operational efficiency, and the possibility to minimize storage capital costs through the solar investment tax credit are all advantages of combining storage and solar

Exhibit 36: Trend and outlook for installed capacity of ground-mounted solar (GW)



Note: Mar in the chart above refers to 31st March
Source: CEA, CareEdge Research

8.2.1 Growth Drivers

1. **Cost-competitiveness of solar tariffs supported by falling capital costs**
2. **Stabilization of technology and technology innovations**
3. **Interest from international investors**
4. **GOI's focus towards green energy and subsidiary support**

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 18 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 27 and 265 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year.

We have, in this Prospectus, included various operational and financial performance indicators, some of which may not be derived from our Restated Consolidated Financial Statements and may not have been subjected to an audit or review by our Statutory Auditor. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of the Restated Consolidated Financial Statements and other information relating to our business and operations included in this Prospectus.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal 2022, 2021 and 2020, included herein is derived from the Restated Consolidated Financial Statements, included in this Prospectus. Unless otherwise indicated or the context otherwise requires, in this section, references to "we" or "us" mean Harsha Engineers International Limited, and its Subsidiaries and to "Company" or "our Company" mean "Harsha Engineers International Limited". For further information relating to various defined terms used in our business operations, see "Definitions and Abbreviations" on page 1.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Industry Research Report on Bearings, Bearings Cages & Stampings Market" dated August 2022 (the "**CARE Advisory Report**"), prepared and issued by CARE Advisory Research and Training Limited ("**CARE Advisory**") appointed on October 20, 2021 and re-appointed on August 17, 2022, exclusively commissioned and paid for by our Company in connection with the Offer. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Advisory Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – Industry information included in this Prospectus has been derived from the CARE Advisory Report commissioned and paid for by us for such purpose. The CARE Advisory Report is not exhaustive and is based on certain assumptions and parameters/ conditions." on page 38. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 16.*

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.

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).* We offer a wide range of bearing cages starting from 20 mm to 2,000 mm in diameter and our bearing cages find its application in the automotive, railways, aviation & aerospace, construction, mining, agriculture, electrical and electronics, renewables sectors etc.

The following table sets forth a breakdown of our revenue from operations from engineering business and EBITDA from engineering business, in absolute terms and as a percentage of total revenue from operations, for the periods indicated:

Particulars	Fiscal 2022 (Restated)		Fiscal 2021 (Restated)		Fiscal 2020 (Restated)	
	(amount in ₹ million)	% of total revenue from operations	(amount in ₹ million)	% of total revenue from operations	(amount in ₹ million)	% of total revenue from operations
Revenue from operations from engineering business	12,385.35	93.72%	8,195.62	93.80%	8,216.59	92.75%
EBITDA[1] from engineering business	1,890.88	14.31%	1,404.62	16.08%	1,233.79	13.93%
EBITDA[1] from engineering and solar EPC businesses	1,865.77	14.12%	1,249.62	14.30%	1,000.55	11.29%

[1] *EBITDA=Profit Before Tax + Depreciation and Amortisation + Finance Cost + loss/ (profit) on Sale of Fixed Assets*

We are a technology driven company with a strong focus on quality, design and tool development, which has allowed us to develop products suited to our customers' requirements. We have the expertise to design and develop advance tooling in-house which enables us to manufacture precision bearing cages and complex and specialised precision stamped components. Bearing cages are critical parts of a bearings and it requires high precision technology to manufacture them. Our Company, which housed a team of 253 qualified engineers (including solar EPC business) as of March 31, 2022, along with our decades of experience in bearing cages engineering, enable us to develop specialized products and solutions. Our ability to develop products suited to our customers' requirements has fostered strong and long term customer relationship which in turn has helped us gain higher margins for our products and better navigate competition. Further, we have been successful in diversifying our product portfolio and improve our current processes in different types of bearing cages mainly due to our design, development and technological capabilities. As of March 31, 2022, we have been able to manufacture more than 7,205 bearing cages and more than 295 other products for customers in the automotive, railways, aviation & aerospace, construction, mining, agriculture, electrical and electronics, renewables sectors, allowing us to meet changing customer requirements. In addition, over the past three years our product development and innovation centre has developed more than 1,200 products in different bearing types.

We have been able to leverage our tooling capabilities and the expertise developed in the stamping employed for manufacture of steel cages to diversify and grow our stamping components business. We also provide comprehensive metal stamping solutions ranging from simple to complex designs and geometries to our clients in automotive; bearing and sealing; and electrical and appliance industry. Our capability extends to manufacturing high quality precision components as well as semi assembled modular units. We have recently expanded our product portfolio to introduce sand casting, value added stamping components, bronze bushings etc. to cater to more end user industries such as wind, mining and shipping sectors. While the automotive segment is shifting towards the electric vehicles, we believe its impact on us will be limited as we are not manufacturing needle bearings cages which are engine components. Needle cages bearing used in engines and small cage bearing used in two and three wheelers are likely to be the most impacted type of bearings due to increasing penetration of electric vehicles (*Source: CARE Advisory Report*). Further, we believe that the electrification of vehicles will increase the precision requirements sought by customers which will help companies like ours to further improve their market share in the sector.

Bearing cage is an important component within a bearing and requires the highest lead time for development and technical and tooling expertise for its manufacture when compared to other components of a bearing. (*Source: CARE Advisory Report*) Given the critical function of a bearing cage, and the resultant quality requirements, global bearing companies have steadily increased outsourcing for manufacturing of bearing cages and the business from these bearing companies has gotten concentrated to a few bearing cage manufacturers including us. (*Source: CARE Advisory Report*). We have established strong customer relationship with leading global bearing manufacturers in the automotive, railways, renewable energy and other industrial sectors. Additionally, we have been involved by our key customer groups in their product development process from the design stage and accordingly, we have been able to ensure repeat orders from our customers. Each of our top five customer groups (excluding customers' contributing to revenue from scrap sales) have been our customers for over a decade. We believe our long term relationships with customers is indicative of our quality consciousness, cost efficiency and design, tooling and technological capabilities. We intend to diversify and expand our business operations in accordance with the evolving needs of our customers and our industry.

Our top five customer groups (excluding customers' contributing to revenue from scrap sales), as per our Restated Consolidated Financial Statements, contributed to revenue from operations from engineering business, ₹ 9,323.39 million, ₹ 6,315.65 million, and ₹ 6,426.31 million for Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively and constituted 70.55%, 72.28%, and 72.54% of our total revenue from operations for, Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

We have four strategically located manufacturing facilities for our engineering business with one of our principal manufacturing facilities at Changodar and one at Moraiya, near Ahmedabad in Gujarat in India, and one manufacturing unit each at Changshu, China and Ghimbav Brasov in Romania. We believe that our presence in these strategic locations helps us to penetrate global markets more efficiently and in a cost effective manner and allow access to our customers. We supply products to customers in over 25 countries covering five continents i.e., North America, Europe, Asia, South America and Africa. To help us meet 'just in time' requirements of our customers, we have entered into arrangements to stock inventory in warehouses spread across more than 20 locations across the world including in, Europe, US, China and South America. Our multinational presence has also allowed us to diversify our revenue geographically.

The following table sets forth a breakdown of our revenue from operations from engineering business (from India and outside India), in absolute terms and as a percentage of total revenue from operations, for the periods indicated basis the location of the customers:

Particulars	**Fiscal 2022 (Restated)**		**Fiscal 2021 (Restated)**		**Fiscal 2020 (Restated)**	
	Revenue from operations from engineering business (amount in ₹ million)	**Percentage of total revenue from operations (%)**	**Revenue from operations from engineering business (amount in ₹ million)**	**Percentage of total revenue from operations (%)**	**Revenue from operations from engineering business (amount in ₹ million)**	**Percentage of total revenue from operations (%)**
India*	4,019.01	30.41%	2,350.70	26.90%	2,585.22	29.18%

Particulars	Fiscal 2022 (Restated)		Fiscal 2021 (Restated)		Fiscal 2020 (Restated)	
	Revenue from operations from engineering business (amount in ₹ million)	Percentage of total revenue from operations (%)	Revenue from operations from engineering business (amount in ₹ million)	Percentage of total revenue from operations (%)	Revenue from operations from engineering business (amount in ₹ million)	Percentage of total revenue from operations (%)
Outside India*	8,366.34	63.31%	5,844.92	66.89%	5,631.37	63.57%
Total	**12,385.35**	**93.72%**	**8,195.62**	**93.80%**	**8,216.59**	**92.75%**

* *The revenue information above is based on the location of the customers*

The combined bearing cages capacity of all our manufacturing units is 1,097.87 million pieces per annum as on March 31, 2022. Our facilities have end-to-end manufacturing capabilities, strong engineering and design capabilities, and the ability to supply to our global customer base. All our manufacturing facilities offer fungibility within the product groups which we manufacture, allowing us flexibility to move the production basis the market demand, subject to consent of the customers and such production quantities being within the capacity limits available under respective approvals. Our manufacturing units in India, China and Romania have been duly certified for conforming to and applying international standards of quality management systems and we have comprehensive tooling, testing and measurement infrastructure at our Indian and Romanian manufacturing units. We have also been awarded a number of industry awards including "TPM Excellence-Award for excellence in consistent TPM commitment-2018" by Japan Institute of Plant Maintenance", "Excellence in Delivery-2019" by Timken and "Gold Rating National 5 S Excellence Awards-2019" from Confederation of Indian Industry in the year 2019. For details in relation to awards, see "*History and Certain Corporate Matters– Key awards, accreditations or recognitions*" on page 168.

We are part of the Harsha Group which was established in 1986 and has over 35 years of operating history in the engineering business. Our Company, Harsha Engineering International Limited, was incorporated in 2010 as Harsha Abakus Solar Private Limited. In order to consolidate the Harsha Group's India engineering and solar EPC business, and to get the benefits of synergies, a corporate reorganisation was recently completed effective from the appointed date of April 01, 2020. Pursuant to the Corporate Reorganisation, the engineering business of the Harsha Group housed in Aastha Tools Private Limited, Harsha Engineers India (Private) Limited and Harsha Engineers Limited was amalgamated into our Company. For further details, see "*History and Other Corporate Matters – Material Acquisitions and Divestments*" on page 169.

Our founder Promoters, Harish Rangwala and Rajendra Shah, have more than 35 years of experience in the precision engineering and bearing cages manufacturing sector and have played a pivotal role in our innovation, success and growth. Additionally, our second generation Promoters, Vishal Rangwala and Pilak Shah, are also involved in the overall operations, strategies and business of our Company.

We are also an EPC service provider in the solar photovoltaic industry and also provides operations and maintenance services in the solar sector. We have over 10 years of operating history in the solar EPC business. We have an in-house design, engineering, procurement, project management and O&M team which has a combined experience of installing at least 500 MW and more than 60 MW commissioning experience in roof top segment as of March 31, 2022. Our revenue from solar EPC business aggregated to ₹ 829.46 million, ₹ 541.92 million, and ₹ 641.94 million for Fiscals 2022, 2021 and 2020, respectively, constituting 6.28%, 6.20%, and 7.25% respectively, of our total revenue from operations, as per our Restated Consolidated Financial Statements.

We have three wholly owned subsidiaries, one in China - Harsha Precision Bearing Components (China) Co. Ltd, one in the United States of America - HASPL Americas Corporation and one in the Netherlands - Harsha Engineers B.V., and a step-down subsidiary in Romania - Harsha Engineers Europe SRL. Our Company also has a 50% interest, as a partner, in Clenmax Harsha Solar LLP and 26% equity interest in Sunstream Green Energy One Private Limited (formerly known as Eirene Naval Systems Private Limited).

Set out below are our key operating and financial metrics:

Particulars	Fiscal 2022 (Restated)	Fiscal 2021 (Restated)	Fiscal 2020 (Restated)
	(in ₹ million, except ratios and percentages)		
Revenue from operations	13,214.81	8,737.54	8,858.53
Free cash flow to firm[1]	(252.63)	599.40	379.76
EBITDA[2]	1,865.77	1,249.62	1,000.55
EBITDA margins[3]	14.12%	14.30%	11.29%
PAT	919.44	454.39	219.09
PAT margin[4]	6.87%	5.18%	2.44%
Net Worth	5,279.01	4,332.18	3,780.21
Net Debt[5]	3,565.85	3,220.77	3,930.99
RoACE[6]	24.92%	17.24%	18.05%

Particulars	Fiscal 2022 (Restated)	Fiscal 2021 (Restated)	Fiscal 2020 (Restated)
	(in ₹ million, except ratios and percentages)		
RoAE[7]	19.13%	11.20%	6.10%
Ratio of EBITDA to net cash flow generated from operating activities[8]	5.12	1.03	0.89
Net Debt to Net Worth[9]	0.68	0.74	1.04
Ratio of Net Debt to EBITDA[10]	1.91	2.58	3.93
FCFF to EBITDA ratio[11]	(0.14)	0.48	0.38
FCFF to PAT ratio[12]	(0.27)	1.32	1.73
Fixed Asset Turnover Ratio – Consolidated[13]	4.64	3.24	3.36

1 *Free cash flow to firm = PAT + Non-cash charges (including depreciation and amortisation) + (Finance cost adjusted for tax impact) - capital expenditure (increase in gross block) - changes in working capital*
2 *EBITDA = PBT + depreciation and amortisation + finance cost + loss/ (profit) on sale of fixed assets*
3 *EBITDA margin = EBITDA / revenue from operations*
4 *PAT margin = PAT / total revenue[5]*
5 *Net Debt = Total Debt - Free Cash and Cash Equivalents (i.e., Cash and bank balance - lien marked FDs)*
6 *Return on Average Capital Employed = (EBIT + Loss/ (profit) on Sale of Fixed Assets)/ Average Capital Employed; Average Capital employed = Net Worth + Long Term Borrowings includes Lease liability where Average taken as (Beginning + Ending) /2*
7 *Return on Average Equity = PAT / ((Beginning Equity + Ending Equity)/2)*
8 *Ratio of EBITDA to net cash flow generated from operating activities = EBITDA / Cash flow from operations*
9 *Net Debt to Net Worth = Net Debt / Net Worth*
10 *Ratio of Net Debt to EBITDA = Net Debt / EBITDA*
11 *FCFF to EBITDA ratio = Ratio of net debt to free cash flow to firm / EBITDA*
12 *FCFF to PAT ratio = Free cash flow to firm / PAT*
13 *Fixed Asset Turnover Ratio – Consol = Revenue from operations / Net Fixed Assets (adjusted for depreciation)*

Our Strengths

Our key strengths are as set forth below:

Comprehensive solution provider offering diversified suite of precision engineering products across geographies and end-user industries

We have a diversified product portfolio in terms of the materials used as well as the dimensions and end-use of the finished products. We primarily manufacture bearing cages in the range of 20 mm to 2,000 mm in diameter. We have been successful in improving our current processes of manufacturing and new product development for different types of bearing cages mainly due to our designing and tooling development and technological capabilities. Within our diversified product portfolio, we manufacture bearing cages (including cylindrical roller cages, spherical roller cages, deep grove cages, angular contact cages, thrust roller cages and taper roller cages), complex and specialised precision stamped components, welded assemblies and brass castings and bushings. Since our incorporation, we have manufactured more than 7,500 types of products in the automotive and industrial segments. We manufacture bearing cages in brass, steel and polyamide which represents 6.5% of the global organised outsourced bearing (brass, steel & polyamide) cages market in CY 2021 *(Source: CARE Advisory Report).* We have approximately 50-60% of the market share in the organised segment of the Indian bearing cages market *(Source: CARE Advisory Report).* We partner closely with our customers and are involved by our customers in the product development process and accordingly we have been able to ensure repeat orders from most of our customers. We have recently expanded our product portfolio to introduce sand casting, value added stamping components, bronze bushings etc. to cater to more end user industries such as wind, mining and shipping sectors. Our products find application across automotive, aviation and aerospace, construction, mining, agriculture, electricals and electronics, renewables sectors. Accordingly, we are insulated to a large degree against fluctuation in demand for a specific product because of the wide range of products that we currently offer, their diverse end user application and our ability to develop new products required by our customers.

We supply products to customers in over 25 countries covering five continents i.e. North America, Europe, Asia, South America and Africa. Given our wide presence, our revenue stream is diversified both geographically as well as across customers.

The following table sets forth the revenue break-up from different jurisdiction for our engineering business:

Region	Fiscal 2022 (Restated)		Fiscal 2021 (Restated)		Fiscal 2020 (Restated)	
	Revenue from Operations from engineering business (in ₹ million)	% contribution to total revenue from operations	Revenue from operations from engineering business (in ₹ million)	% contribution to total revenue from operations	Revenue from operations from engineering business (in ₹ million)	% contribution to total revenue from operations
Europe	5,006.34	37.88%	3,425.82	39.21%	3,411.58	38.51%
India	4,019.01	30.41%	2,350.70	26.90%	2,585.22	29.18%
China	1,726.39	13.06%	1,318.58	15.09%	1,148.47	12.96%
America	823.37	6.23%	622.01	7.12%	641.36	7.24%
Others	810.24	6.13%	478.51	5.48%	429.96	4.85%
Total	**12,385.35**	**93.72%**	**8,195.61**	**93.80%**	**8,216.59**	**92.74%**

Long standing relationships with leading clientele

We have established strong relationship with our customers who are leading global bearing manufacturers in the automotive, railways, aviation & aerospace, construction, mining, agriculture, electrical and electronics, renewables sectors. The bearing cages market globally is concentrated among a few global bearing manufacturers with top six global bearing manufacturers contributing to 54% of the market share in Fiscal 2022 (*Source: CARE Advisory Report*). As of March 31, 2022, we supply to each of the top six global bearing manufacturers.

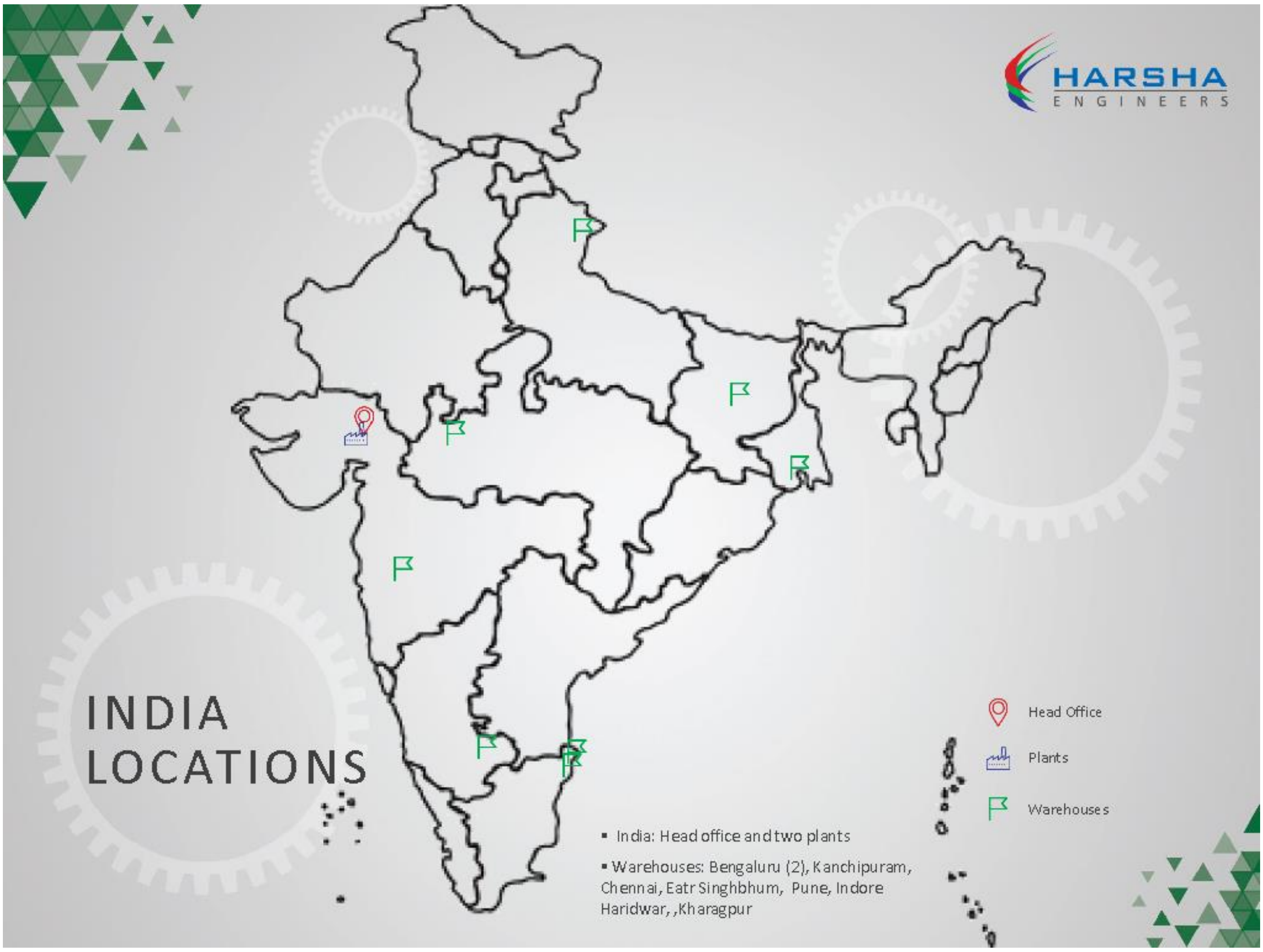
Our top 10 customers contributed to 44.70%, 48.24%, and 47.79% of our total revenue from operations for Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively, as per our Restated Consolidated Financial Statements. The average age of our relationship with our top five customer groups spans more than a decade. We believe our long term relationships with customers is indicative of our quality consciousness and our designing and tooling capabilities.

We believe that our expertise in area of tooling, automated production facilities, focus on research and development, coupled with technologically advanced, quality consistency on time delivery and cost competitive manufacturing technology processes has resulted in repeat orders from our key customer groups. These key customer groups are also key global bearing manufacturers who have been our customers for over a decade. As bearing cage accounts for a small portion of the total cost of a bearing and considering the complexity of the production process for such bearing cages, we believe that once the bearing cages customer gets a reliable vendor they will prefer continuing with such vendor for a long period of time. In addition, we believe that our customer-centric approach and continuous effort on transparent dealings has allowed us to enter into long term framework agreements with leading key global bearing manufacturers. We have partnered with certain of our key customer groups in the product development process, enabling our products to meet the exact specifications provided by the customers. Our long term relationship with our customers allows us to understand and cater to their diverse requirements, including the development of new products. Our presence in certain geographies catering to a select customer group helps us to enter other geographies where the same customer group has presence. Further, it gives us an opportunity to cross sell across geographies and offer diversified product portfolio to our customers in other automotive and equipment segments into which they may diversify. This also gives us an opportunity to grow our sales in line with the growth of our customers. We believe that our long-standing relations with such customers act as an endorsement of our operational and managerial capabilities and help us solicit new business from potential customers in the same industry.

Strategically located domestic and international production facilities and warehouses

We have four strategically located manufacturing facilities spread across three countries in India, China, and Romania. As on March 31, 2022, our aggregate installed capacity across these manufacturing facilities was 4,596 metric tonne per annum for castings and 1,097.87 million pieces per annum for bearing cages. Our presence in these locations helps us overcome significant entry barriers in comparison with our competitors, allowing us to penetrate these markets more efficiently and becoming a local supplier to leading key global bearing players. Our presence in these strategic locations help us penetrate global markets more efficiently and in a cost effective manner. It also gives us the ability to cater to the needs of our customers from multiple locations, at times designing products at one location while manufacturing them at another. Our dual-shore capabilities, which is our ability to carry out design, engineering and manufacturing of products at different locations allow us to service customer requirements from alternate locations, giving the customer the benefit of regular supply and cost-competitive manufacturing operations. Additionally, to help us meet just in time requirements of our customers, we have entered arrangements to stock inventory in warehouses over 20 locations across the world. Having proximity to our key customer groups gives us a strategic advantage in ensuring greater cost effectiveness, quicker delivery and faster turn- around times, allowing us to maximize customer satisfaction in a timely manner. Our multinational presence has also allowed us to diversify our revenue geographically and enhanced our reputation which results in higher orders from India.


HARSHA
ENGINEERS
GLOBAL
LOCATIONS
▪ India: Head office and two plants
▪ China: One plants
▪ Romania: One plant
▪ USA: Representative Office
▪ Warehouses: Germany(2), USA (4), China (4), Italy(2) , Spain, France, Austria, Sweden, Poland, Belgium, Brazil, Mexico, Malaysia, India(9)
Head Office
Plants
Rep. Office
Warehouses


HARSHA
ENGINEERS
INDIA
LOCATIONS
Head Office
Plants
Warehouses
▪ India: Head office and two plants
▪ Warehouses: Bengaluru (2), Kanchipuram, Chennai, Eatr Singhbhum, Pune, Indore Haridwar, ,Kharagpur

Our manufacturing units in India, China and Romania have been duly certified for conforming to and applying international standards of quality management systems and we have comprehensive tooling, testing and measurement infrastructure at our Indian, China and Romanian manufacturing units. Our manufacturing units at Changodar and Moraiya, have received various certifications such as ISO 9001:2015, ISO 14001:2015 from the International Organization for Standardization and IATF 16949 from International Automotive Task Force, our manufacturing unit at Romania has received the ISO 9001:2015, ISO 14001:2015 and ISO 45000:2018 from the International Organization for Standardization and our manufacturing unit at China has received the ISO 9001:2015 from the International Organization for Standardization and IATF 16949 from the International Automotive Task Force. For further details, please see "*Our Production Facilities*" on page 155.

Expertise in Tooling, design development and automation

Our decades of experience in precision engineering, expertise in area of tooling, strategically located production facilities, focus on design and tooling, coupled with technologically advanced and cost competitive manufacturing technology processes has enabled us to meet our customers' bespoke and stringent requirements. We have full-service capabilities across the product cycle including product design and development, material sourcing, designing and manufacture of complex tooling components, testing and measurement infrastructure, all under one roof for meeting the requirement of our global customers. We employ machining as well as stamping processes in our manufacturing process. Our machines are equipped for both individual and diversified processes, and their fungibility enables us to employ them in the most optimum manner to suit the customer's preferences. Our tool room at the Indian production facilities are equipped with tool design software like Pro Engineer for 3D modelling and detailing, Numerically Controlled Tool Path, Auto Cad Station, Sheet Metal Formability Simulation, Hyperworks, that allow us to eliminate any defects in the designing process. Further, tooling machines like Hard Milling and Turning Machines, CNC Wire-cut and EDM Machines with rotary electrodes, CNC Machining Centres including five Axis Machining centre and various high accuracy measuring instruments including CMMs, allow us to provide high quality precision bearing components. We currently manufacture a wide range of precision automotive and industrial components with size upto 2,000 mm in diameter. We have comprehensive tooling, testing and measurement infrastructure and independent tool designing capabilities at both our units in India as well as our production unit in Romania that has allowed us to successfully diversify our products portfolio and improve our current processes in different type of bearing cages. Our engineering expertise and technology driven manufacturing processes have enabled us to deliver our products and provide timely solution to our customers in accordance with their designs and specifications, in a cost effective manner without compromising on quality. Further, we have used our engineering expertise and approach to innovation to partially automate some of the operations including secondary operations such as vibro-finishing, visual inspection, washing, oiling etc. We believe that such automation helps us in improving productivity and reducing defects in our production process. For example, indigenously designed vision camera system detects defect that are not possible to detect with naked eye. We also, use our engineering expertise and deep understanding of the manufacturing process in identification of optimum machinery, customisation to suit our needs at costs which we believe are below the standard solutions available in the market.

Bearing cage is an important component within a bearing and requires the highest lead time for development and technical and tooling expertise, for its manufacture when compared to other components of a bearing. Given the critical function of a bearing cage, and the resultant quality requirements, global bearing companies have steadily increased outsourcing manufacture of bearing cages and the business from these bearing companies has gotten concentrated to a few bearing cage manufacturers including us (*Source: CARE Advisory Report*). As bearing cage accounts for a small portion of the total cost of a bearing and considering the complexity of the production process for such bearing cages, we believe that once the bearing cages gets a reliable vendor they will prefer continuing with for a long period of time. We believe that with our comprehensive tooling, testing and measurement infrastructure and independent tool designing capabilities we are well equipped to cater to the needs of the bearing manufacturers.

Consistent track record of growth and financial performance

We believe that our focus on operational and functional excellence has contributed to our track record of healthy financial performance. For Fiscals 2022, 2021 and 2020, we generated total revenue from operations from engineering business of ₹ 12,385.35 million, ₹ 8,195.62 million, and ₹ 8,216.59 million respectively, as per our Restated Consolidated Financial Statements. Moreover, we have low leverage, with a net debt-to-equity ratio of 0.68 as of March 31, 2022. For Fiscal 2022, 2021 and 2020, we achieved an EBITDA margin of 14.12%, 14.30%, and 11.29% , respectively, as per our Restated Consolidated Financial Statements. Our RoAE was 19.13%, 11.20%, and 6.10% respectively for Fiscal 2022, 2021 and 2020, and RoACE was 24.92%, 17.24 %, and 18.05% and respectively, as per our Restated Consolidated Financial Statements.

We believe that our strong financial performance reflects the efficacy of the manufacturing and supply-chain management protocols that we have implemented while our steady operating cash flows enable us to meet the present and future needs of our customers and develop new value-added products. We further believe that this aids us in strengthening our trust and engagement with our customers and which further enhances our ability to retain these customers and extend our engagement across products and geographies.

Strong, experienced and dedicated senior management team and qualified workforce

Our senior management team comprising of our Promoters are qualified engineers and have extensive experience and know-how in engineering sector, including, business development, operations, administration, marketing and human resource management. We leverage the understanding and the experience of our senior management in successfully managing our operations and growth. Our founder Promoters and Directors Harish Rangwala and Rajendra Shah have been in this business since 1986. Their leadership and vision have helped our Company become one of the leading manufacturers of bearing cages. We also benefit significantly from the qualified and experienced second generation management team comprising of Vishal Rangwala and Pilak Shah, who have an entrepreneurial vision and the technical capability to further expand our business and operations. Our management team also includes a strong and experienced team of cross functional professionals across senior and mid-level management. In addition, we have a dedicated team of engineers along with other skilled and technically qualified workforce. We continuously strengthen our engineering expertise by providing in-house training to our workforce, in order to diversify and update their skill sets and keep them updated with the latest changes in manufacturing technologies and processes.

Our Strategies

The key elements of our strategy are as follows:

Enhance market leadership in bearing cages and expanding our customer base

With India in particular, and Asia Pacific markets in general, poised to do well in terms of bearing demand growth in the automotive and industrial machinery markets (*Source: CARE Advisory Report*). We believe that our manufacturing presence in India and China will help us in capitalising on the expected growth in bearing cage demand from India and Asia Pacific markets, and present us with significant opportunities for growth of our existing market share in these jurisdictions. Further, the expected growth in usage of bearings in several applications such as mining, automotive, heavy machinery, infrastructure development, power generation and construction is forecasted to drive the demand for bearings market and it is expected to grow at a CAGR of 6% to 8% over the period 2021 to 2029 and is estimated to be valued at USD 171.7 billion in the year 2029 (*Source: CARE Advisory Report*). Keeping pace with the market trends, we have started to expand our business into large diameter brass and steel bearing cages. Currently, for such large size brass and steel bearing cages in-house production by bearing companies is quite high considering the complexity of the production process. We believe that by increasing our production capacities for these large size brass and steel bearing cages we will be able to cash in on the outsourcing opportunities from these bearing companies resulting into increasing the wallet share of outsourcing opportunity for bearing cages. We aim to continuously develop newer types of bearing cages with a special focus on larger diameter bearing cages (above 400 mm), to keep up with the evolving demands of the customers.

Historically, we have established profitable relationships with our key global customer groups, and we are a focused player in this segment offering comprehensive bearing cage outsourcing solutions on a long-term basis.

We aim at further expanding our customer base in China as we are considered a versatile and consistent player in the bearing cages segment in China. We have built new unit in Changhsu, Jiangshu province, China in 2019 where we consolidated a greenfield unit established in 2010 and subsequent plant acquired in 2014. We have established a strong foundation in China with this new fully integrated unit to manufacture Brass and Steel cages. With the setting up of this new unit in China and the continued support of technical and tooling services from the Indian production facilities, our aim is to focus on increased business from key Chinese customers.

We intend to further expand into the Japanese bearing market by suppling directly to our Japanese customers at their locations in Japan. In the past, we have been supplying to Japanese customers at their locations in India and to their locations outside of Japan. We have recently started supplying products directly to their locations in Japan. We believe that by supplying products directly to their locations in Japan, we will be able to better establish long standing relationship with our Japanese customers, and thus expand further into the Japanese bearing market.

Initially, the plant at Romania was manufacturing only brass casting and cages. With the takeover of Harsha Engineers Europe SRL, Romania, formerly known as Johnson Metall S.A., we have expanded our product portfolio to include bronze bushes. With the strengthening of the marketing and management team at Romania, we have started catering to additional European customers. Further, we intend to make a strategic change in the product mix which may lead to increase in the sales of finished brass bearing cages to our existing and new customers. We also intend to leverage our European presence to grow our India business share in Europe by (i) procuring higher outsourcing orders from our Europe based Indian customers; and (ii) capitalising on increasing opportunities for outsourced components in Europe, from new customers and by increasing our supplies to existing customers. We believe this will allow us to increase our sales as well as profitability.

Retain and strengthen our technological leadership through continued focus on development and automation.

We are a technology driven company focused on using appropriate cost effective technologies for different volumes and varieties of products, to become single point solution provider to our customers for their different needs of type of cages and different volumes of cages. We intend to digitalize our operations by implementing iOT system to connect the relevant machines or equipments and improve the operational process performance of our machines or equipments by having the right analysis of downtime or reasons for loss of productivity. To support this process, we have purchased and intend to purchase new equipments that are iOT compatible. Further using advanced tools of Industry 4.0 and digitalization, we will work on improving the interaction between our ERP and iOT systems, and thus aim to improve business process performance.

We plan to continue expanding our development, engineering, tool design and manufacturing, process improvements, lean manufacturing techniques, and automate them to optimize man-power to ensure zero defect products.

Our dedicated product development centre and tool production facilities at Changodar has strengthened our ability to meet customer demands in accordance with delivery schedule. Over the past five years the product development and innovation centre has developed more than 1,217 products for different bearing (including ball bearing, brass bearing, cylindrical roller bearing, large size bearing, polyamide bearing, spherical roller bearing), taper and bronze bushings and more than 58 other products including speciality components.

With our expertise in design and manufacturing complex tooling components in house, we have engaged with our customers, developing and manufacturing over 7,500 types of products allowing us to meet changing customer requirements.

Our tooling and development efforts seek to capitalize on emerging trends such as, light weight bearing cages to cater to the growing electric vehicle segment, very clean bearing to reduce noise by supplying clean cages, to develop right geometry of cage to reduce energy loss due to friction and allowing bearing for extra load carrying capacity along with increasing the line production speed to make product most cost competitive. Our Company has taken steps towards better utilization of resources and maximising efficiency by increasing level of automation by having an in house automation department across for the use of resources, reduction of human error, and economies of scale and significantly higher precision in the overall manufacturing and design of products.

To further strengthen our technological capabilities, we plan on acquiring and installing CNC lathes, high precision jig boring machine and automate our existing production lines. We plan to build a new development centre having modern software for designs and simulations for new designs of tools. We also plan to expand our talent pool to support new research capacities to keep up with emerging market trends.

Growing our stamping and specialised component segment.

We plan on capitalizing on the existing niche and low volume high value products in the stamping and special component segment and gradually scale up its business over next three to five years. We plan on achieving this growth in two phases i.e. (i) manufacturing specialized parts/components and supplying to auto component assembly manufacturers and thereafter; (ii) change in supply process by manufacturing assemblies as composite component and supply directly to OEMs. The global stamping market is expected to grow at a CAGR of 6.4% between 2021 and 2029 (*Source: CARE Advisory Report*). We have set up a dedicated stamping unit at our production unit at Moraiya and have installed certain machinery with tools for complex stamping at our primary manufacturing units. Further, we are in the process of developing complex compressor parts and certain other components which are used in the compressor industry and focus on manufacturing of bearing seals and stamping. We believe that collectively, these products offer opportunities for significant growth.

Focus on increasing operational efficiencies to improve returns

Offering quality products at attractive prices is a key aspect of maintaining and expanding our relationships with our customers. To that end, we have adopted several initiatives designed to improve our cost efficiency, and as one of our primary business strategies we intend to continue improving our cost efficiency.

We have adopted Total Productive Maintenance ("**TPM**") initiative across our plants in India to improve our operational efficiency and the reliability of our manufacturing processes by lowering break downs and rejections. TPM, which we adopted initially in 2011, has helped us to ensure high quality, low costs and on-time delivery for our customers. Our TPM initiatives focus on improving the efficiency of production and support functions by identifying and eliminating losses. We also received an award for "TPM Excellence-Award for excellence in consistent TPM commitment - 2018" by the Japan Institute of Plant Maintenance for the Changodar and Moraiya production facilities. For details in relation to awards, see "*History and Certain Corporate Matters– Key awards, accreditations or recognitions*" on page 168. We intend to continue implementing TPM initiatives across our Indian production facilities and extend the same to our facilities in China and Romania in order to reap additional cost savings going forward.

We intend to use a variety of other manufacturing strategies, sourcing strategies and cost reduction strategies to continue to improve our operational efficiencies. For example, we are working on automation of various process to eliminate waste, improve efficiency and manpower optimization, continually working on cost reduction as part of TPM initiative including applying value analysis techniques to our products to reduce cost. We have integrated our facilities in China in order to improve asset efficiency, reduce overhead and build on synergy. For further details in relation to such relocation, see "*Our Production Facilities*" beginning on page 155. We have also recently introduced the 'One Harsha Project' to create a strategic business unit structure and thereby increasing the efficiency of our operations. We believe that through implementation of iOT systems and industry 4.0 for our relevant machines or equipments, we will also support the identification of improvement areas and thus aim to bring synergies to the operational and business performance improvement process.

Increased focus on developing products suited to capture market opportunity in the growing electric vehicle segment

As the automobile segment is shifting focus to electric vehicles the need for more silent and lighter bearings, and it's components, will be felt, and the demand is likely to increasingly shift towards precise dimension and dirt free bearing, steel and polyamide cages as a probable solution at a premium value (*Source: CARE Advisory Report*). Webelieve that our inhouse tool and design facilities coupled with our latest machinery, specialised cleaning equipment and software would enable us to manufacture precision stamping components and steel cages suited for the electric vehicle segment including as import substitutes. In addition, we have also invested in enhancing our tool room and design capacity for faster cage mold development to focus more on developing polyamide cages in different categories to meet the increased demand from the electric vehicles space in the coming years. With the growing penetration of EVs in the automotive market, the volumes of bearings are expected to grow at a CAGR of 5.2% during CY 2021 to CY2030 and electric vehicle penetration is expected to impact the volume of bearings demand by 0.7% in volumes in the automotive market. (*Source: CARE Advisory Report*).

Needle cages bearings used in engines and small cage bearing used in two and three wheelers are likely to be the most impacted type of bearings due to increasing penetration of electric vehicles. Also, the bearing manufacturers are faced with the challenge of developing customized bearings for electric vehicles. (*Source: CARE Advisory Report*)

We believe that as we are not into manufacturing needle cages bearing, we will have limited impact with the increasing penetration of electric vehicles. Further, we believe that our ability to develop customized bearings position us well to tap into the growing demand and to enhance our share of the business in this segment.

Focus on growth by opportunistic inorganic acquisitions and partnerships with customers

We have historically expanded our business through a combination of organic growth, acquisitions and strategic alliances with our customers and with other component manufacturers. We expanded our outreach with the opening of new production unit in Changshu, China in 2010, acquisition of bearing cage production company Harsha Precision Bearing Components (China) Co. Ltd in Suzhou, China in 2014 and setting up of new production unit in Changshu, China, (which was subsequently integrated into Harsha Precision Bearing Components (China) Co. Ltd in Suzhou) and European operations in 2016 with the acquisition of our subsidiary Harsha Engineers Europe SRL (formerly known as M/s Johnson Metall S.A.) located in Romania. Further, in order to reduce costs and synergize all our operations in India, we have integrated all our India businesses (engineering and solar EPC business) and operations into one entity. For further details in relation to such integration, see "*Corporate Reorganisation*" beginning on page 148.

We also seek strategic partnerships with our key customer groups for innovation and development of new products and supply them to new geographies. For example, we have recently partnered with a global customer to manufacture their bronze bushings requirements and have significantly grown our business from the client in a span of a couple of years. We further seek to enhance our technological capabilities through inorganic acquisitions as well as through partnering with global technology leaders. We intend to use these to expand into new product categories and segments, leveraging our existing knowledge base and new technologies to increase our product and customer base.

We intend to further pursue such strategic alliances and inorganic growth opportunities, with a particular focus on technologically-innovative acquisitions that may provide better access to technology with respect to our existing products and allow us to diversify our product and customer base opportunistically.

Over the years, we have focused on moving up this value chain of complexity and specialization by enhancing our manufacturing capabilities to produce complex precision components for several of our customers. As our technological capabilities evolve, we intend to increase our focus on further diversifying our product portfolio and providing high margin complex precision components to our customers across the world. Historically, we have entered into business agreements with a number of partners across bearing segments in order to ensure that we deliver customizable high quality and technologically advanced products at competitive prices to our customers. These agreements have allowed us to expand our product and technology base, thereby strengthening our business. Our focus will be on successfully completing and integrating further acquisitions and benefiting from such future acquisitions.

Our Business Description

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. Bearing cages are one of the five critical components that go in making of the bearing, that separate the balls / roller, maintain the balls / roller symmetrical radial spacing, and in most cases, hold the bearings together. In addition to bearing cages, we also specialize in stamping products primarily used in the auto-component industry. We manufacture a wide range of brass, steel and polyamide bearing cages, stamping components and recently we have started manufacturing bronze bushings, which we undertake through the Harsha Group, which includes our Company and our Subsidiaries, including Harsha Precision Bearing Components (China) Co. Ltd., and our step-down subsidiary Harsha Engineers Europe SRL, Romania. The Harsha Group has developed capacity to manufacture more than 7,500 products ranging upto 2,000 mm in diameter.

Our production facilities for the engineering business are strategically located in India, China and Romania, allowing us to serve customers in the American, European, Chinese and Indian markets. Further, certain of our units are automated in house which has helped us in optimizing our O&M expenses, reduce production cycle time and minimize capital expenditure.

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. 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).* We also manufacture complex and specialised precision stamped components, welded assemblies, brass castings and cages & bronze castings and bushings.

As per our Restated Consolidated Financial Statements, in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our sales to customers located in Europe contributed 37.88%, 39.21% and 38.51% respectively, of our total revenue from operations, our sales to customers located in India contributed 36.66%, 33.06% and 36.33% respectively, of our total revenue from operations, our sales to customers located in China contributed 13.06%, 15.09% and 12.96% respectively, of our total revenue from operations and our sales to customers located in Americas contributed 6.23%, 7.12% and 7.24% respectively, of our total revenue from operations.

Additionally, as per our Restated Consolidated Financial Statements, for Fiscal 2022, Fiscal 2021 and Fiscal 2020, our manufacturing and services operations in India contributed approximately 71.92%, 65.94% and 66.31% respectively, of our total revenue from operations, our manufacturing and services operations in China contributed 7.95%, 10.21% and 9.10% respectively, of our total revenue from operations and our manufacturing and services operations in Romania contributed 20.13%, 23.85%, and 24.58% respectively, of our total revenue from operations.

Our purchase team prepares a procurement plan for primary raw materials including steel and brass based on the sales plan. The suppliers are issued a monthly rolling plan and delivery of raw materials is scheduled based on production plan prepared by the planning team. Given that most of our raw materials are commodities, the prices are reviewed with reference to applicable index prices and are settled on a monthly/ quarterly basis linked to procurement projection/ allocation by the head of our materials department, considering short term and long term forecast on various commodity price trend.

Additionally, we have an EPC business catering to solar photovoltaic requirements of our customers and provide operations and maintenance services in the solar sector. We provide complete turnkey solutions to all solar photovoltaic requirements from site identification, land acquisition, obtaining permits and approvals and setting up the Solar PV power plant including power evacuation infrastructure. We have an in-house design, engineering, procurement, project management and operation & maintenance team which has a combined experience of installing at least 500 MW total EPC installed capacity and total roof top EPC installed capacity. We also have more than 60 MW commissioning experience in roof top segment as of March 31, 2022.

Our solar EPC business is broadly classified into (i) Ground mount projects; (ii) Roof top projects; and (iii) Operations and maintenance of ground mount and rooftop projects. As of March 31, 2022, our total ground mount project installation is above 342 MW and our rooftop mount project installation is above 60 MW. We have currently more than 202 MW of solar PV projects managed by our operations and maintenance team.

Our revenue from operations from solar EPC business, as per our Restated Consolidated Financial Statements, aggregated to ₹829.46 million, ₹ 541.92 million, and ₹ 641.94 million for Fiscals 2022, 2021 and 2020, respectively, constituting 6.27%, 6.20% and 7.25% , respectively, of our revenue from operations.

Corporate Reorganisation

In order to consolidate the Harsha Group's India engineering & solar EPC business, and to get the benefits of synergies, a corporate reorganisation was recently carried out by us. Pursuant to the composite scheme of amalgamation and arrangement between Aastha Tools Private Limited (ATPL), Harsha Engineers (India) Private Limited (HEIPL), Harsha Engineers Limited (HEL), Helianthus Solar Power Private Limited (HSPPL) and our Company and their respective shareholders and creditors under section 230 to 232 read with sections 61 and 66 along with other applicable provisions of the Companies Act, 2013 (the "**Scheme**" or "**Business Reorganisation Scheme**"). ATPL and HEIPL were merged into HEL with effect from the appointed date, April 01, 2020, and immediately upon effectiveness of the Scheme, HEL and HSPPL ("**Amalgamating Companies**") were merged into our Company pursuant to the Scheme with effect from the appointed date, April 01, 2020. The Scheme was sanctioned by the Ahmedabad bench of the National Company Law Tribunal through its order dated December 23, 2021 and all the businesses, undertakings, activities, properties, investments and liabilities of each of the Amalgamating Companies were transferred to and vested in the Company as per the Scheme with effect from April 01, 2020, being the appointed date.

Pursuant to the Scheme, (i) the wholly owned Indian Subsidiaries of Harsha Engineering Limited ("**HEL**") i.e., Aastha Tools Private Limited ("**ATPL**") and Harsha Engineers (India) Private Limited ("**HEIPL**") has merged into HEL; and (ii) the merged entity, HEL, and the wholly owned Indian Subsidiary of our Company C, i.e., Helianthus Solar Power Private Limited. ("**HSPPL**") has further merged into our Company.

Pursuant to the Scheme, the wholly owned overseas Subsidiaries of HEL, i.e., Harsha Precision Bearing Components (China) Co. Ltd and Harsha Engineers B.V., and the step-down Subsidiary, Harsha Engineers Europe SRL have become wholly owned Subsidiaries and step-down Subsidiary, respectively, of our Company. The overseas subsidiary and joint venture of our Company i.e., (i) HASPL Americas Corporation; and (ii) ClenmaxHarsha Solar LLP, continues to be subsidiary and joint venture, respectively, of our Company. As on date (i) Harsha Precision Bearing Components (China) Co. Ltd; (ii) Harsha Engineers B.V.; (iii) Harsha Engineers Europe SRL; and (iv) HASPL Americas Corporation; are the subsidiaries of our Company. ClenmaxHarsha Solar LLP and Sunstream Green Energy One Private Limited (formerly known as Eirene Naval Systems Private Limited) are Joint Venture and Associate of our Company, respectively. For further details, see "*History and Other Corporate Matters –Material Acquisitions and Divestments*" on page 169.

Our Company has also filed a scheme with the National Company Law Tribunal for the merger of Harsha Engineers B.V. (its wholly owned Subsidiary) into our Company ("**Scheme of Amalgamation**"), to get the benefits of synergies. On the Scheme of Amalgamation becoming effective, Harsha Engineers Europe SRL will become a direct subsidiary of our Company. As on date of this Prospectus, the Scheme of Amalgamation has been approved by the NCLT and the order has been announced by the NCLT on August 25, 2022. Our Company has made an application to the NCLT to obtain a certified true copy of the NCLT order and will undertake the necessary corporate actions to effect the Scheme of Amalgamation after receiving the certified copy of the order. Upon undertaking the necessary corporate actions and receipt of the necessary sanction and approvals as required under the applicable laws of Netherlands, the Scheme of Amalgamation shall be effective. For further details, see "*History and Other Corporate Matters – Material Acquisitions and Divestments*" on page 169.

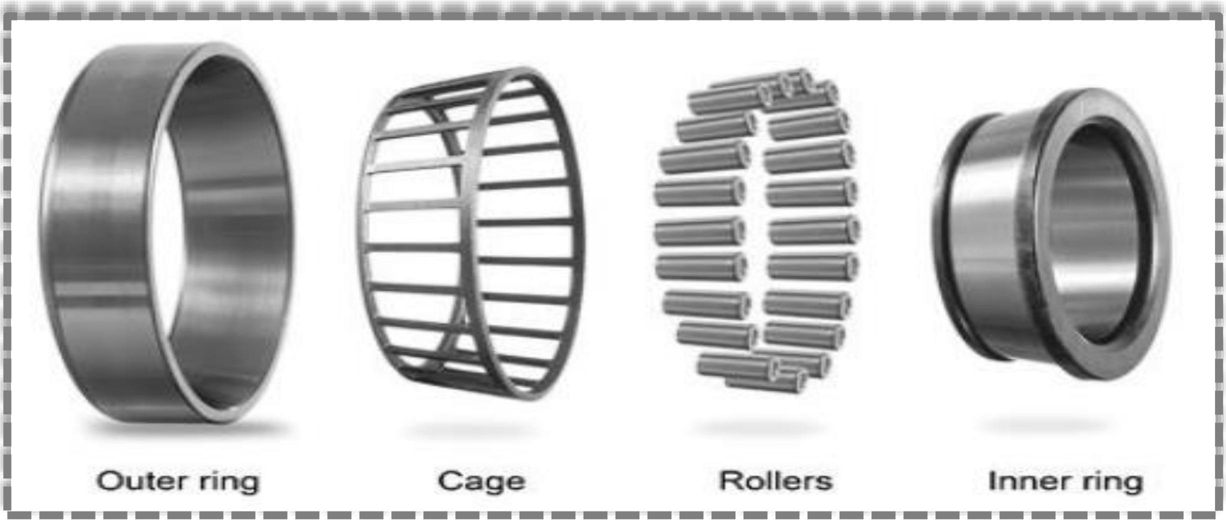
Products

Our Company manufactures bearing cages, semi-finished brass castings, specialty stamping components and bronze castings and bushings. Set forth is a description of each such product manufactured under the engineering business of the Harsha Group.

Bearing Cages

The bearing cage category comprises of roller cages and ball bearing cages. The cages offer high rigidity, strength and high heat resistant operating conditions. (*Source: CARE Advisory Report*)

Our Company manufactures precision bearing cages that forms one of the five components of a bearing; other such components being, the inner ring, outer ring and rolling elements like rollers or balls and cages. Bearing cages are primarily utilized to: (i) separate the rolling elements, reducing the frictional heat generated in the bearing; (ii) keep the rolling elements evenly spaced, optimizing load distribution on the bearing; (iii) guide the rolling elements in the unloaded zone of the bearing; and (iv) retain the rolling elements of separable bearings when one bearing ring is removed during mounting or dismounting. Set forth is an illustration of a bearing showing its three key components, i.e., inner and outer ring, cage and rollers:



Our Company caters to the bespoke needs of our customers, by customizing the type of base material, as well as the design to be applied for the bearing cages. Such customization is generally dependent upon the operating conditions under which the bearings will be generally utilized by our customers. We endeavour to provide the most reliable and cost-effective bearing cage by selecting the base material and manufacturing methods on the basis of the specific functional demands and quantity stipulated by our customers, as the type of base material used for manufacturing a bearing cage has a significant influence on the suitability of a rolling bearing for a particular application. In order to ensure that the bearing cages manufactured meet our quality standards, we carry out mechanical stress tests during bearing operations by frictional, impact, centrifugal and inertial forces.

While bearing cages can be manufactured using various materials, our Company primarily manufactures bearing cages out of brass, steel and polyamide, which represent the most common types of base materials used in the bearing cages market. Our dedicated product development and innovation centre and tool production facilities at Changodar Plant has strengthened our ability to meet customer demands in accordance with delivery schedule. Over the past five years, the product development and innovation centre has developed more than 7,500 types of products for different bearing cage and stamping divisions. Set forth is a brief description of cages manufactured from such material used by our Company and the process followed:

Steel Cages:

Our Company offers various grades of steel cages as per the requirements of our customers. Owing to the lightweight nature, friction less wear and high strength, such steel cages are widely in demand. The size of the steel cages ranges upto 1,000 mm and our Company manufactures more than 3,700 types of steel cages. Steel bearing cages can be used at operating temperatures of up to 300 °C (570 °F).

Set forth is a brief description of the manufacturing process applied by our Company.

Steel Strip → Stamping Process → Finishing and Burr Removal → Coating Heat Treatment → Finished Product

Brass Cages:

Our Company produces more than 3500 types of brass cages. The size of the brass cages ranges upto 2000 mm and foundry castings upto 2000 mm. Brass cages are generally manufactured from semi-finished brass castings which may be cast in-house and then machined into bearing cages or stamped from brass strips or turned out of brass tubes. Brass bearing cages can be used at temperatures of up to 250 °C (480 °F).

Set forth is a brief description of the manufacturing process applied by our Company.

Melting Brass Alloy → Casting Brass Alloy → Machining → Burr Removal → Finished Product

Polyamide Cages:

Our Company offers injection moulded polyamide cages. The features of such cages include being corrosion resistant and light in weight owing to presence of high polymers materials. Our Company manufactures more than 80 types of polyamide cages with size ranging upto 300 mm including thrust ball bearings, cylindrical roller thrust bearings, linear ball bearings, water pump bearings and other special types of bearings.

Set forth is a brief description of the manufacturing process applied by our Company.

Engineering Polymer → Injection Moulding → Finished Product

Bearing cages are made in different designs depending on their operating conditions. We make bearing cages in following designs:

Cylindrical roller bearing cages - Designed for radial load carrying capability, which demand high stiffness and high accuracy. Primarily used in industrial machines, pumps, compressors, OEMs and traction motors for railways. Certain varieties of cylindrical roller bearing cages manufactured by us are as follows:

Cylindrical Roller Bearing Cage – Brass

Cylindrical Roller Bearing Cage – Brass

Cylindrical Roller Bearing Cage – Polyamide

Cylindrical Roller Bearing Cage – Steel

Spherical Roller Bearing Cages - Designed for carrying radial load and combined load applications which allows tolerance for misalignment in operation. Primarily used in crushers, railways, steel mills, thermal turbines and windmills. Certain varieties of spherical roller bearing cages manufactured by us are as follows:

Spherical Roller Bearing Cage – Brass

Spherical Roller Bearing Cage – Steel

Deep Grove Bearing Cages - Designed for high speed and high running accuracy with low friction and noiseless operation. Primarily used in agricultural machines, automotive parts, chemical machinery, utilities and white appliances. Certain varieties of deep grove bearing cages manufactured by us are as follows:

Deep Grove Bearing Cages – Brass

Deep Grove Bearing Cages – Brass

Deep Grove Bearing Cages – Steel

Deep Grove Bearing Cages – Polyamide

Angular Contact Ball Bearing Cages - Designed for carrying axial and combined loads with high running accuracy. Primarily used in agricultural machines, chemical machinery, general industries and utilities. Certain varieties of angular contact ball bearing cages manufactured by us are as follows:

Angular Contact Ball Bearing Cage - Brass

Angular Contact Ball Bearing Cage – Steel

Angular Contact Ball Bearing Cage – Polyamide

Thrust Roller Cages - Designed for carrying axial loads which demand high running accuracy and bearing arrangements. Primarily used in blowout preventers, extruders, gearboxes, offshore drilling and oil rigs. The thrust roller cage manufactured by us is as follows:

Thrust Roller Cage - Brass

Taper Roller Cages - Designed for combined axial and radial load applications with demand high accuracy. Primarily used in engine applications. Certain varieties of angular contact ball bearing cages manufactured by us are as follows:

Taper Roller Bearing Cage – Steel

Taper Roller Bearing Cage – Polyamide

Bronze Bushes for Sliding bearing

Using our experience of Casting and Machining of Brass alloys for bearing cages, our Company has diversified in producing bronze bushes for sliding bearing. These bushes are predominantly used in the gear boxes for Wind turning in Planetary Axels. Within bronze our company is developing competences for multiple bronze alloys namely Aluminium and Tin Bronze. These Bushes require high precision machining and assurance of all mechanical, chemical, dimensional and cleanliness properties because of the criticality of application. Our Company is able to cover the range of bushes in terms of OD and Height ranging from 200 mm to 600 mm OD and 200 mm to 800 mm height.

Set forth is a brief description of the manufacturing process applied by our Company

Melting Bronze Alloy → Casting Bronze Alloy → Machining → Cleaning → Finished Product

Semi-finished brass castings

We manufacture semi-finished brass castings for our customers who, in turn carry out processes for converting such semi-finished brass castings into a bearing cage. Majority of such semi-finished brass castings are manufactured by our Step-down Subsidiary in Romania. Certain varieties of Semi-finished brass castings manufactured by us are as follows:

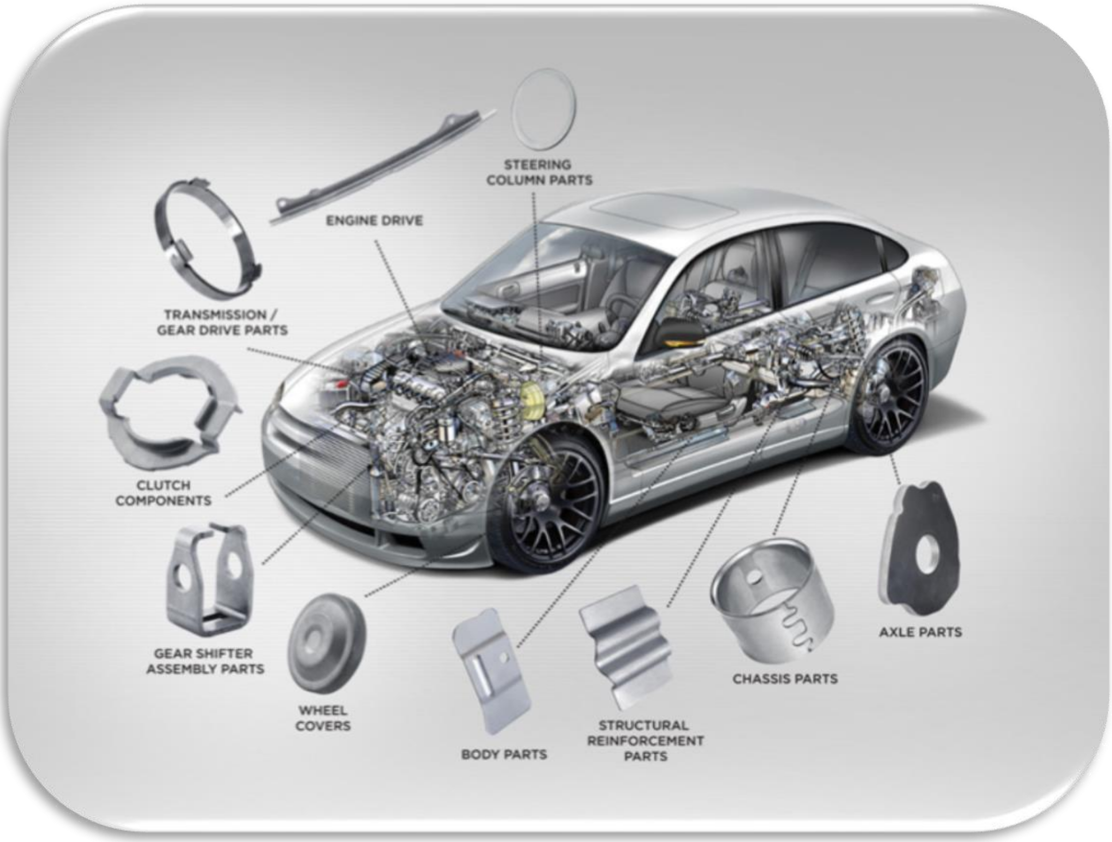
Centrifugal Casting

Sand Casting

Specialty Components

We plan on capitalizing on the existing niche low volume high value products in the stamping and special component segment and continue to gradually scale up its business over next three to five years. We plan to continue manufacturing specialized parts/components and supplying to auto component assembly manufacturers. Currently, our Company provides comprehensive metal stamping solutions ranging from simple to complex designs and geometries. Our capabilities extend to manufacturing high quality precision component parts as well as semi-assembled modular units that are manufactured through our own assembly lines. Precision stamping components generally have the following applications:

Automotive applications – We offer our customers high quality precision parts for two-wheeler and four wheeler application as well as complete assembled modular units. We also manufacture steering, column parts, engine drive, transmission/gear drive parts, clutch components, gear shifters assembly parts, wheel covers, structural reinforcements, chassis parts and axle parts. An indicative pictorial representation is set forth:



Industrial applications – We are a metal insert supplier for different metal and sealing applications that are primarily used as dust covers, bearing covers, slingers, flingers and seal inserts; One specific example is metal inset used in railway bearing seal application.

Railway Seal

Electrical and appliance applications – We offer high quality stamping products for electrical and appliance industry. One specific example is AC compressor Head and base cover welded assembly supplied to leading appliance compressor manufacturer. Further, we have the capability electrical switch gear, demonstrating a unique ability to streamline the production of even the smallest, most complex electronic stampings, while ensuring complete accuracy and cost efficiency.

Our Production Facilities

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. Our production units in India have availability for water and electricity by way of connections with local municipal facilities. Additionally, in order to maintain steady flow of electrical power and to protect against power surges, our production facilities are equipped with stand-by electricity facilities in form of external generators. Our production units in Changodar and Moraiya are equipped with roof top solar plant in addition to a separate windmill and ground mounted solar.

Set forth is a brief description of the installed capacity and consequent capacity utilisation for the products manufactured and sold under the engineering business of the Harsha Group, as certified by Vitthal & Associates, Chartered Engineer:

Location	Product Type	Installed Capacity (In Million Pieces)			Production Volume (In Million Pieces)			Capacity Utilisation (%)		
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	For Fiscal 2022	For Fiscal 2021	For Fiscal 2020	For Fiscal 2022	For Fiscal 2021	For Fiscal 2020
India	Bearing Cages	1,086.52	1,074.95	1,069.53	670.58	542.15	557.00	61.72%	50.43%	52.08%
China	Bearing Cages	11.20	11.20	11.19	7.09	5.33	4.83	63.30%	47.59%	43.16%
Romania	Bearing Cages	0.15	0.15	0.15	0.12	0.12	0.08	80.00%	80.00%	53.33%
Total		**1,097.87**	**1,086.30**	**1,080.87**	**677.79**	**547.60**	**561.91**	**61.74%**	**50.41%**	**51.99%**

Location	Product Type	Installed Capacity (In MT)			Production Volume (In MT)			Capacity Utilisation (%)		
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	For Fiscal 2022	For Fiscal 2021	For Fiscal 2020	For Fiscal 2022	For Fiscal 2021	For Fiscal 2020
Romania	Castings	4,596	4,596	4,596	2,865	2,022	2,614	63.35%	44.00%	54.41%
Total		**4,596**	**4,596**	**4,596**	**2,865**	**2,022**	**2,614**	**63.35%**	**44.00%**	**54.41%**

Note: *The increase in installed capacity, as mentioned above, is due to addition of machineries and/or technical upgradation of existing machineries to improve capacity. Capacity utilization has been calculated basis the actual production in the relevant Fiscal/ period divided by the available capacity available for the relevant Fiscal/ period.*

Further, the (i) average capacity utilization of each manufacturing unit; and (ii) unutilized capacity of each manufacturing unit for Fiscals 2022, 2021 and 2020 is as follows:

Location	Product Type	Average Capacity Utilisation	Unutilized capacity (%)		
		For the period from April 1, 2019 to March 31, 2022	For Fiscal 2022	For Fiscal 2021	For Fiscal 2020
Moraiya, India	Bearing Cages	48.87%	38.13%	53.62%	61.63%
Changodar, India	Bearing Cages	56.28%	38.32%	48.50%	44.33%
China	Bearing Cages	51.35%	36.70%	52.43%	56.83%
Romania	Bearing Cages	71.90%	20.00%	20.12%	44.18%
Total		**54.71%**	**38.26%**	**49.59%**	**48.01%**

Location	Product Type	Average Capacity Utilisation	Unutilized capacity (%)		
		For the period from April 1, 2019 to March 31, 2022	For Fiscal 2022	For Fiscal 2021	For Fiscal 2020
Romania	Castings	54.41%	37.65%	56.00%	43.13%
Total		**54.41%**	**37.65%**	**56.00%**	**43.13%**

Please see below details in relation to lease arrangements for the manufacturing facilities, other than in respect of warehouses, entered into by the Company.

Sr. No.	Location	Period of Lease	Validity	Compensation/ Rent	Date of Registration of Agreement
1.	Brasov, Romania	10 years	May 10, 2019-May 10, 2029	EUR 63457 plus VAT per month	May 10, 2019
2.	Brasov, Romania	5 years	November 22,2019 -November 05, 2024	EUR 9288.92 plus VAT per month	October 09, 2019
3.	Brasov, Romania	5 years	May 26, 2020 – December 05, 2025	EUR 5303.77 plus VAT per month	April 13, 2020
4.	Changshu, Jiangsu, Province, China	50 years	Jan 2018 - Jan 22, 2068	RMB 88,25,270 (paid upfront for lease period)	January 30, 2018
5.	Jamnagar, Gujarat, India	10 Years	September 21, 2019 -September 20, 2029	₹18,150 per hector plus GST per annum (total lease land is 9.35 Hector)	September 21, 2004

Our production units for our engineering business in India, China and Romania have been duly certified for conforming to and applying international standards of quality management systems such as, IATF 16949 for Changodar Unit and Moraiya Unit; ISO 9001:2015 for Changodar Unit, Moraiya Unit, China Unit and Romania Unit; and environmental management system standards – ISO 14001:2015 for Changodar Unit, Moraiya Unit and Romania Unit.

Our production facilities house an array of equipments such as power presses and CNC machines to deliver precision quality products. The manufacturing processes leverage a production infrastructure comprising of manual, semiautomatic and fully automatic machines. The multiple production bays comprise of:

CNC machines – over 100 machines for turning and milling with a capability to machine from 50 mm to 1,200 mm;

Over 175 presses with capacities ranging from 4T-1000T;

Secondary equipment such as machines for vibro finishing, shot blasting, phosphate layering like zinc and manganese for heat treatment.

Set forth is brief description of all production facilities of the Harsha Group:

Production Units	Address	Land area (in sq. meters)
Changodar Unit	Sarkhej-Bavla Road, P.O. Changodar Ahmedabad - 382213, Gujarat, India	39,631
Moraiya Unit	Plot No. 427/431, Moraiya Farm Sarkhej-Bavla Road, PO Changodar Ahmedabad – 382213, Gujarat, India	50,162
China Unit	No 10 Fuhua Road, Bixi Sub-district, Changshu, Jiangsu	29,615

Production Units	Address	Land area (in sq. meters)
Romania Unit	Str. Hermann Oberth nr.23 Hala 4 Ghimbav 507075 Brasov, Romania	10,235

Quality Control and Internal Control Systems

We use a TEAM concept (Together Everyone Achieves More), which focuses on total employee involvement and first person ownership for productivity and maintenance to achieve manufacturing excellence. Across the production base, the TPM is effectively implemented through systemization, sorting, sweeping, standardization and self-discipline.

We adopt the best practices of quality systems to manufacture world class precision components to meet high expectations of global customers. In order to reaffirm our quality focus, we continuously strive towards zero defect environment, ensure regular assessment, reviews, course correction and retaining. In the year 2018, we have set up a components division that is certified IATF 16949:2016.

Our Customers and Customer Contracts

We have a well-diversified customer base spread across various geographies. We have a broad customer base across five continents including North America, Europe, Asia, South America and Africa. A majority of our customers are marquee global customer groups. Our top five customer groups (excluding customers' contributing to revenue from scrap sales), as per our Restated Consolidated Financial Statements, contributed to revenue from operations from engineering business ₹ 9,323.39 million, ₹ 6,315.65 million and ₹ 6,426.31 million for Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively and constituted 70.55%, 72.28% and 72.54% for Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

Forex Management

We have a risk management policy for our engineering business, that provides guidelines for risk identification, measurement and control by the forex department of our Company. The forex department closely monitors all export invoices, reviews fresh fund requirements, assesses impact due to exchange risk and interacts with banks, consultants and advisors to gain understanding of the currency forex trends.

Global Delivery Service Model

Our Company supplies its products to leading bearing manufacturers across the world, who in turn sell the final bearing to their automotive, railways, renewable energy and industrial customers across the world. Our Company has a three-pronged global delivery model wherein, customers are serviced from our production facilities in India, however, if there is sufficient lead time, our customers in Europe and China are consequently serviced from our production facilities in Romania and China, respectively. Additionally, as majority of our customers follow a just-in-time inventory structure and to meet such delivery requirements and reduce the risk of stock outage, our Company maintains strategic warehouses for standard items with minimum inventory levels. As of March 31, 2022, our warehouses are strategically located at 20 locations across the world, which offers a strong combination of cost optimization while meeting delivery requirements of different customers and products.

We use different third-party logistic service providers for our supply chain along with operational flexibility to choose the most efficient mode of transportation. We also have sector specific transport service provider for fast delivery for our domestic customers. The primary modes of transportation used for our exports are sea and air transport.

We have entered into common warehousing arrangements to stock inventory across our warehouses. These warehouses are spread across more than 20 locations across the world including in, Europe, US, China and South America, to meet our customers' on time delivery requirements. Our consignments can be tracked on online portal with authorized accessibilities to our customers along with post-shipment documents.

Sales and Marketing

Our Company operates in the business to business segment of our industry consequent to which, all of our sales are to industrial customers and such industrial customers use our products as component of their final product. Given the nature of our product offering, we are required to regularly engage and interact with our customers before concluding a sale of our products. Such interaction may include, exchange of design and product information, feedback on various aspects of the product, estimation of effort and cost for development of tooling. For carrying out the aforesaid activities, as of March 31, 2022, we maintain a marketing team of 36 permanent and 4 trainee employees across the world and also on an opportunistic basis appoint certain intermediaries for carrying out marketing related activities for us.

Competition

The global bearing cages market is fragmented with a number of global and regional companies. Some of the leading bearing cage companies which operate in the same industry as our Company include Nakanishi Metal Works Co. Ltd. (NKC Japan), MPT Präzisionsteile GmbH Mittweida and Manu Yantralaya (P) Ltd. We believe that with the ability to provide customized and innovative solutions to global bearing players, our Company has established a strong market share for itself in the Indian and global subcontinent in the outsourced brass, steel and polyamide segment. Our Company also has robust tooling capabilities and offers a diverse product portfolio of bearing cages with respect to size and material type. We have established global presence, specifically in low cost manufacturing locations, which aids our access to different markets in a cost effective manner.

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 299.

Environment, Energy Conservation, Health and Safety

We believe commercial success should be laced with active initiatives which recognizes the priceless contribution of the world we live in and accordingly, we are committed to protecting the planet and conserving its scarce resources. Our responsibility towards environment and energy is validated by our ISO 14001 certification for our Changodar Unit, Moraiya Unit and Romania Unit that generally stress the need to balance interests between innovation and conservation of priceless resources.

We follow a broad based environment protection and occupational safety policy which we have validated across our production facilities in India, China and Europe by implementing the energy policy of our Company. Our production facilities at Changodar, Moraiya and Romania are validated and certified according to ISO 14001.

Human Resources

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. Our training and development modules are aimed at providing training for technical associates and technical supervisors in a well-structured manner. We select our skilled and technically qualified employees on the basis of their educational qualification, past experience and performance in the job interview. Set forth is a tabular presentation of our employees of all production facilities of the Harsha Group as part of our engineering business as on March 31, 2022.

Production Unit	Number of employees	Number of permanent employees	Number of skilled employees
Changodar, Ahmedabad, India	896	880	856
Moraiya, Ahmedabad, India	796	785	771
Changshu, China	204	77	106
Brasov, Romania	233	233	222
Total	**2,129**	**1,975**	**1,955**

Set forth is a tabular presentation of our employees in the solar EPC business as on March 31, 2022 :

Number of total employees	Number of total permanent employees	Number of total skilled employees
69	69	68

As on March 31, 2022, we employed 1,198 contract labourers in our engineering business and 13 contract labourers in our solar EPC business.

The percentage of employees employed by the Company on a contractual basis (for Engineering Business and Solar EPC business) is 35.52%, 26.00% and 25.00% during Fiscals 2022, 2021 and 2020 respectively; and the average attrition rate of such contractual employees (for Engineering Business and Solar EPC business) is 46.25%, 43.76% and 41.87% during Fiscals 2022, 2021 and 2020 respectively.

We are committed to the development of the competencies, skill sets and knowledge of our employees and accordingly, our human resource policies are aimed at hiring qualified individuals, developing their technical skills as well as behavioural competencies through on the job training, classroom training and wherever required, through external training programmes. We motivate our employees for job rotation / internal transfers for development of cross-functional / multiple skills.

For ensuring a conducive, productive work environment and addressing grievances of our employees, we have formulated a 'Grievance Redressal Committee' which has a fair mix of representatives from our senior management and our employees.

Insurance

Our operations are subject to various risks inherent in the industry in which we operate as well as theft, natural disasters, spread of communicable diseases, acts of terrorism and other unforeseen events. Further, government-imposed lockdowns and restrictions in movement such as those imposed as a result of the COVID-19 pandemic may also lead to disruptions in our business and operations. We maintain insurance cover for our properties in India and abroad, and our policies cover, among others, protection from fire, special perils, and burglary. We also maintain a variety of marine and employee insurance policies such as group personal accident policy and workmen compensation policy. We also maintain insurance for our directors' and senior officers' liability up to a cap of ₹45 crores for any one claim or in the aggregate for all claims made. We maintain commercial general liability group insurance policy for some of our plants and also have a commercial general liability policy and product recall policy for all our locations in India and all of our Subsidiaries.

Our insurance coverage is in accordance with industry customs, including the terms and scope of the coverage provided by such insurance. We generally insure our assets based on their replacement value, which is generally higher than the carrying value of our assets in our financial statements. Notwithstanding the above, our policies are nonetheless subject to standard limitations. For instance, in the case of business interruption, limitations apply with respect to the length of the interruption covered and the maximum amount that can be claimed. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies.

Properties

Our properties, inter alia, include our Registered and Corporate Office and production facilities. Our Registered and Corporate Office is located at NH-8A, Sarkhej-Bavla Highway, Changodar, Ahmedabad – 382 213 and is owned by our Company. All our production facilities in India are also located on land owned by us. Our production facilities in China and Romania are located on lands taken on leasehold basis. For details of our production facilities, see "*Our Production Facilities*" on page 155.

Awards and Recognition

For details of the awards received by our Company and recognition bestowed upon our Company, see "*History and Certain Corporate Matters– Key awards, accreditations or recognitions*" on page 168.

Corporate Social Responsibility ("CSR")

In terms of section 135 and Schedule VII of the Companies Act, 2013, our Board of Directors have constituted CSR Committee, which has developed a CSR policy by way of which our Company will strive to assist underprivileged children with multiple challenges to have a better quality of life and promote education including special education and employment enhancing vocation skills among differently able.

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain sector specific key laws and regulations in India, which are applicable to our Company and our Subsidiaries. The information detailed in this section has been obtained from publications available in the public domain. The regulations set forth may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The information detailed in this section is based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

We operate in various segments, including manufacturing of bearing cages and precision industrial and automotive components and a solar EPC solutions provider. For further details, see "*Our Business*" beginning on page 138.

Key regulations applicable to our Company in India

GENERAL

Bureau of Indian Standards Act, 2016

The Bureau of Indian Standards Act, 2016, has been brought into force with effect from October 12, 2017, repealing and replacing the Bureau of Indian Standards Act, 1986. The BIS Act establishes Bureau of Indian Standards (BIS) as the National Standards Body of India. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security The BIS Act also allows multiple type of simplified conformity assessment schemes including self-declaration of conformity against a standard which will give simplified options to manufacturers to adhere to the standards and get certificate of conformity Further, the BIS Act also provides for repair or recall, including product liability of the products bearing a standard mark but not conforming to the relevant Indian Standard.

Legal Metrology Act, 2009 (the "Legal Metrology Act") and the Legal Metrology (Packaged Commodities) Rules, 2011

The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto.

The Legal Metrology Act governs the standards/units/denominations used for weights and measures. It also states that any transaction/contract relating to goods shall be as per the weight/measurement prescribed by the Legal Metrology Act. Such weights and measures are required to be verified and re-verified periodically before usage through government approved test centres. Under the provisions of the Legal Metrology Act, pre-packaged commodities are required to bear statutory declarations and entities are required to obtain a registration before import of any weight or measure. Approval of model is required before manufacture or import of any weight or measure. Any non-compliance or violation under the Legal Metrology Act may result in inter alia a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

Legal Metrology (Packaged Commodities) Rules, 2011 (the "Packaged Commodities Rules") were framed under Section 52(2) (j) and (q) of the Legal Metrology Act and lay down specific provisions applicable to packages intended for retail sale, wholesale and for export and import. A "pre –packaged commodity" means a commodity which without the purchaser being present is placed in a package of a pre-determined quantity. The key provisions of the Packaged Commodities Rules provide that it is illegal to manufacture, pack, sell, import, distribute, deliver, offer, expose or possess for sale any pre-packaged commodity unless the package is in such standard quantities or number and bears thereon such declarations and particulars as prescribed. Further, all pre-packaged commodities must conform to the declarations provided thereon as per the requirement of Section 18(1) of the Legal Metrology Act and no pre-packaged commodity shall be packed with error in net quantity beyond the limit prescribed in the first schedule of the Packaged Commodity Rules.

The Packaged Commodity Rules were amended in the year 2017 to increase protection granted to consumers. Some recent additions include increased visibility of retail price, removal of dual maximum retail price and bringing e-commerce within the ambit of these rules.

The Electricity Act, 2003 ("Electricity Act")

The Electricity Act is the central legislation which covers, among others, generation, transmission, distribution, trading and use of electricity. Under the Electricity Act, the transmission, distribution and trade of electricity are regulated activities that require licenses from the Central Electricity Regulatory Commission ("CERC"), the State Electricity Regulatory Commissions ("**SERCs**") or a joint commission (constituted by an agreement entered into by two or more state governments or the central government in relation to one or more state governments, as the case may be).

Under the Electricity Act, the appropriate commission, guided by, inter alia, the methodologies specified by the CERC, with the aim of promotion of co-generation and generation of electricity from renewable sources of energy shall specify the terms and conditions for the determination of tariff. The Electricity Act currently requires the GoI to, from time to time, prepare the national electricity policy and tariff policy, in consultation with the state governments and Central Electricity Authority.

ENVIRONMENTAL LAWS

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes listed below is to control, abate and prevent pollution. In order to achieve these objectives, pollution control boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be periodically renewed.

The Environment (Protection) Act, 1986 ("EPA")

The EPA is an umbrella legislation designed to provide a framework for the Government of India to protect and improve the environment. The EPA vests with the Government of India the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment, and preventing and controlling environmental pollution. This includes rules for the quality of environment, standards for emission of discharge of environment pollutants from various sources as provided under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, and examination of manufacturing processes and materials likely to cause pollution.

The Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act aims to prevent and control water pollution by factories and manufacturing units and maintain and restore the quality and wholesomeness of water. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with.

The Water (Prevention and Control of Pollution) Cess Act, 1977 ("Water Cess Act")

The Water Cess Act provides for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities. Under this statute, every person carrying on certain industries and local authorities are required to pay a cess calculated on the basis of the amount of water consumed for any of the purposes specified under the Water Cess Act, at such rate not exceeding the rate specified under the Water Cess Act. A rebate of up to 25% on the cess payable is available to persons who install any plant for the treatment of sewage or trade effluent, provided that they consume water within the quantity prescribed for that category of industries and also comply with the provision relating to restrictions on new outlets and discharges under the Water Act or any standards laid down under the EPA.

The Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state PCB prior to establishing or operating such industrial plant. The state pollution control board must decide on the application within a period of four months of receipt of such application. The consent may contain certain conditions relating to specifications of pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state PCB.

The Hazardous Wastes (Management Handling and Transboundary Movement) Rules, 2008 ("Hazardous Wastes Rules")

The Hazardous Wastes Rules aim to regulate the proper collection, reception, treatment, storage and disposal of hazardous waste. The Hazardous Wastes Rules impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without adverse effect on the environment, including through the proper collection, treatment, storage and disposal of such waste. Every occupier and operator of a facility generating hazardous waste must obtain an approval from the relevant pollution control board. The occupier, the transporter, the operator and the importer are liable for damages caused to the environment resulting from improper handling and disposal of hazardous waste. The operator and the occupier of a facility are liable for any fine that may be levied by the relevant state PCB.

The Noise Pollution (Regulation & Control) Rules, 2000 ("Noise Regulation Rules")

The Noise Regulation Rules regulate noise levels in industrial, commercial, residential and silence zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near educational institutions, courts, hospitals, or other institutions.

The Public Liability Insurance Act, 1991 ("PLI Act")

PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. The government by way of a notification has enumerated a list of hazardous substances. The owner or handler is also required to obtain an insurance policy insuring against liability under the legislation. The rules made under the PLI Act mandate that the employer has to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

LABOUR LAW LEGISLATIONS

Factories Act, 1948

The Factories Act, 1948 ("**Factories Act**") defines a "factory" to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers even though there is or no electrically aided manufacturing process being carried on. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws applicable to the business and operations of Indian companies engaged in manufacturing activities:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Maternity Benefit Act, 1961;
- Industrial Disputes Act, 1947;
- Shops and Establishments Legislations;
- Contract Labour (Regulation and Abolition) Act, 1970; and
- Employees' Compensation Act, 1923.
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
- The Industrial Employment Standing Orders Act, 1946.
- The Child Labour (Prohibition and Regulation) Act, 1986.
- The Equal Remuneration Act, 1976.
- The Trade Unions Act, 1926 and the Trade Union (Amendment) Act, 2001.

- Building and Other Construction Workers Regulation of Employment and Conditions of Service Act, 1996.
- The Code on Wages, 2019*.
- The Occupational Safety, Health and Working Conditions Code, 2020**.
- The Industrial Relations Code, 2020***.
- The Code on Social Security, 2020****.

* *The Government of India enacted 'The Code on Wages, 2019' which received the assent of the President of India on August 8, 2019. The provisions of this code yet to be implemented. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.*

** *The Government of India enacted 'The Occupational Safety, Health and Working Conditions Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code are yet to be implemented. It proposes to subsume several separate legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.*

*** *The Government of India enacted 'The Industrial Relations Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code are yet to be implemented. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.*

**** *The Government of India enacted 'The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code are yet to be implemented. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008.*

FOREIGN INVESTMENT REGULATIONS

Foreign investment in India is governed by the provisions of the FEMA along with the rules, regulations and notifications made by the Reserve Bank of India, including the FEMA Rules, as amended thereunder, and the consolidated FDI Policy ("FDI Policy") issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ("DPIIT", earlier known as Department of Industrial Policy and Promotion). The FDI Policy consolidates all the press notes, press releases, and clarifications on FDI issued by DPIIT. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route. Currently 100% FDI is allowed under the automatic route for companies engaged in the manufacturing sector.

Foreign Trade (Development and Regulation) Act, 1992 ("FTA")

The FTA seeks to increase foreign trade by regulating imports and exports to and from India. The FTA read with the Indian Foreign Trade Policy, 2015-20 provides that a person or company can make no exports or imports without having obtained an importer exporter code number unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the Office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories.

Foreign Trade Policy 2015-20 ("EXIM Policy")

Under the Foreign Trade Policy, the Government of India is empowered to periodically formulate the EXIM Policy and amend it thereafter whenever it deems fit. All exports and imports have to be in compliance with such EXIM Policy. The EXIM Policy provides for certain schemes for the promotion of export of finished goods and import of inputs.

Export Promotion Capital Goods Scheme 2020 ("EPCG Scheme")

The EPCG Scheme provides that importers can benefit from reduced duties on the import of capital goods provided that they fulfil an export obligation to export a prescribed amount of their goods manufactured or services rendered (such amount being a multiple of the duty saved) within a specified period. Export obligations can be fulfilled by either through direct exports or through third parties. An EPCG authorization holder shall be liable to pay custom duties along with interest custom in the event of non-fulfilment of prescribed export obligations.

INTELLECTUAL PROPERTY

Intellectual property rights refer to the general term for intangible, intellectual, industrial property rights through patents, copyrights and trademarks and includes geographical indications, trade secrets, and confidential information. In India, patents, trademarks and copyrights enjoy protection under both statutory and common law. The key legislations governing intellectual property in India and which are applicable to our Company are the Patents Act, 1970, Copyright Act, 1957, the Designs Act, 2000 and the Trade Marks Act, 1999.

OTHER LAWS

The Goods and Services Tax ("**GST**") is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 ("**CGST**"), relevant state's Goods and Services Act, 2017 ("**SGST**"), Union Territory Goods and Services Act, 2017 ("**UTGST**"), Integrated Goods and Services Act, 2017 ("**IGST**"), Goods and Services (Compensation to States) Act, 2017 and various rules made thereunder.

Further, the Income-tax Act, 1961 (the "**Income Tax Act**") is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or rules made there under depending upon its "Residential Status" and "Type of Income" involved. The Income Tax Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the Income Tax Act is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax, etc. In 2019, the Government has also passed an amendment act pursuant to which concessional rates of tax are offered to a few domestic companies and new manufacturing companies.

The Customs Act, 1962 as amended, regulates import of goods into and export of goods from India by providing for levy and collection of customs duties on goods in accordance with the Customs Tariff Act, 1975. Any Company requiring to import or export goods is first required to get registered under the Customs Act and obtain an Importer Exporter Code under FTDR. Customs duties are administrated by Central Board of Indirect Tax and Customs under the Ministry of Finance.

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder, and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations.

Further, presently we carry on our operations and business in foreign jurisdictions and may continue to expand our operations. For further details, see "*Our Business*" on page 138. Our business and operations in such foreign jurisdictions are and will be subject to applicable local laws.

HISTORY AND CERTAIN CORPORATE MATTERS

We are part of the Harsha Group which was established in 1986 and has over 35 years of operating history in the engineering business.

Our Company 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 RoC. In order to consolidate the Harsha Group's India engineering business and solar EPC business, and to get the benefits of synergies, a corporate reorganisation was recently completed effective from the appointed date of April 01, 2020. Subsequently, our Company's name was changed to Harsha Engineers International Private Limited pursuant to the Scheme 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 pursuant to the Scheme 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.

Change in the Registered Office

Except as stated below, there has been no change in the registered office of our Company since incorporation:

Effective Date	Details of change	Reason for change
June 04, 2015	The registered office of our Company was changed from Plot No. 427/431, Moraiya Farm, Sarkhej-Bavla Road, P.O. Changodar, Ahmedabad Gujarat to NH – 8A, Sarkhej-Bavla Highway, Changodar, Ahmedabad, Gujarat.	Administrative convenience

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

To Carry on in India or abroad the business including, but not restricted to planning, installation, project handling as well as operation of photovoltaic systems and the distribution, wholesaling and retailing and general contracting activities in this area; furthermore, research and development activities in the area of photovoltaics.

To Carry on in India or abroad the business of manufacturing, processing, engineering, researching, designing, developing erecting, commissioning, fabricating, assembling, contracting, servicing, representing, distributing, stocking, transferring, merchandising, buying, marketing, selling, supplying, maintaining, managing, leasing, utilizing, and renting etc. as manufacturers, producers, engineers, researchers, developers, assemblers, consultants, importers, exporters, buyers, sellers, hirers, repairers, dealers, distributors, stockiest, wholesalers, retailers, jobbers, traders, agents, brokers, representatives, collaborators, partners, and advisors etc. for all, any and every kind and types of plants, systems, equipment's, items, devices, products, machines, parts, components, spares, hardware, assemblies etc. related to solar energy applications including but not limited to solar heaters and coolers, lantern, street and home lights, solar power plants, rooftop solar applications, automobile solar applications, solar light pipes, solar sections, photovoltaic cell, modules and panels of photovoltaic cell, semiconductor wafers, silicon chip, polysilicon ingot, silicon crystallization, other Micro and Nano technology parts and products related to solar energy and water treatment plants.

To carry on, manage, supervise and control the business of transmitting, manufacturing, supplying, generating, distributing and dealing in electricity and all forms of energy including but not limited to all renewable energy and power generated by any source whether nuclear, steam, hydro or tidal, water, wind, solar, hydrocarbon fuel or any other form, kind or description.

To carry on business of manufacturing, trading, import, export, installation, and operation of water including water desalination and water sector businesses either singly or jointly with and by or through a company which is located and incorporated in India as well as outside India.

To carry on in India or abroad the business of establishing, commissioning, setting up, operating and maintaining electric power transmission systems/networks, power systems, generating stations based on conventional/ non-conventional resources for evacuation, transmission, distribution, trading or supply of power through establishing or using stations, tie-lines, sub-stations and transmission or distribution lines in any manner including build, own and transfer (BOT), and/or build, own and operate (BOO) and/or build, own, lease and transfer (BOLT) and/or build, own, operate and transfer (BOOT) basis or otherwise ,and to acquire in any manner power transmission systems/networks, power systems, generation stations, tie-lines, sub-stations and transmission or distribution systems from State Electricity Boards, Vidyut Boards, Power Utilities, Generating Companies, Transmission Companies, Distribution Companies, Central or State Government Undertakings, Licensees, other local authorities or statutory bodies, other captive or independent power producers and distributors and to do all the ancillary, related or connected activities as may be considered necessary or beneficial or desirable for or along with any or all of the aforesaid purposes which can be conveniently carried on these systems, networks or platforms.

To acquire concessions or licenses granted by or to enter into contracts with, the Government of India, any State Government, Municipal, Local Authority or other Statutory bodies, Companies, any other person or any legal entity for the development, erection, installation, establishment, construction, operation and maintenance of Renewable Energy Plants, and in this regard to promote, develop, own, acquire, set up, erect, build, install, commission, construct, establish, maintain, improve, manage, operate alter, control, take on hire / lease, carry out and run all necessary Plants, equipment's, sub-stations, workshops, generators, transmission facilities, machinery, electrical equipment, accumulators, repair shops, wires, cables, lamps, fittings and apparatus in the capacity of principals, contractors, developers or otherwise and to deal, buy, sell and hire / lease all apparatus and things required for or used in connection with generation, distribution, supply, accumulation of Renewable Energy.

To carry on business of Manufacturing, Trading in all kinds of components used in all types of industrial bearing and to manufacturing bearings of all types used in all type of Industries including but not limited to Automobile, Railway and Renewable Industries.

To carry on business in India and elsewhere as importers, exporters, merchants, traders, distributors, agents, indenting agents, selling agents and representatives for dealing or manufacture utilizing or turning in account, exploiting of products or articles mentioned in clause 1.

To manufacture and marketing industrial precision goods and components, bearing cages, products of other on loan license and to get its own products manufactures by other companies on loan license or job work basis.

To Carry on in India or abroad the business of manufacturing, processing, engineering, researching, designing, developing erecting, commissioning, fabricating, assembling, contracting, servicing, representing, distributing, stocking, transferring, merchandising, buying, marketing, selling, supplying, maintaining, managing, leasing, utilizing, and renting etc. as manufacturers, producers, engineers, researchers, developers, assemblers, consultants, importers, exporters, buyers, sellers, hirers, repairers, dealers, distributors, stockiest, wholesalers, retailers, jobbers, traders, agents, brokers, representatives, collaborators, partners, and advisors etc. for all, any and every kind and types of plants, systems, equipments, items, devices, products, machines, parts, components, spares, hardware, assemblies etc. related to solar energy applications including but not limited to solar heaters and coolers, lantern, street and home lights, solar power plants, rooftop solar applications, automobile solar applications, solar light pipes, solar sections, photovoltaic cell, modules and panels of photovoltaic cell, semiconductor wafers, silicon chip, polysilicon ingot, silicon crystallization, other micro and nano technology products related to solar energy.

To carry on the business as manufacturers, manufacturer's representatives, producers, instalators, repairers, dealers, distributors, factors and agents of all classes, kinds, types, nature and description of engineering goods, tools, jigs, fixtures, guages, machineries, tools, appliances, instruments, equipments, dies, mould, jackets, indicators, reflectors, devices and components and spare thereof materials, accessories made of whatever and for whatsoever purposes uses including manufacturing, mining, transportation, aviation, navigation, railway, space application, medical surgical, agriculture, domestic and other uses.

Amendments to our Memorandum of Association in the last 10 years

Except as stated below, there have been no amendments to our Memorandum of Association in the last 10 years preceding the date of this Prospectus:

Date of change/ shareholders' resolution	Nature of amendment
January 11, 2022	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹862,200,000, divided into 86,220,000 equity shares of ₹10 each to ₹1,000,000,000, divided into 1,00,000,000 equity shares of ₹ 10 each
January 1, 2022	Clause I of the MoA was amended to reflect the change in the name of our Company to Harsha Engineering International Limited
December 30, 2021	Amendment to Clause III (A), the 'main objects' clause of our MoA to insert new clauses in Clause III (A) and Amendment to Clause III (B), the 'incidental or ancillary objects' clause of our MoA to insert new clauses in Clause III (B). Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹ 500,000,000, divided into 50,000,000 equity shares of ₹ 10 each to ₹862,200,000, divided into 86,220,000 equity shares of ₹10 each.
September 25, 2019	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹350,000,000, divided into 35,000,000 equity shares of ₹ 10 each to ₹ 500,000,000, divided into 50,000,000 equity shares of ₹ 10 each.
July 20, 2018	Amendment to Clause III (A), the 'main objects' clause of our MoA to insert new clauses in Clause III (A) and Amendment to Clause III (B), the 'incidental or ancillary objects' clause of our MoA to insert new clauses in Clause III (B).

Date of change/ shareholders' resolution	Nature of amendment
August 31, 2015	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹ 100,000,000, divided into 10,000,000 equity shares of ₹ 10 each to ₹ 350,000,000, divided into 3,50,00,000 equity shares of ₹ 10 each by creation of additional 25,000,000 equity shares of ₹ 10 each ranking pari passu in respect with the existing Equity shares of the Company.
March 11, 2014	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹ 15,000,000, divided into 1,500,000 equity shares of ₹ 10 each to ₹ 100,000,000, divided into 10,000,000 equity shares of ₹ 10 each.

Major events and milestones*

The table below sets forth some of the major events and milestones in the history of our Company:

Calendar Year	Event /milestone
2003	Establishment of a 100% Export oriented Unit (EOU) at Moraiya, Ahmedabad.
2009	Partial acquisition of Aastha Tools Private Limited by purchasing its equity shares
2010	Established a new production facility in Changshu, Jiangsu province, China Incorporation of Harsha Abakus Solar Private Limited – Turnkey Solution Provider for Solar Photovoltaics.
2011	Installed large size bearing cage machinery with capacity of 1,000 tonne at Changodar, Ahmedabad.
2014	Acquisition of Harsha Precision Bearing Components (China) Co. Ltd. (formerly known as BecoTek Precision Bearing Components (Suzhou) Co. Ltd.), located at Suzhou, Jiangsu province, China
2016	Acquisition of Harsha Engineers Europe SRL (formerly known as Johnson Metall S.A.) located at Brasov, Romania
2019	Commissioning of new plant at Changshu, China.
2021	Consolidated the engineering business and solar EPC business under a single entity pursuant to the Scheme approved by the National Company Law Tribunal, Ahmedabad Bench.

**Inclusive of major events and milestones of the amalgamating companies pursuant to the Scheme.*

Key awards, accreditations or recognitions*

The table below sets forth some of the awards, accreditation or recognitions received by our Company:

Sr. No.	Period	Award
1	2008-09	Star Performer award received from EEPC India
2	2010	Best Supplier award received from Timken
3	2010-11	Star Performer award received from EEPC India
4	2011	Best Overall Supplier award received from Timken
5	2011	Esteemed Partner award received from NBC Bearings
6	2011	Excellence in Continuous Improvement and Innovation award received from Timken
7	2011-12	Star Performer award received from EEPC India
8	2013	Supplier of the year award received from Schaeffler
9	2013	Development award received from NTN
10	2013-14	Star Performer award received from EEPC India
11	2014	Best Localization award received from Schaeffler
12	2014-15	Star Performer award received from EEPC India
13	2015	Best "Make in India" Support Partner award received from Highly
14	2015	In Recognition of continuous support award received from NBC
15	2016	Best Strategic Partner award received from Highly
16	2016	Best in Class (Quality, Cost & Delivery) award received from NBC
17	2016	Best Improvement award received from NSK
18	2016	Supplier of the year award received from Umbra group
19	2016	Outstanding Cooperation award received from Schaeffler
20	2016	Overall Best Performance award received from Timken
21	2017	Best in Class (Pressed Components) award received from NBC
22	2017-18	Best Quality award received from JTEKT Group, India
23	2018	Best Supplier of the year award received from Timken
24	2018	Excellence in Delivery award received from HIGHLY
25	2016	Award for TPM Excellence Category A 2015 award received from Japan Institute of Plant Maintenance
26	2019	Best Supplier of the Year award received from Timken

Sr. No.	Period	Award
27	2019	Gold rating National 5S Excellence Awards award received from Confederation of Indian Industry
28	2019	Award for TPM Excellence in Consistent TPM Commitment 2018 award received from Japan Institute of Plant Maintenance
29	2020	Value award received from Schaeffler
30	2020	1st Position Poka Yoke Category 5th Best Practices Competition award received from ACMA
31	2021	Platinum Winner Breakthrough Category 41st CII National Kai-zen Competition award received from Confederation of Indian Industry
32	2021	Gold Winner Renovative Category 41st CII National Kai-zen Competition award received from Confederation of Indian Industry
33	2021	Leadership in Collaboration award received from SKF
34	2022	Best Supplier for 'Extraordinary Support' from Fiat Automobiles Private Limited
35	2022	Excellence in Consistent Business Support by Timken
36	2022	Excellence in Corporate Citizenship and Sustainability by Timken
37	2022	Excellence in outstanding performance and lasting contributions in achieving the quality targets for the year 2021 – 22 from NSK Bearings India Private Limited

* *Inclusive of Key awards, accreditations or recognitions of the amalgamating companies pursuant to the Scheme.*

Time and cost overrun in setting up projects by our Company

Our Company has not experienced time and cost overruns in relation to the capital expenditure projects in the past.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

Except as disclosed below, as on the date of this Prospectus, our Company has no defaults or rescheduling or restructuring of borrowings with financial institutions/banks in respect of our current borrowings from lenders. For further information of our financing arrangements, please see the section entitled "*Financial Indebtedness*" on page 261.

We had availed of a loan moratorium under the RBI moratorium scheme pursuant to which our loan repayments towards our borrowing availed from RBL Bank, in relation to our engineering business, for an amount of ₹37.48 million was deferred for a period of two months, which was subsequently prepaid in full. Our loan repayments towards RBL Bank in relation to our solar EPC business, for an amount of ₹112.44 million, was deferred for a period of six months, which was subsequently prepaid in full. We had also availed of a moratorium from Exim Bank, in relation to our engineering business, for an amount of ₹70.00 million for a period of six months, which was subsequently prepaid in full. For Fiscal 2021, we had availed moratorium for restructuring, under the RBI moratorium scheme, in relation to our borrowings aggregating to 6.17% respectively, of our total borrowings as of March 31, 2021.

Material Acquisitions and Divestments

Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last 10 years

Except as disclosed below, our Company, including the amalgamating companies amalgamated into our Company pursuant to the Scheme, has not acquired any business or undertaking, or entered into any scheme of merger or amalgamation or revalued its assets in the last 10 years:

Composite scheme of amalgamation and arrangement between our Company, ATPL, HEIPL, HEL, and HSPPL and their respective shareholders.

The composite scheme of amalgamation and arrangement was filed by our Company, Aastha Tools Private Limited (ATPL), Harsha Engineers (India) Private Limited (HEIPL), Harsha Engineers Limited (HEL), Helianthus Solar Power Private Limited (HSPPL) and their respective shareholders and creditors under section 230 to 232 read with sections 61 and 66 alongwith other applicable provisions of the Companies Act, 2013 and the rules framed thereunder, seeking approval for the composite scheme of amalgamation and arrangement. Pursuant to the composite scheme of amalgamation and arrangement, ATPL and HEIPL were merged into HEL with effect from the appointed date, April 01, 2020, and immediately upon effectiveness of the Scheme, HEL and HSPPL ("**Amalgamating Companies**") were merged into our Company pursuant to the scheme with effect from the appointed date, April 01, 2020. The scheme was sanctioned by the Ahmedabad bench of the National Company Law Tribunal through its order dated December 23, 2021 and all the businesses, undertakings, activities, properties, investments and liabilities of each of the Amalgamating Companies were transferred to and vested in our Company as per the scheme with effect from April 01, 2020, being the appointed date.

In terms of the composite Scheme, ATPL, HEIPL, HEL, and HSPPL were merged into our Company and all their assets, liabilities, contracts, arrangements, employees, permits, licenses, records and approvals were transferred to and vested in or were deemed to have been transferred to or vested in our Company. Further, the authorized share capital of ATPL, HEIPL, HEL, and HSPPL was consolidated with the authorised capital of our Company. Further, pursuant to the Scheme becoming effective, the paid up equity share capital of our Company was reduced to 50,000,000 equity shares of ₹1 each fully paid up. Simultaneously, every 10 such equity shares of the reduced face value of ₹1 each of our Company were consolidated into 1 Equity Share of face value of ₹ 10 each fully paid up. Also, fractional shares were rounded off to the nearest whole number by issuing and allotting additional Equity Shares. Further, the authorized share capital of ATPL, HEIPL, HEL, and HSPPL was consolidated with the authorised capital of our Company.

As HEL held 100% of the equity shares of the ATPL and HEIPL; accordingly, pursuant to the amalgamation of ATPL and HEIPL with HEL on the Appointment Date, equity shares held by the HEL in ATPL and HEIPL stood cancelled and extinguished and hence, no shares of HEL were required to be issued and allotted. Further, as our Company held 100% of the equity shares of HSPPL, accordingly, pursuant to the amalgamation of HSPPL with our Company on the Appointment Date, equity shares held by our Company in HSPPL stood cancelled and extinguished and hence, no shares of our Company were required to be issued and allotted.

In consideration of the amalgamation of HEL into our Company, as approved and provided under the Scheme, 3 (three) Equity Shares of our Company of face value Rs. 10/- each were issued and allotted as fully paid-up Equity Shares for every 1(one) fully paid-up equity share of Rs. 10/- each, held by the shareholders of HEL.

For further details, see "*Capital Structure – Notes to Capital Structure*" on page 77.

Further, the Memorandum of Association of our Company was amended to include the main objects of HEL; our Company was converted to public limited and the name of our Company was changed to "Harsha Engineers International Limited".

The rationale of the Scheme was amongst others, (i) to create a unified corporate structure (ii) simplification of corporate, and (iii) elimination of multiplicity of legal and statutory compliances.

Scheme of Amalgamation between our Company and Harsha Engineers B.V. and their respective shareholders.

The Scheme of Amalgamation was filed by our Company and Harsha Engineers B.V., a wholly owned subsidiary of our Company, before the National Company Law Tribunal, Ahmedabad Bench, under sections 234 read with sections 230 to 232 and other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, seeking approval for Scheme of Amalgamation. Pursuant to the Scheme of Amalgamation, Harsha Engineers B.V. is proposed to be amalgamated into our Company. The Scheme of Amalgamation shall become effective from the appointed date("**Appointed Date**") which shall be once the Scheme of Amalgamation is approved by the NCLT, Ahmedabad bench and is subject to the receipt of approval of the Business Reorganisation Scheme by the NCLT as well as receipt of the necessary sanction and approvals as required under the applicable laws of Netherlands.

In terms of the Scheme of Amalgamation, Harsha Engineers B.V. shall be removed from the register of companies maintained by the registrar of Netherlands as per the applicable laws of the relevant jurisdiction and Harsha Engineers B.V. will be merged into our Company and all their assets, liabilities, contracts, arrangements, employees, permits, licenses, records and approvals will be transferred to and vested in or will be deemed to have been transferred to or vested in our Company. The Scheme of Amalgamation has been approved by the NCLT and the order has been announced by the NCLT on August 25, 2022. Our Company has made an application to the NCLT to obtain a certified true copy of the NCLT order and will undertake the necessary corporate actions to effect the Scheme of Amalgamation after receiving the certified copy of the order. Upon undertaking the necessary corporate actions and receipt of the necessary sanction and approvals as required under the applicable laws of Netherlands, the Scheme of Amalgamation shall be effective and the equity shares held by our Company in Harsha Engineers B.V will stand cancelled and extinguished and hence, no shares of our Company will be issued and allotted. There will be no change in the capital structure of our Company.

Acquisition of Harsha Precision Bearing Components (China) Co. Ltd. (formerly known as BecoTek Precision Bearing Components (Suzhou) Co. Ltd.), located at Suzhou, Jiangsu province, China

Pursuant to the equity transfer agreement dated December 27, 2013, executed by and among, Harsha Engineers Limited (now amalgamated into our Company) ("**HEL**") and Johnson Metall AB ("**Seller**") in terms of which, the entire equity interest in Harsha Precision Bearing Components (China) Co. Ltd. (formerly known as BecoTek Precision Bearing Components (Suzhou) Co. Ltd.) held by the Seller was transferred to HEL, in the manner set out in the equity transfer agreement, on January 8, 2014.

Merger Agreement between Harsha Precision Bearing Components (China) Co. Ltd. and Harsha Components (Changshu) Co., Ltd.

On February 28, 2019, Harsha Precision Bearing Components (China) Co. Ltd. and Harsha Components (Changshu) Co. Ltd. signed a merger agreement. According to the agreement, Harsha Components (Changshu) Co. Ltd. has been absorbed and merged with Harsha Precision Bearing Components (China) Co. Ltd.. In addition, the agreement also stipulates the day of merger, staff arrangement and the handling of merger procedures, etc. As on date, the merger has been fulfilled totally.

Acquisition of Harsha Engineers Europe SRL (formerly known as Johnson Metall S.A.) located at Brasov, Romania

Pursuant to the share purchase agreement dated January 20, 2016 ("**SPA**), executed by and among, Harsha Engineers B.V. and Johnson Metall AB and Johnson Mettal AS (collectively the "**Sellers**") in terms of which, the entire equity shareholding held by the Sellers in Harsha Engineers Europe SRL (formerly known as Johnson Metall S.A.) being 90,000 equity shares with a par value of RON 1 each was to be transferred to Harsha Engineers B.V., in the manner set out in the SPA. Thereafter, pursuant to a transfer and assignment agreement dated February 22, 2016 ("**Assignment Agreement**"), the rights and obligations of Harsha Engineers B.V., under the SPA were assigned to Harsha Engineers SRL, who acquired the entire equity stake in Harsha Engineers Europe SRL from the Sellers, in the manner set out in the SPA, read with Assignment Agreement.

Merger Agreement between Harsha Engineers SRL and Harsha Engineers Europe SRL

Harsha Engineers Europe SRL is the result of a merger between Harsha Engineers SRL and Harsha Engineers Europe SRL that took place in 2016. It was approved by the court decision number 820/C issued on November 2, 2016 in the file 4796/62/2016 of the Brașov Tribunal. The merger was approved by the General Assembly of Shareholders Decision number of Harsha Engineers SRL number 6/13.09.2016 and the Sole Shareholder decision of Harsha Engineers Europe SRL number 1/13.09.2016. The merger project was published in the official gazette number 2921/10.08.2016.**Lock-out and strikes**

There have been no instances of strikes or lock-outs at any time in our Company

Launch of key products or services, entry into new geographies or exit from existing markets

For further details in relation to capacity/facility creation, location of plants, launch of key products or services, entry in new geographies or exit from existing markets, see "*Our Business*" on page 138.

Significant financial and/or strategic partners

Our Company does not have any significant financial and/or strategic partners as of the date of filing this Prospectus.

Summary of material agreements

Collaboration agreement entered into by our Company with Sunstream Green Energy Private Limited and Sunstream Green Energy One Private Limited (formerly known as Eirene Naval Systems Private Limited) on November 3, 2021

Our Company entered into a collaboration agreement with Sunstream Green Energy Private Limited and Sunstream Green Energy One Private Limited (formerly known as Eirene Naval Systems Private Limited) ("**Sunstream**") on November 3, 2021 ("**Collaboration Agreement**"). Pursuant to the agreement, the parties have collaborated to bid and execute solar project of 25 MW AC in Maharashtra, tender of which was floated by MSEDCL under Mukhyamantri Saur Krishi Vahini ("**Project**"). As on date of this Prospectus, our Company holds 26% of shares of Sunstream and Sunstream Green Energy Private Limited holds 74% of share of Sunstream. In terms of the Collaboration Agreement, our Company has agreed to grant an irrevocable and unconditional right at all times to Sunstream Green Energy Private Limited to purchase the shares held by our Company in Sunstream higher of face value of Rs. 10.00 per equity share or as per book value by way of exercising a call option granted in the favour of Sunstream Green Energy Private Limited, in accordance with the terms and conditions set out in clause 9.3 of the Collaboration Agreement. In pursuance of the aforesaid obligations under the Collaboration Agreement, our Company has executed a Power of Attorney dated January 18, 2022 ("**PoA**") appointing Mr. Manish Begrajka and Mr. Kanaiya Bhadra, severally, in their capacity as Directors of Sunstream as its Attornery to have the full right and authority under the PoA, to do and execute all acts, deeds, and things, on behalf of, in the name of and for our Company as may be deemed necessary to cause the transfer / sale of the shares held by our Company in Sunstream to Sunstream Green Energy Private Limited, as and when the call option is excercised by Sunstream Green Energy Private Limited.

LLP Agreement dated December 2, 2015 entered into by our Company with Clean Max Enviro Energy Solutions Private Limited

Our Company has entered into an LLP Agreement dated December 2, 2015 ("**LLP Agreement**") with Clean Max Enviro Energy Solutions Private Limited for the formation of Cleanmax Harsha Solar LLP. In terms of this LLP Agreement the parties have mutually agreed to, through Cleanmax Harsha Solar LLP, carry out the business of developing, constructing, operating and maintaining grid connected ground mounted solar projects in India and to also carry out business of designing, engineering procurement, civil contract, project and site management, construction, operation and maintenance and any other work or services related to development, construction and operation of solar projects.

Pursuant to terms of this LLP Agreement, our Company and Clean Max Enviro Energy Solutions Private Limited are the designated partners of Cleanmax Harsha Solar LLP with Mr. Harish Rangwala being the authorised representative on behalf of our Company and Mr. Pratap Jain being the authorised representative on behalf of Clean Max Enviro Energy Solutions Private Limited. Cleanmax Harsha Solar LLP would indemnify its partners against any claims, costs and demands, actions arising out of any payments made by such partner or any liabilities incurred by such partner in the performance of his duties as a partner and in normal course of business operations of the LLP. Further, the fixed capital contribution of our Company and Clean Max

Enviro Energy Solutions Private Limited towards Cleanmax Harsha Solar LLP is ₹ 0.5 million in the ratio of 50% and 50% respectively and the profits and losses are to be shared in the proportion of their respective contribution. Further, no partner is to engage in any business, which directly or indirectly competes with the business of Cleanmax Harsha Solar LLP. Additionally, neither of the partners would be liable to the other partner(s) or Cleanmax Harsha Solar LLP for any special, indirect, incidental, consequential or punitive damage or loss of profit or for cost of procurement for substitute goods or services.

Guarantees given by our Promoter Selling Shareholders

Except as stated below, our Promoter Selling Shareholders have not provided guarantees to any third parties, in relation to loans availed by our Company and its Subsidiaries, as on the date of this Prospectus.

Our Promoters, Mr. Rajendra Shah and Mr. Harish Rangwala have extended personal guarantees in favour of Yes Bank Limited and RBL Bank Limited for securing the working capital facilities availed by our Company. Further, the liability of our Promoters under such guarantees is joint, several and co-extensive with that of our Company. The duration of the guarantee is the tenure of the respective facility availed. In the event of any default of the terms and conditions of the respective facility, our Promoters shall be liable for the repayment obligations in accordance with the terms and conditions of the respective facility.

For details in relations to the consideration and security details in respect of such guarantees, please see "*Financial Indebtedness*" on page 261.

Other confirmations

Neither our Promoter nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

There are no other agreements, including any deed of assignment, acquisition agreement, shareholders' agreement, inter-se agreements, agreements of like nature, to which we are a party, which are material and which require to be disclosed. Further, we confirm that there are no other clauses or covenants which are adverse or prejudicial to the interest of the minority/ public shareholders.

Our holding company

Our Company does not have a holding company.

Our subsidiaries, associate companies and joint ventures

As on the date of this Prospectus, except for Harsha Precision Bearing Components (China) Co. Ltd., Harsha Engineers B.V., Harsha Engineers Europe SRL, HASPL Americas Corporation, Cleanmax Harsha Solar LLP and Sunstream Green Energy One Pvt. Ltd. (formerly known as Eirene Naval Systems Private Limited), our Company has no other subsidiary, associate or joint venture. For details, see "*Our Subsidiaries, Joint Venture and Associate"* on page 173.

OUR SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE

As on the date of this Prospectus, our Company has four Subsidiaries, being Harsha Engineers B.V.; Harsha Precision Bearing Components (China) Co. Ltd; HASPL Americas Corporation and Harsha Engineers Europe SRL (step-down subsidiary); one Joint Venture, being Cleanmax Harsha Solar LLP; and one Associate, being Sunstream Green Energy One Private Limited (formerly known as Eirene Naval Systems Private Limited).

Our Subsidiaries

1. Harsha Engineers B.V.

Corporate Information

Harsha Engineers B.V. was duly incorporated on December 23, 2015 and is validly existing as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands and is registered with the commercial register under number: 64816737.

Nature of Business

The objects of Harsha Engineers B.V. are: to invest, to participate in, to take an interest in any other way in and to conduct the management of businesses, of whatever nature; to finance other persons and to give security, to give guarantees and to bind itself in any other manner for debts of other persons; to borrow, to lend and to raise funds, including the issue of bonds, debt instruments and other securities, as well as to enter into agreements in connection therewith; to render advice and services to other persons; to acquire, manage, exploit and dispose of immovable properties and other registered properties; to trade in currencies and securities, as well as in items of property in general; and to develop, exploit and trade in patents, trademarks, licenses, know-how, copyrights, database rights and other intellectual property rights; and to perform all activities of an industrial, financial or commercial nature.

Capital Structure and Shareholding Pattern

The issued and paid-up share capital of Harsha Engineers B.V. consists of 3,648 ordinary shares, numbered 1 up to and including 3,648, each share with a nominal value of four thousand six hundred twenty-two euro and ninety cent (€ 4,622.90). The shares of Harsha Engineers B.V. have been duly authorized, validly issued and are currently legally and beneficially held by Harsha Engineers International Limited (corporate identity number U29307GJ2010PLC063233).

2. Harsha Precision Bearing Components (China) Co. Ltd

Corporate Information

Harsha Precision Bearing Components (China) Co. Ltd. was incorporated on April 28, 2008 and is validly existing with good standing under the laws of the People’s Republic of China as a private company established pursuant to the Company Law issued by the People’s Republic of China and registered with the Administration for Market Regulation of Changshu. The name of Harsha Precision Bearing Components (China) Co. Ltd. was changed from Beco Tck Precision Bearing Components (Suzhou) Co. Ltd to Harsha Precision Bearing Components (China) Co. Ltd. The last registration certificate was issued at the name change on January 22, 2020, from the Administration for Market Regulation of Changshu. The registered office of the Harsha Precision Bearing Components (China) Co. Ltd. is situated at No. 10 Fuhua Road, Bixi Avenue, Changshu City, Jiangsu Province.

Nature of Business

It is engaged in researching, manufacturing and selling kinds of engineering components such as precision bearing brackets, supplying the adequate and systematic service to customers, and wholesaling, importing and exporting engineering components.

Capital Structure and Shareholding Pattern

The authorized capital of Harsha Precision Bearing Components (China) Co. Ltd. consists of 25,699,976 ordinary shares of nominal value of one U.S. dollar**.** As on date of this Propsectus, nominal value of ordinary shares is 25,699,976 U.S. dollars. The shareholding pattern of Harsha Precision Bearing Components (China) Co. Ltd. is as follows:

Name of shareholder	Number of ordinary shares held	Percentage of total issued capital (on a fully diluted basis)
Harsha Engineers International Limited	25,699,976	100%
Total	25,699,976	100%

3. HASPL Americas Corporation

Corporate Information

HASPL Americas Corporation was incorporated as a professional corporation under the Chapter 7 and 9 of Title 13.1 of the Code of Virginia on May 29, 2020, with the Commonwealth of Virginia, and received its certificate for commencement of business on May 29, 2020. Its corporate identification number is 85-1225589. Its registered office is situated at 7480 Birdwood Avenue, Ste 1120, Mclean, VA 22102, USA.

Nature of Business

HASPL Americas Corporation is engaged in the business of professional services of solar power based power generation and water desalination, as authorized under the objects clause of its constitutional documents.

Capital Structure

The authorized share capital of HASPL Americas Corporation is 1,50,000 USD divided into 1,00,000 shares of USD 1.5 each and its issued, subscribed and paid up USD 89,970 equity share capital divided into 59,980 equity shares of 1.5 USD each.

Shareholding Pattern

The following table sets forth the details of the shareholding of HASPL Americas Corporation:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage of total holding %
1.	Harsha Engineers International Limited	59,980	100%
	Total	**59,980**	**100%**

Our Step-down Subsidiary

1. Harsha Engineers Europe SRL

Corporate Information

Harsha Engineers Europe SRL was incorporated on April 18, 2006 and is validly existing with good standing under the laws of Romania, as a private company established pursuant to the Company Law number 31/1990, issued by the Romanian Parliament, and registered with the Brașov County Trade Registry. Harsha Engineers Europe SRL was acquired on February 29, 2016 by Harsha Engineers SRL which was subsequently merged with Harsha Engineers Europe SRL effective from November 30, 2016. The type and name of Harsha Engineers Europe SRL was changed from Johnson Metal SA to Harsha Engineers Europe SRL. The last registration certificate was issued at the change of the main object of activity on April 27, 2021.

Nature of Business

Harsha Engineers Europe SRL is engaged in production activities, and manufactures a variety of brass products for industrial use. The objects of the company in terms of its charter document is "Other non-ferrous metals foundry (that includes it *can function as brass bearing cage manufacturer)* according to code 2454 mentioned by Order 337/2007 issued by the National Statistics Institute regarding the updating of the National Economy Activities Classification, which was initially defined by Government Decision 656/1997.

Capital Structure and Shareholding Pattern

The authorized capital of Harsha Engineers Europe SRL consists of 2,638,397 ordinary shares of nominal value of 26,383,970 Ron**.** As on date, nominal value of ordinary shares is 10 Ron each. The shareholding pattern of Harsha Engineers Europe SRL is as follows:

Name of shareholder	Number of ordinary shares held	Percentage of total issued capital (on a fully diluted basis)
Harsha Engineers B.V.	2,638,395	99.999924%
Rajendra Shah	1	0.000038%
Harish Rangwala	1	0.000038%
Total	**2,638,397**	**100%**

Our Joint Venture

1. Cleanmax Harsha Solar LLP

Corporate Information

Cleanmax Harsha Solar LLP was incorporated as a limited liability partnership under the Limited Liability Partnership Act, 2008 on July 22, 2015. Its Limited Liability Partnership Identification Number (LLPIN) is AAE-4231. Its registered office is situated at 13, A Floor 13, Plot 400 The Peregrine Apartment, Kismat Cinema, Prabhadevi Mumbai, Mumbai City, Maharashtra - 400025, India.

Nature of Business

Cleanmax Harsha Solar LLP is carrying on the business of developing, constructing, operating and maintaining grid connected ground mounted solar power projects in India as authorized under the LLP Agreement dated December 2, 2015.

Capital Structure

The Capital Contribution of Cleanmax Harsha Solar LLP is ₹ 500,000/- and is divided into ₹ 250,000/-each contributed by each partner.

Shareholding Pattern

The following table sets forth the details of the contribution of Cleanmax Harsha Solar LLP

Sr. No.	Name of the partner	Amount of Contribution (in ₹)	Percentage of Contribution (%)
1.	Harsha Engineers International Limited	250,000	50.00%
2.	Clean Max Enviro Energy Solutions Private Limited	250,000	50.00%
	Total	500,000	**100.00%**

Our Associate

1. Sunstream Green Energy One Private Limited (formerly known as Eirene Naval Systems Private Limited)

Corporate Information

Sunstream Green Energy One Pvt. Ltd. was incorporated as Eirene Naval Systems Private Limited on January 1, 2016. Further, its name was changed to Sunstream Green Energy One Private Limited on February 3, 2021. The registered office of is located at Unit No. 28C, Nand Deep Industrial Estate, 2nd Floor, Kondivita Lane, J.B. Nagar, Andheri (East), Mumbai – 400 059.

Nature of Business

To carry on in India or abroad the business of manufacturing, producing, buying, selling, importing, exporting, repairing, servicing and dealing in every way in parts and things required for and capable of being used for or in connection with generation, transformation, transmission, carriage, preparation, radiation, distribution, conduction, conversion, insulation, supply, measurement, accumulation and employment of electricity, heat, light, gas, atomic, solar, wind or any other form of energy and to generate electrical power through/by any method/process/source including coal, gas, lignite, oil, bio-mass, waste, thermal, solar, geo-hydel, wind, tidal waves for own consumption and/or supplying for domestic, industrial or any other purpose and to buy, sell, supply, exchange, market, function as a licensee and otherwise deal in power and energy, transmission and distribution systems for distribution, transmission and supply of energy and for that purpose to own, acquire, erect, construct, establish, maintain, improve, manage, operate, alter, carry on, control, take on hire, lease power generation plants of all kinds including co-generation plants, wind farms, solar farms, hydel projects, thermal power stations.

Capital Structure and Shareholding Pattern

As of the date of this Prospectus, the authorised share capital is ₹10,00,000 divided into 1,00,000 Equity Shares of ₹10 each and its issued, subscribed and paid-up capital is ₹ 100,000/- divided into 10,000 equity shares of ₹ 10 each.

Shareholding Pattern

The following table sets forth the details of the shareholding of Sunstream Green Energy One Pvt. Ltd (formerly known as Eirene Naval Systems Private Limited):

Sr. No.	Name of the shareholder	Number of equity shares of face value of ₹10 each	Percentage of total shareholding
1.	Sunstream Green Energy Private Limited	7,400	74.00%
2.	Harsha Engineers International Limited	2,600	26.00%
	Total	10,000	**100.00%**

Accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of our Subsidiaries, Joint Venture and Associate that have not been accounted for by our Company.

Common Pursuits

Based on the business activities undertaken by our Subsidiaries, Associate and Joint Venture there are certain common pursuits amongst them and our Company. Our Company will adopt necessary procedures and practices as permitted by law and regulatory guidelines to address any conflict situations if they arise.

Related business transactions

Except as disclosed in "*Restated Consolidated Financial Statements*" and "*Summary of the Offer Document - Summary of Related Party Transactions*" on pages 204 and 23, respectively, there have been no related business transactions of our Subsidiaries, Joint Venture and Associate with our Company during Fiscal 2022, Fiscal 2021 and Fiscal 2020.

Interest in our Company

Except as disclosed in "*Our Business*" and "*History and Other Certain Corporate Matters*" on pages 138 and 166, respectively, as on the date of this Prospectus, our Subsidiaries, Joint Venture and Associate do not have any business interest in our Company.

Other confirmations

None of our Subsidiaries are listed on any stock exchange in India or abroad. Further, neither have any of the securities of our Subsidiaries been refused listing by any stock exchange in India or abroad, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

OUR MANAGEMENT

In terms of the Companies Act and our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Prospectus, our Board comprises ten Directors, including five Executive Directors (including our Managing Director), and five Independent Directors, including one woman Independent Director.

The following table sets forth details regarding our Board as of the date of this Prospectus:

Sl. No.	Name, designation, address, occupation, date of birth, period of directorship, term and DIN	Age (years)	Directorships in other companies
1.	**Rajendra Shah** ***Designation:*** Chairman and Whole-time Director ***Address:*** C-289, Manekbaug Society, Near Manekbaug Hall, Ambawadi, Ahmedabad, Gujarat – 380015. ***Occupation:*** Business ***Date of birth:*** February 01, 1948 ***Nationality:*** Indian ***Period of directorship:*** Director since May 06, 2011. ***Term:*** For a period of three years with effect from December 25, 2021 (*liable to retire by rotation in accordance with applicable law*) ***DIN:*** 00061922	74	• 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 ***Address:*** 1, Ashwavilla Society, Part-2, Off Sindhu Bhavan Road, Bodakdev, Thaltej, Ahmedabad, Gujarat – 380059. ***Occupation:*** Business ***Date of birth:*** August 01, 1948 ***Nationality:*** Indian ***Period of directorship:*** Director since December 11, 2010 ***Term:*** For a period of three years with effect from December 25, 2021 (*liable to retire by rotation in accordance with applicable law*) ***DIN:*** 00278062	74	• 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 ***Address:*** 1, Ashwavilla Society, Part-2, Off Sindhu Bhavan Road, Bodakdev, Thaltej, Ahmedabad, Gujarat – 380059. ***Occupation:*** Business	44	• 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

Sl. No.	Name, designation, address, occupation, date of birth, period of directorship, term and DIN	Age (years)	Directorships in other companies
	Date of birth: November 27, 1977 ***Nationality:*** American ***Period of directorship:*** Director since August 12, 2021 ***Term:*** For a period of three years with effect from December 25, 2021(*liable to retire by rotation in accordance with applicable law*) ***DIN:*** 02452416		
4.	**Pilak Shah** ***Designation:*** Chief Operating Officer and Whole-time Director ***Address:*** C-289, Manekbaug Society, b/h Manekbaug Hall, Ambawadi, Ahmedabad City, Ahmedabad, Gujarat – 380015. ***Occupation:*** Business ***Date of birth:*** December 18, 1981 ***Nationality:*** Indian ***Period of directorship:*** Director since February 05, 2016 ***Term:*** For a period of three years with effect from December 25, 2021(*liable to retire by rotation in accordance with applicable law*) ***DIN:*** 00407960	40	• Harsha Precision Bearing Components (China) Co. Ltd • Harsha Engineers B.V., Netherland • Harsha Engineers Europe SRL, Romania
5.	**Hetal Ukani** ***Designation:*** Whole-time Director ***Address:*** 20, Meghana Row House, b/h Maharaja Agrasen Bhavan, Citylight Road, Surat, Gujarat 395007. ***Occupation:*** Business ***Date of birth:*** July 11, 1975 ***Nationality:*** Indian ***Period of directorship:*** Director since August 12, 2021 ***Term:*** For a period of three years with effect from December 25, 2021 (*liable to retire by rotation in accordance with applicable law*) ***DIN:*** 01990172	47	• Meghna Organisers Private Limited • Meghna Develops Private Limited • Nirman Capital Services Private Limited
6.	**Ambar Patel** ***Designation:*** Independent Director	68	• Zodiac Energy Limited • Shilp Gravures Limited • C D Commodities Broking Limited

Sl. No.	Name, designation, address, occupation, date of birth, period of directorship, term and DIN	Age (years)	Directorships in other companies
	Address: 15, Sagar Society, Judges Bunglow Road, Near Shakti Enclave, Ahmedabad City, Ahmedabad, Gujarat – 380054. ***Occupation:*** Business ***Date of birth:*** November 20, 1953 ***Nationality:*** Indian ***Period of directorship:*** Director since January 10, 2022 ***Term:*** For a period of five years with effect from January 10, 2022 ***DIN:*** 00050042		• Stylus Infrastructure Private Limited • Shilp Ultratech Private Limited
7.	**Neharika Vohra** ***Designation:*** Independent Director ***Address:*** 413, IIM Campus, Vastrapur, Ahmedabad City, Ambawadi Vistar, Ahmedabad, Gujarat - 380015 ***Occupation:*** Teaching ***Date of birth:*** November 21, 1966 ***Nationality:*** Indian ***Period of directorship:*** Director since January 10, 2022 ***Term:*** For a period of five years with effect from January 10, 2022 ***DIN:*** 06808439	55	• 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 ***Address:*** Sevasadan 218, Sushil Park, Vastrapur, Ahmedabad, Gujarat – 380015. ***Occupation:*** Professional ***Date of birth:*** January 29, 1978 ***Nationality:*** Indian ***Period of directorship:*** Director since January 10, 2022 ***Term:*** For a period of five years with effect from January 10, 2022 ***DIN:*** 02087152	44	• Harsha Engineers B.V. (HEBV) • Harsha Engineers Europe SRL
9.	**Bhushan Punani** ***Designation:*** Independent Director	68	• Gujarat Tea Processors and Packers Limited • Torchit Electronics Private Limited

Sl. No.	Name, designation, address, occupation, date of birth, period of directorship, term and DIN	Age (years)	Directorships in other companies
	Address: 34, Spring Field, Judges Bunglows Road, Vastrapur, Ahmedabad City, Ahmedabad, Gujarat – 380 015 ***Occupation:*** Employment ***Date of birth:*** January 3, 1954 ***Nationality:*** Indian ***Period of directorship:*** Director since January 10, 2022 ***Term:*** For a period of five years with effect from January 10, 2022 ***DIN:*** 00119874		
10.	**Ramakrishnan Kasinathan** ***Designation:*** Independent Director ***Address:*** B-202, Orange County, Pashan Baner Link Road, Near Balaji Chowk, Pashan, Armament, Pune City, Maharashtra – 411 021 ***Occupation:*** Self- Employed ***Date of birth:*** September 9, 1967 ***Nationality:*** Indian ***Period of directorship:*** Director since January 10, 2022 ***Term:*** For a period of five years with effect from January 10, 2022 ***DIN:*** 09461806	55	Nil

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our current Directors have been appointed to our Board pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others. Further, none of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Relationship between our Directors

Except as disclosed below none of our other Directors are related to each other:

(i) Vishal Rangwala is the son of Harish Rangwala; (ii) Pilak Shah is the son of Rajendra Shah and brother of Hetal Ukani; (iii) Hetal Ukani is the daughter of Rajendra Shah and sister of Pilak Shah (iv) Harish Rangwala is the father of Vishal Rangwala; and (v) Rajendra Shah is the father of Pilak Shah and Hetal Ukani.

Brief Biographies of Directors

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 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.

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.

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.

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.

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

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.

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.

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.

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.

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.

Details regarding directorships of our Directors in listed companies

None of our Directors is or was a director of any listed company whose shares have been or were suspended from being traded on the stock exchanges during their tenure as a director in such company.

None of our Directors is or was a director of any listed company, which has been or was delisted from any stock exchange, during their tenure as a director in such company.

Confirmations

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Terms of appointment of Directors

1. Remuneration to Executive Directors:

Rajendra Shah

Rajendra Shah was appointed as our Chairman and Whole-time Director with effect from December 25, 2021 for a period of three years, pursuant to the resolution dated December 25, 2021 passed by the Board and the resolution dated December 27, 2021 passed by the Shareholders. The details of remuneration are set out below:

Particulars	Remuneration
Basic Salary and other allowance	Not exceeding ₹ 3.85 million per annum as may be decided by the Company thereof
Perquisites	(i) Two chauffer driven cars maintained by our Company, if opted by him; (ii) Mobile expenses and instrument; (iii) Leave Encashment; (iv) Company's contribution to various schemes such as superannuation, term insurance, gratuity etc., as per prevailing statutory regulation and rules of our Company; and (v) Any other perquisites that our Company may deem fit or may pay remuneration by way of commission or bonus or in any form as per the profitability of our Company.
Maximum Limit	Where in any financial year our Company has no or inadequate profits, remuneration can be paid as approved by the Board, which shall be within the ceiling prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof.

During Fiscal 2022, the total amount of remuneration paid to him was ₹ 6.85 million.

Harish Rangwala

Harish Rangwala was appointed as our Managing Director with effect from December 25, 2021 for a period of three years, pursuant to the resolution dated December 25, 2021 passed by the Board and the resolution dated December 27, 2021 passed by the Shareholders. The details of remuneration are set out below:

Particulars	Remuneration
Basic Salary and other allowance	Not exceeding ₹ 3.85 million per annum as may be decided by the Company thereof
Perquisites	(i) Two chauffer driven cars maintained by our Company, if opted by him; (ii) Mobile expenses and instrument; (iii) Leave Encashment; (iv) Company's contribution to various schemes such as superannuation, term insurance, gratuity etc., as per prevailing statutory regulation and rules of our Company; and (v) Any other perquisites that our Company may deem fit or may pay remuneration by way of commission or bonus or in any form as per the profitability of our Company.
Maximum Limit	Where in any financial year our Company has no or inadequate profits, remuneration can be paid as approved by the Board, which shall be within the

Particulars	Remuneration
	ceiling prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof.

During Fiscal 2022, the total amount of remuneration paid to him was ₹ 6.85 million.

Vishal Rangwala

Vishal Rangwala was appointed as our Chief Executive Officer and Whole-time Director with effect from December 25, 2021 for a period of three years, pursuant to the resolution dated December 25, 2021 passed by the Board and the resolution dated December 27, 2021 passed by the Shareholders. The details of remuneration are set out below:

Particulars	Remuneration
Basic Salary and other allowance	Not exceeding ₹ 7.00 million per annum as may be decided by the Company thereof
Perquisites	(i) Chauffer driven car maintained by our Company, if opted by him; (ii) Mobile expenses and instrument; (iii) Leave Encashment; (iv) Company's contribution to various schemes such as superannuation, term insurance, gratuity etc., as per prevailing statutory regulation and rules of our Company; and (v) Any other perquisites that our Company may deem fit or may pay remuneration by way of commission or bonus or in any form as per the profitability of our Company.
Maximum Limit	Where in any financial year our Company has no or inadequate profits, remuneration can be paid as approved by the Board, which shall be within the ceiling prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof.

During Fiscal 2022, the total amount of remuneration paid to him was ₹ 17.95 million.

Pilak Shah

Pilak Shah was appointed as our Chief Operating Officer and Whole-time Director with effect from December 25, 2021 for a period of three years, pursuant to the resolution dated December 25, 2021 passed by the Board and the resolution dated December 27, 2021 passed by the Shareholders. The details of remuneration are set out below:

Particulars	Remuneration
Basic Salary and other allowance	Not exceeding ₹ 7.00 million per annum as may be decided by the Company thereof
Perquisites	(i) Chauffer driven car maintained by our Company, if opted by him; (ii) Mobile expenses and instrument; (iii) Leave Encashment; (iv) Company's contribution to various schemes such as superannuation, term insurance, gratuity etc., as per prevailing rules of our Company; and (v) Any other perquisites that our Company may deem fit or may pay remuneration by way of commission or bonus or in any form as per the profitability of our Company.
Maximum Limit	Where in any financial year our Company has no or inadequate profits, remuneration can be paid as approved by the Board, which shall be within the ceiling prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof.

During Fiscal 2022, the total amount of remuneration paid to him was ₹ 14.95 million.

Hetal Ukani

Hetal Ukani was appointed as our Whole-time Director with effect from December 25, 2021 for a period of three years, pursuant to the resolution dated December 25, 2021 passed by the Board and the resolution dated December 27, 2021 passed by the Shareholders. The details of remuneration are set out below:

Particulars	Remuneration
Basic Salary and other allowance	Not exceeding ₹ 3.80 million per annum as may be decided by the Company thereof

Particulars	Remuneration
Perquisites	(i) Chauffer driven car maintained by our Company, if opted by her; (ii) Mobile expenses and instrument; (iii) Leave Encashment; (iv) Company's contribution to various schemes such as superannuation, term insurance, gratuity etc., as per prevailing statutory regulation and rules of our Company; and (v) Any other perquisites that our Company may deem fit or may pay remuneration by way of commission or bonus or in any form as per the profitability of our Company.
Maximum Limit	Where in any financial year our Company has no or inadequate profits, remuneration can be paid as approved by the Board, which shall be within the ceiling prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof.

During Fiscal 2022, the total amount of remuneration paid to her was ₹ 6.24 million.

2. Remuneration details of Independent Directors:

Pursuant to the Board resolution dated January 10, 2022, each Independent Director, is entitled to receive sitting fees of ₹ 20,000 per meeting for attending meetings of the Board. The remuneration in the form of sitting fees received by our Independent Directors in Financial Year 2022 is set forth below:

Name of Director	Remuneration (in ₹ million)
Ambar Patel	0.10
Kunal Shah	0.10
Neharika Vohra	0.10
Bhushan Chelaram Punani	0.04
Ramakrishnan Kasinathan	0.04

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares. The shareholding of the Directors in our Company as of the date of this Prospectus is set forth below:

Name of Director	Number of Equity Shares held
Harish Rangwala	1,34,79,089*
Vishal Rangwala	77,69,829
Rajendra Shah	15,413,550**
Pilak Shah	7,698,281***
Hetal Ukani	1,924,571****

* *This does not include 321 Equity Shares held on behalf of the Munjal Rangwala Family Trust.*
** *This does not include 321 Equity Shares held on behalf of the Mili Mehta Family Trust.*
*** *This does not include 321 Equity Shares held on behalf of the Pilak Shah Family Trust.*
**** *Held jointly with Nirmala Shah. This does not include 321 Equity Shares held on behalf of the Hetal Ukani Family Trust.*

Interest of Directors

All Independent Directors may be deemed to be interested to the extent of sitting fees payable, if any, to them for attending meetings of our Board and committees thereof, and reimbursement of expenses available to them. Our Independent Director, Ramakrishnan Kasinathan, has entered into a consultancy agreement dated August 24, 2022 and effective from April 1, 2022 with our Company pursuant to which he is interested to the extent of the consultancy fees of ₹ 50,000 (per working day) along with ₹ 1,100 conveyance expenses subject to applicable tax deductions, as provided under the consultancy agreement. Our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them as stated in "*Our Management – Terms of appointment of our Directors - Remuneration to Executive Directors*" on page 182.

Further, other than Rajendra Shah, Harish Rangwala, Vishal Rangwala, and Pilak Shah, who are the Promoters of our Company and may be deemed to be interested in the promotion of our Company to that extent, none of our remaining Directors have any interest in the promotion or formation of our Company. The Directors may also be regarded as interested in the Equity Shares held by them or by their relatives, if any, or that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoter, pursuant to this Offer. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares.

None of our Directors have any interest in any property acquired or proposed to be acquired by our Company or transaction for acquisition of land, construction of building and supply of machinery.

No loans have been availed by our Directors from our Company or our Subsidiaries. However, our Promoter Directors and their relatives have from time to time extended unsecured loans and/or deposits to our Company and are interested to the extent of repayment of such amounts along with interest thereon. As of March 31,2022, our Directors and their relatives had extended unsecured loans that cumulatively amounted to ₹ 363.94 million.

Bonus or profit-sharing plan of the Directors

Except as disclosed in "*Remuneration to Executive Directors*" on page 182, none of our Directors are party to any bonus or profit-sharing plan of our Company.

Changes in the Board in the last three years

Other than as stated below, there has been no change in the Board in the three preceding years:

Name	Date of Appointment/ Change	Reason
Ambar Patel	January 10, 2022	Appointment as Independent Director
Kunal Shah	January 10, 2022	Appointment as Independent Director
Neharika Vohra	January 10, 2022	Appointment as Independent Director
Bhushan Punani	January 10, 2022	Appointment as Independent Director
Ramakrishnan Kasinathan	January 10, 2022	Appointment as Independent Director
Rajendra Shah	December 25, 2021	Appointment as Chairman and Whole-time Director
Harish Rangwala	December 25, 2021	Appointed as Managing Director
Pilak Shah	December 25, 2021	Appointment as Chief Operating Officer and Whole-time Director
Vishal Rangwala	December 25, 2021	Appointment as Chief Executive Officer and Whole-time Director
Hetal Ukani	December 25, 2021	Appointment as Whole-time Director
Dilipkumar Sanghvi	December 25, 2021	Resignation as Independent Director
Vishal Rangwala	August 12, 2021	Appointment as Additional Director
Hetal Ukani	August 12, 2021	Appointment as Additional Director
Munjal Rangwala	March 20, 2021	Cessation due to death

Borrowing Powers of Board

In accordance with the Articles of Association and applicable provisions of the Companies Act, 2013, and pursuant to the resolution dated December 25, 2021 passed by the Board, and the special resolution dated December 27, 2021 passed by the Shareholders, the Board may borrow any sum or sums of money from time to time notwithstanding that the money to be borrowed, together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) including rupee equivalent of foreign currency loans may exceed, at any time, the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided shall not any time exceed ₹ 12,000.00 million.

Remuneration paid or payable by our Subsidiaries to Directors

There is no remuneration paid or payable by our Subsidiaries and our Associate Company to our Directors during Fiscal Year 2022.

Corporate Governance

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges, BSE and NSE. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof, as applicable. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Committees of the Board

Audit Committee

The members of the Audit Committee are:

1. Kunal Shah– Chairman

2. Bhushan Punani– Member

3. Ambar Patel– Member

4. Rajendra Shah– Member

The Audit Committee was constituted on January 10, 2022**.** The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the Listing Regulations and its terms of reference are as follows:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;

2. Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;

3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;

4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;

5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;

    (b) Changes, if any, in accounting policies and practices and reasons for the same;

    (c) Major accounting entries involving estimates based on the exercise of judgment by management;

    (d) Significant adjustments made in the financial statements arising out of audit findings;

    (e) Compliance with listing and other legal requirements relating to financial statements;

    (f) Disclosure of any related party transactions; and

    (g) Modified opinion(s) in the draft audit report.

6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

7. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;

8. Approval or any subsequent modifications of transactions of the Company with related parties;

9. Scrutinising of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. Evaluating of internal financial controls and risk management systems;

12. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussing with internal auditors on any significant findings and follow up thereon;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. Reviewing the functioning of the whistle blower mechanism;

19. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority;

21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as per applicable law;

22. Formulating a policy on related party transactions, which shall include materiality of related party transactions;

23. Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services; and

24. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Powers of the Audit Committee

The powers of the Audit Committee shall include the following:

1. To investigate any activity within its terms of reference;

2. To seek information from any employee;

3. To obtain outside legal or other professional advice; and

4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Reviewing Powers

The Audit Committee shall mandatorily review the following information:

1. Management's discussion and analysis of financial condition and results of operations;

2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;

3. Management letters / letters of internal control weaknesses issued by the statutory auditors;

4. Internal audit reports relating to internal control weaknesses;

5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and

6. Statement of deviations:

    (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and

(ii) annual statement of funds utilised for purposes other than those stated in the document/prospectus/notice in terms of the Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Ambar Patel– Chairman

2. Neharika Vohra – Member

3. Kunal Shah – Member

The Nomination and Remuneration Committee was constituted on January 10, 2022. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act and the Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include the following:

(a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

i. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;

(b) Formulating of criteria for evaluation of the performance of the independent directors and the Board;

(c) Devising a policy on Board diversity;

(d) Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director’s performance;

(e) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(f) Analysing, monitoring and reviewing various human resource and compensation matters;

(g) Determining the company’s policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(h) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

(i) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(j) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(k) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

(i) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or

(ii) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.

(l) Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority; and

(m) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Ambar Patel- Chairman

2. Ramakrishnan Kasinathan – Member

3. Vishal Rangwala – Member

The Stakeholders' Relationship Committee was constituted by our Board at their meeting held on January 10, 2022. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act and the Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee are as follows:

(a) Consider and resolve grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

(b) Review of measures taken for effective exercise of voting rights by shareholders. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.

(c) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

(d) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

(e) To approve, register, refuse to register transfer or transmission of shares and other securities;

(f) To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;

(g) Allotment and listing of shares;

(h) To authorise affixation of common seal of the Company;

(i) To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;

(j) To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;

(k) To dematerialize or rematerialize the issued shares;

(l) Ensure proper and timely attendance and redressal of investor queries and grievances;

(m) Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and

(n) To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Rajendra Shah – Chairman

2. Harish Rangwala – Member

3. Bhushan Punani – Member

The Corporate Social Responsibility Committee was constituted by our Board at their meeting held on August 24, 2018 and was last-reconstituted on January 10, 2022. The terms of reference of the Corporate Social Responsibility Committee of our Company include the following:

(i) To formulate and recommend to the Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act, 2013, as amended;

(ii) formulate and recommend an annual action plan in pursuance of its Corporate Social Responsibility Policy which shall list the projects or programmes undertaken, manner of execution of such projects, modalities of utilisation of funds, monitoring and reporting mechanism for the projects;

(iii) identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

(iv) delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(v) review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

(vi) To recommend the amount of expenditure to be incurred on the CSR activities, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy;

(vii) To monitor the CSR Policy and its implementation by the Company from time to time;

(viii) To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013, as amended and the rules framed thereunder.

Risk Management Committee

The members of the Risk Management Committee are:

1. Rajendra Shah – Chairman

2. Pilak Shah - Member

3. Kunal Shah – Member

4. Ramakrishnan Kasinathan – Member

5. Vishal Rangwala-Member

The Risk Management Committee was constituted by our Board at their meeting held on January 10, 2022. The terms of reference of the Risk Management Committee of our Company include the following:

(1) To formulate a detailed risk management policy which shall include:

    a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

    b) Measures for risk mitigation including systems and processes for internal control of identified risks.

    c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

IPO Committee

The members of the IPO Committee are:

1. Kunal Shah – Chairman

2. Rajendra Shah - Member

3. Vishal Rangwala – Member

4. Pilak Shah – Member

The IPO Committee was constituted by our Board at their meeting held on January 10, 2022. The terms of reference of the Risk Management Committee of our Company include the following:

(a) To make applications to the Government of India, Securities and Exchange Board of India ("**SEBI**"), or to any other statutory or governmental authorities in connection with the Offer as may be required and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;

(b) To finalise, approve, adopt and file the draft red herring prospectus with the SEBI, the red herring prospectus and prospectus with the SEBI, Registrar of Companies, Ahmedabad in Gujarat (the "**RoC**"), and other regulatory authorities (including amending, varying, supplementing or modifying the same, or providing any notices, addenda, or corrigenda thereto, together with any summaries thereof as may be considered desirable or expedient), the bid cum application forms, abridged prospectus, confirmation of allocation notes and any other document in relation to the Offer as finalised by the Company, and take all such actions in consultation with the book running lead managers (the "**BRLMs**") as may be necessary for the submission and filing of the documents mentioned above, including incorporating such alterations/corrections/modifications as may be required by the SEBI, the RoC or any other relevant governmental and statutory authorities or otherwise under applicable laws;

(c) To decide in consultation with the BRLMs on the timing, pricing and all the terms and conditions of the Offer, including the price band, Offer price, Offer size and to accept any amendments, modifications, variations or alterations thereto, and rounding off, if any, in the event of oversubscription and in accordance with Applicable Laws;

(d) To appoint and enter into arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, public offer account bankers to the Offer, sponsor bank, registrar, legal advisors, advertising agency, monitoring agency and any other agencies or persons or intermediaries to the Offer, including any successors or replacements thereof, and to negotiate and finalise and amend the terms of their appointment;

(e) To take all actions as may be necessary or authorized, in connection with the Offer for Sale, including taking on record the approval of the Selling Shareholder(s) for offering their Equity Shares including the quantum in terms of number of Equity Shares/amount offered by the Selling Shareholder(s) in the Offer for Sale, allow revision of the Offer for Sale portion in case any Selling Shareholder decides to revise it, in accordance with the Applicable Laws;

(f) To authorise the maintenance of a register of holders of the Equity Shares;

(g) To negotiate, finalise and settle and to execute where applicable and deliver or arrange the delivery of the BRLMs' mandate or fee/ engagement letter, Offer agreement, share escrow agreement, syndicate agreement, underwriting agreement, cash escrow agreement, agreements with the registrar and the advertising agency and all other documents, deeds, agreements and instruments and any notices, supplements, addenda and corrigenda thereto, as may be required or desirable in relation to the Offer, with the power to authorise one or more officers of the Company to negotiate, execute and deliver any or all of these documents;

(h) To open with the bankers to the Offer such accounts as may be required by the regulations issued by SEBI and operate bank accounts opened in terms of the escrow agreement with a scheduled bank to receive applications along with application monies, handling refunds and for the purposes set out in Section 40(3) of the Companies Act, 2013, as amended, in respect of the Offer, and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(i) To seek, if required, the consent of the lenders to the Company and/or lenders to the subsidiary (if applicable), industry data provider, parties with whom the Company has entered into various commercial and other agreements, and any other consents and/or waivers that may be required in relation to the Offer;

(j) To approve any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the Applicable Laws or the uniform listing agreement to be entered into by the Company with the relevant stock exchanges, and to approve policies to be formulated under the Companies Act, 2013, as amended and the regulations prescribed by SEBI including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, (given the proposed listing of the Company);

(k) To authorise and approve, the incurring of expenditure and payment of fees, commission, remuneration and expenses in connection with the Offer;

(l) To determine and finalise the bid opening and bid closing dates (including bid opening and bid closing dates for anchor investors), the floor price/price band for the Offer (including anchor investors offer price), total number of Equity Shares to be reserved for allocation to eligible investors, approve the basis of allotment and confirm allocation/allotment of the Equity Shares to various categories of persons as disclosed in the DRHP, the RHP and the Prospectus, in consultation with the BRLMs and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including any alteration, addition or making any variation in relation to the Offer;

(m) To issue allotment letters/confirmation of allotment notes with power to authorise one or more officers of the Company to sign all or any of the aforestated documents;

(n) To authorise and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;

(o) To do all such acts, deeds, matters and things and execute all such other documents, etc., deem necessary or desirable for such purpose, including without limitation, finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;

(p) To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) limited and such other agencies, authorities or bodies as may be required in this connection;

(q) To withdraw the draft red herring prospectus, red herring prospectus and the Offer at any stage, if deemed necessary, in accordance with Applicable Laws and in consultation with the BRLMs;

(r) To negotiate, finalise, sign, execute, deliver and complete any and all notices, offer documents (including draft red herring prospectus, red herring prospectus and prospectus) agreements, letters, applications, other documents, papers or instruments (including any amendments, changes, variations, alterations or modifications thereto) on behalf of the selling shareholder(s) (as maybe applicable), as the case may be, in relation to the Offer.

(s) To make applications for listing of the Equity Shares in one or more recognised stock exchange(s) in India and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s);

(t) authorisation of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorney, declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Offer and to do such acts, deeds and things as such authorised person in his/her/their absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment/transfer of the Equity Shares;

(u) determine the utilization of proceeds of the Fresh Issue and accept and appropriate proceeds of the Fresh Issue in accordance with the Applicable Laws;

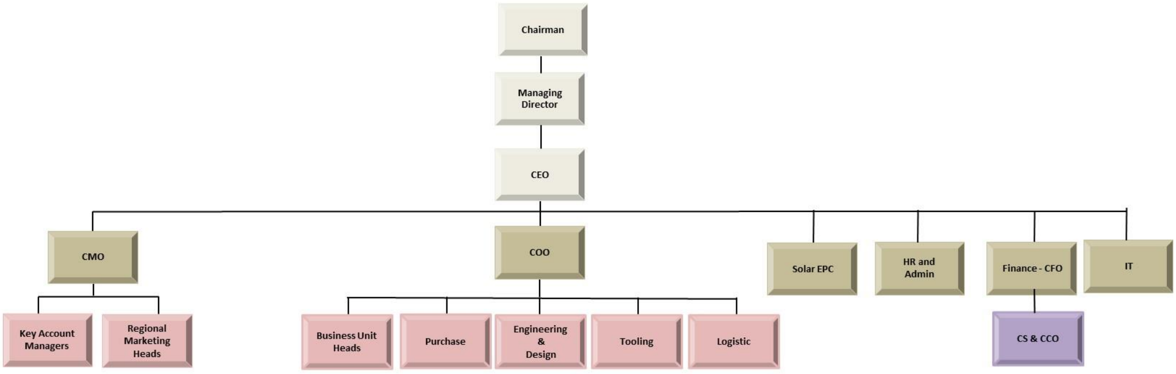
(v) To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment and matters incidental thereto as it may, deem fit and to delegate such of its powers as may be deemed necessary to the officials of the Company;

(w) If deemed appropriate, to invite the existing shareholders of the Company to participate in the Offer by offering for sale the Equity Shares held by them at the same price as in the Offer;

(x) all actions as may be necessary in connection with the Offer, including extending the Bid/Offer period, revision of the Price Band, allow revision of the Offer for Sale portion in case any Selling Shareholder decides to revise it, in accordance with the Applicable Laws; and

(y) To decide all matters regarding the Pre-IPO Placement if any, including the execution of the relevant documents with the investors, in consultation with the Selling Shareholders and the BRLMs.

Organisation Structure



Key Managerial Personnel

For details in relation to our Chairman and Managing Director, Executive Director and Whole-time Director, see "*Brief Biographies of Directors*" and "*Remuneration to Executive Directors*" on pages 180 and 182, respectively.

Maulik Jasani was appointed as the Vice President – Finance and Group Chief Financial Officer of our Company with effect from December 25, 2021. Prior to this, he was associated with Harsha Engineers Limited, which has currently merged into our Company from November 26, 2018 as Vice President –Finance & Accounts and thereafter, from May 16, 2019 in his capacity as Chief Financial Officer therein. He holds a bachelor and master's degree in Commerce from the H.L. Commerce College, Gujarat University and R.J. Tibrewal Commerce College, Gujarat University respectively. He is also a member of the ICAI, Institute of Company Secretaries of India and the Institute of Cost Accountants of India. He has over 17 years (including three years of articleship) of experience in accounting and finance. Prior to joining our Company, he has been associated with Cadila Healthcare Limited, Delhi Assam Roadways Corporation Limited and Mukesh M. Shah & Co, Ahmedabad. He was also associated with Biotech Vision Care Private Limited as the chief financial officer. He was paid a remuneration of ₹ 5.48 million for Fiscal 2022.

Kiran Mohanty is associated with our Company from July 1, 2015 (in his capacity as Whole-time Secretary of Harsha Engineers Limited, which has currently merged into our Company) was appointed as the Company Secretary and the Chief Compliance Officer of our Company with effect from August 12, 2021. He holds a Bachelor's degree in Commerce (Honours Course) from Delhi University, in the year 2006. He further holds a Post Graduate Diploma in Applied Corporate Finance from Maharaja Sayajirao University of Baroda and is a qualified Company Secretary from the Institute of Company Secretaries of India. He has over 13 years (including Articleship) of experience as a company secretary. Prior to joining our Company, he has been previously associated with Claris Injectables Limited, John Energy Limited, Sanghvi Forging and Engineering Limited and Siemens Healthcare Diagnostic Limited. He was paid a remuneration of ₹ 1.65 million for Fiscal 2022.

Status of Key Managerial Personnel

All our Key Managerial Personnel are permanent employees of our Company.

Relationship between our Directors and Key Managerial Personnel

Except as disclosed in "*Relationship between our Directors*" on page 180, none of our Directors are related to each other or to our Key Managerial Personnel.

Shareholding of Key Managerial Personnel

Except as disclosed in "*Shareholding of Directors in our Company*" on page 184, none of our Key Managerial Personnel hold any Equity Shares in our Company as on the date of this Prospectus.

Bonus or profit-sharing plans of the Key Managerial Personnel

None of our Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company.

Interests of Key Managerial Personnel

Other than as disclosed in "*Our Management- Payment or benefit to Key Managerial Personnel*" on page 196 and in "*Our Management - Interest of Directors*" on page 184, the Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Arrangements and understanding with major shareholders, customers, suppliers or others

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel have been selected as the Key Managerial Personnel of our Company.

Service Contracts with Directors and Key Managerial Personnel

No officer of our Company, including our Directors and the Key Managerial Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Contingent and deferred compensation payable to our Director and Key Managerial Personnel

There is no contingent or deferred compensation accrued for Financial Year 2021 and payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

Payment or benefit to Key Managerial Personnel

Other than as disclosed in "*Our Management - Interest of Directors*" on page 184, no non – salary amount or benefit has been paid or given to any of our Key Managerial Personnel within the two years preceding the date of filing of this Prospectus or is intended to be paid or given other than in the ordinary course of their employment:

However, our Key Management Personnel, Mr. Maulik Jasani may be interested in our Company to the extent of lease of car by Maulik Jasani HUF to our Company. Further, our Key Management Personnel,Mr. Kiran Mohanty may be interested to extent of an unsecured loan (non-current and current) for an outstanding amount of ₹ 0.06 million extended to him by our Company as on March 31, 2022.

Changes in the Key Managerial Personnel

Except as disclosed below and in "*Changes in the Board in the last three years*" on page 185, there has been no change in the Key Managerial Personnel in the last three years.

Name	Date of Change	Reason
Maulik Jasani	December 25, 2021	Appointment as Vice President – Finance and Group Chief Financial Officer
Falgun Shah	December 25, 2021	Ceased to be Chief Financial Officer
Kiran Mohanty	August 12, 2021	Appointment as Company Secretary and Chief Compliance Officer
Aastha Upadhyay	March 15, 2021	Resignation as Company Secretary

Attrition rate of Key Managerial Personnel

The rate of attrition of our Key Managerial Personnel is not high in comparison to the industry in which we operate.

Employee Stock Option Scheme

Our Company does not have any employee stock option scheme.

OUR PROMOTER AND PROMOTER GROUP

Rajendra Shah, Harish Rangwala, Vishal Rangwala and Pilak Shah are the Promoters of our Company and are in control of day-to-day affairs of our Company. As on the date of this Prospectus, our Promoters hold an aggregate of 44,360,749 Equity Shares, equivalent to 57.43% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For further details on shareholding of our Promoters and Promoter Group, please see "*Capital Structure - Details of Equity Shares held by our Promoters and members of our Promoter Group*" on page 82.

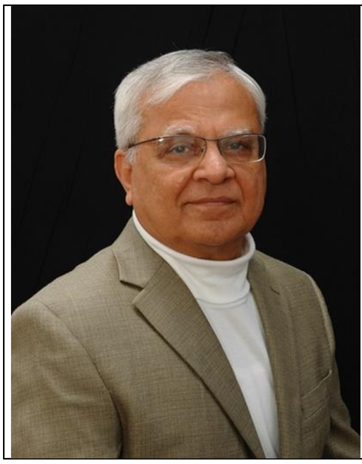
The details of our Promoters are provided below:

Our Promoters

1. Rajendra Shah

	Rajendra Shah, aged 74 years, is the Chairman and Whole-Time Director of our Company. For the complete profile of Rajendra Shah along with details of his educational qualification, experience in the business, positions/posts held in past, directorship, his business and financial activities, see "*Our Management – Brief profiles of the Directors*" on page 180. *Permanent account number*: AEOPS0341G

2. Harish Rangwala

	Harish Rangwala, aged 74 years, the Managing Director of our Company. For the complete profile of Harish Rangwala along with details of his educational qualification, experience in the business, positions/posts held in past, directorship, his business and financial activities, see "*Our Management – Brief profiles of the Directors*" on page 180. *Permanent account number*: AAUPR5261L

3. Vishal Rangwala

	Vishal Rangwala, aged 44 years, is the Chief Executive Officer and Whole-time Director of our Company. For the complete profile of Vishal Rangwala along with details of his educational qualification, experience in the business, positions/posts held in past, directorship, his business and financial activities, see "*Our Management – Brief profiles of the KMPs*" on page 195. *Permanent account number*: ACGPR5894R

4. Pilak Shah

	Pilak Shah, aged 40 years, is the and Chief Operating Officer and Whole-time Director of our Company. For the complete profile of Pilak Shah along with details of his educational qualification, experience in the business, positions/posts held in past, directorship, his business and financial activities, see "*Our Management – Brief profiles of the KMPs*" on page 195. *Permanent account number*: ANEPS3480R

Our Company confirms that the PAN details, bank account numbers, passport numbers, Aadhar card numbers and driving license numbers of Harish Rangwala, Rajendra Shah, Pilak Shah and Vishal Rangwala has been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with them.

Interests of our Promoters

Interest of our Promoters in the promotion of our Company

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company and the dividends payable and any other distributions in respect of their respective shareholding in our Company. Our Promoters are interested to the extent of any remuneration, or reimbursement received by them from our Company or the Subsidiaries, in the capacity of Directors of our Company and our Subsidiaries; and payments made for services rendered by entities in which our Promoters have been interested in.

Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) controlled by our Promoters. For details regarding the shareholding of our Promoters and other interests in our Company, please see the sections titled "*Capital Structure*", "*Our Management*" and "*Restated Consolidated Financial Statements – Annexure V – Note 33 – Related party disclosures*" on pages 77, 177 and 238, respectively.

Our Promoter and their relatives have from time to time extended unsecured loans to our Company and are interested to the extent of repayment of such amounts along with interest thereon. As of March 31, 2022, our Promoters and their relatives had extended unsecured loans that cumulatively amounted to ₹ 363.94 million.

Interest of our Promoters in the property of our Company

Our Promoters have no interest in any property acquired in the three years preceding the date of this Prospectus or proposed to be acquired by our Company.

Interest of Promoter in acquisition of land, construction of building and supply of machinery, etc

As on the date of filing of this Prospectus, our Promoters are not interested in any transaction for acquisition of land, construction of buildings and supply of machinery.

Interest of our Promoters in our Company arising out of being a member of a firm or company

Our Promoters are not interested as a member in any firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested as members, in cash or shares or otherwise by any person either to induce our Promoters to become, or qualify them as a director or promoter, or otherwise for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Payment of benefits to our Promoters or our Promoter Group

Except as stated in "*Restated Consolidated Financial Statements – Annexure V – Note 33 – Related party disclosures*", and "*Our Management*" on pages 238 and 177 respectively, and as disclosed below, no amount or benefit has been paid or given to our Promoters or members of our Promoter Group during the two years preceding the filing of this Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or members of our Promoter Group:

One of our promoter group members, namely, Harish Pandhi has received benefits in the nature of commission for sales by our Company of amounts aggregating to ₹ 5.60 million and ₹ 3.45 million during Fiscals 2021 and 2022, respectively.

Experience in the business of our Company

Our Promoters have adequate experience in the business of our Company. For details in relation to experience of our Promoters in the business of our Company, see "*Our Management*" beginning on page 177.

Material Guarantees given by our Promoters

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares, as on the date of this Prospectus.

For details of guarantees given by our Promoters, Mr. Rajendra Shah and Mr. Harish Rangwala in relation to certain borrowings of our Company, as on the date of this Prospectus, see "*History and Certain Corporate Matters - Guarantees given by our Promoter Selling Shareholders*" on page 172.

Companies or Firms with which our Promoters have disassociated in the last three years

Except as disclosed below, our Promoters have not disassociated themselves from any company or firm in the three years immediately preceding the date of this Prospectus:

Name of the Promoter	Name of the Company or Firm	Reason for disassociation
Harish Rangwala	HACM Solar LLP	The firm was dissolved
Harish Rangwala	Harsha Renewable Energy Private Limited	The company has been struck off
Rajendra Shah	Harsha Renewable Energy Private Limited	The company has been struck off
Pilak Shah	Harsha Renewable Energy Private Limited	The company has been struck off
Vishal Rangwala	Harsha Renewable Energy Private Limited	The company has been struck off

Change in the control of our Company

While there has been no change in control of our Company in the last five years immediately preceding the date of this Prospectus, Rajendra Shah, Harish Rangwala, Vishal Rangwala and Pilak Shah have been identified as the Promoters of our Company pursuant to the resolution dated December 25, 2021 approved by our Board.

Other ventures of our Promoters

Other than as disclosed in the section "*Our Management – Other Directorships*" on page 177, and our Promoter Group entities, our Promoters are not involved in any other ventures.

Our Promoter Group

Details of the Promoter Group of our Company (excluding our Promoters and Subsidiaries) are provided below:

A. Natural persons forming part of the Promoter Group

The natural persons who are part of the Promoter Group (due to their relationship with our individual Promoter) are as follows:

Name of the Promoter	Name of the Relative	Relationship
Harish Rangwala	Charusheela Rangwala	Spouse
	Vishal Rangwala	Son
	Sharadchandra Pandhi	Spouse's brother
	Sushil Pandhi	Spouse's brother
	Yash Pandhi	Spouse's brother
	Harish Pandhi	Spouse's brother
Rajendra Shah	Nirmala Shah	Spouse
	Pilak Shah	Son
	Hetal Ukani	Daughter
	Mili Mehta	Daughter
	Kanubhai S Shah	Brother
	Kanubhai B Shah	Spouse's Brother
	Navin Shah	Brother
	Jyotsnaben Shah	Spouse's Sister
Pilak Shah	Vaishali Shah	Spouse

Name of the Promoter	Name of the Relative	Relationship
	Rajendra Shah	Father
	Nirmala Shah	Mother
	Raag Shah	Son
	Hetal Ukani	Sister
	Mili Mehta	Sister
	Pramod Shah	Spouse's Father
	Bhavana Shah	Spouse's Mother
	Vaibhavi Shah	Spouse's Sister
Vishal Rangwala	Tanvi Rangwala	Spouse
	Harish Rangwala	Father
	Charusheela Rangwala	Mother
	Tarana Rangwala	Daughter
	Rameshbhai Shah	Spouse's Father
	Purnimaben Shah	Spouse's Mother
	Nigam Shah	Spouse's Brother

B. Entities forming part of the Promoter Group

The entities forming part of our Promoter Group are as follows:

1. First Light Asset Management Private Limited
2. Daylight Solar Private Limited
3. Advantterra Capital Management LLP
4. Hues Hub Online Private Limited
5. Meghna Organisers Private Limited
6. Meghna Developers Private Limited
7. Nirman Capital Services Private Limited*
8. Tridym Infrastructures Private Limited
9. Rajendra Shantilal Shah HUF
10. Ukani Brijeshkumar Purshottam HUF
11. Vishal Rangwala Family Trust
12. Pilak Shah Family Trust
13. Munjal Rangwala Family Trust**
14. Mili Mehta Family Trust
15. Hetal Ukani Family Trust
16. Harsha Engineers International Limited Group Gratuity Trust *(previously known as Harsha Abakus Solar Private Limited Employee Group Gratuity Assurance Scheme)*
17. Harsha Engineers Limited – Group Gratuity Scheme#
18. Aastha Tools Private Limited – Group Gratuity Scheme#

* *Nirman Capital Services Private Limited has filed an application with the RoC for striking off its name on August 18, 2022. The application is currently under process*

** *Munjal Rangwala Family Trust holds 50% shares in Daylight Solar Private Limited and First Light Asset Management Private Limited.*

\# *Harsha Engineers Private Limited – Group Gratuity Scheme and Aastha Tools Private Limited – Group Gratuity Scheme is in the process of being transferred into Harsha Engineers International Limited Group Gratuity Trust. The transfer is currently under process.*

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term “group companies”, includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions, during the period for which financial information is disclosed in the relevant offer documents, as covered under the applicable accounting standards and (ii) any other companies considered material by the Board.

Accordingly, for (i) above, all such companies (other than the Subsidiaries) with which the Company had related party transactions during the period covered in the Restated Consolidated Financial Statements included in the Offer Documents, as covered under the applicable accounting standards, shall be considered as Group Companies in terms of the SEBI ICDR Regulations.

In addition, for the purposes of (ii) above, a company (other than the Subsidiaries and the companies covered under the schedule of related party transactions as per the Restated Consolidated Financial Statements included in the Offer Documents) shall be considered “material” and will be disclosed as a ‘Group Company’ in the Offer Documents, if:

It is a member of the Promoter Group (companies) (other than the Promoters) in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and the Company has entered into one or more transactions with such company during the last completed fiscal year (or relevant stub period, if applicable), which individually or cumulatively in value exceeds 10% of the revenue from operations of the Company for the last completed fiscal year as per the Restated Consolidated Financial Statements to be included in the Offer Documents. Information about Group Companies identified based on the above approach shall be disclosed in the Offer Documents in accordance with SEBI ICDR Regulations.

Based on the above, our Group Companies are set forth below:

1. Sunstream Green Energy One Private Limited (formerly known as Eirene Naval Systems Private Limited)

2. Daylight Solar Private Limited

3. First Light Asset Management Private Limited

Details of our Group Companies

1. Sunstream Green Energy One Private Limited (***formerly known as Eirene Naval Systems Private Limited***)

Registered office

The registered office of Sunstream Green Energy One Private Limited (formerly known as Eirene Naval Systems Private Limited) is located at Uniy No. 28C, Nand Deep Industrial Estate 2nd Floor, Kondivita Lane, J.B. Nagar, Andheri (E) Mumbai, Maharashtra - 400059.

Financial Performance

In accordance with the SEBI ICDR Regulations financial information of Sunstream Green Energy One Private Limited, for the Fiscals 2022, 2021 and 2020, are available on our Company’s website at https://harshaengineers.com/InvestorRelations/groupcompanyfinancial.php

2. Daylight Solar Private Limited

Registered office

The registered office of Daylight Solar Private Limited is located at NH-8 A, Sarkhej-Bavla Highway Changodar Ahmedabad 382213,Gujarat.

Financial Performance

In accordance with the SEBI ICDR Regulations financial information of Daylight Solar Private Limited, for the Fiscals 2022, 2021 and 2020, are available on our Company’s website at https://harshaengineers.com/InvestorRelations/groupcompanyfinancial.php

3. First Light Asset Management Private Limited

Registered office

The registered office of First Light Asset Management Private Limited is located at Aswavilla Society Part 2, Off. Sindhu Bhavan Road, Thaltej, Ahmedabad 380059, Gujarat.

Financial Performance

In accordance with the SEBI ICDR Regulations financial information of First Light Asset Management Private Limited, for the Fiscals 2022, 2021 and 2020, are available on our Company's website at https://harshaengineers.com/InvestorRelations/groupcompanyfinancial.php

Litigation which has a material impact on our Companies

As on the date of this Prospectus, there are no outstanding material litigations involving our Group Companies which may have a material impact on our Company.

For details, see "*Outstanding Litigation and Material Developments – Outstanding litigation involving our Group Companies which may have a material impact on our Company*" on page 297.

Nature and extent of interest of Group Companies

Our Group Companies do not have any interest in the promotion of our Company.

Our Group Companies are not interested in the properties acquired by our Company in the three preceding years or proposed to be acquired by our Company.

Our Group Companies are not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits

While there are no common pursuits amongst our Group Companies and our Company, some of Group Companies may be empowered under their respective constitutional documents, to undertake a similar line of business as that of our Company in relation to our Company's solar EPC business. However, currently, there is no conflicting interest arising out of such the common pursuits. For further details, see "*Restated Consolidated Financial Statements – Annexure V – Note 33 – Related party disclosures*" on page 238 and "*Risk Factor - Conflicts of interest may arise out of common business objects for solar EPC business between our Company and certain of our Group Companies which are in the same line of activity or business as that of the issuer*" on page 45. We shall adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest, if and when they may arise.

Related Business Transactions within the group and significance on the financial performance of our Company

Other than the transactions disclosed in "*Restated Consolidated Financial Statements – Annexure V – Note 33 – Related party disclosures*" on page 238, there are no other business transactions between our Company and Group Companies, which are significant to the financial performance of our Company.

Business interests or other interests

Except as disclosed in "*Restated Consolidated Financial Statements – Annexure V – Note 33 – Related party disclosures*" on page 238 our Group Companies do not have any business interest in our Company.

Other Confirmations

Our Group Companies do not have any securities listed on a stock exchange.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the applicable laws including the Companies Act, read with the rules notified thereunder, each as amended. We may retain all our future earnings, if any, for purposes to be decided by our Company, subject to compliance with the provisions of the Companies Act. The Board shall consider certain financial/ internal parameters while declaring or recommending dividend to shareholders,including but not limited to profits earned and available for distribution during the relevant Financial Year, retained earnings, earnings outlook, present and future capital expenditure plans/ working capital requirements of our Company, past dividend trends and any other relevant factors and material events as may be deemed fit by our Board.

As on the date of this Prospectus, our Company has adopted a formal dividend policy.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under our current or future loan or financing documents. The amounts declared as dividends in the past are not necessarily indicative of our dividend amounts, if any, in the future. For more information on restrictive covenants under our current loan agreements, see "*Financial Indebtedness*" on page 261. Our Company may pay dividend by cheque, or electronic clearance service, as will be approved by our Board in the future. Our Board may also declare interim dividend from time to time.

Except as disclosed below, our Company has not declared and paid any dividends on its Equity Shares during the last three Financial Years, until the date of this Prospectus.

Particulars	**From April 1, 2022 until the date of this Prospectus**	**Fiscal 2022**	**Fiscal 2021**	**Fiscal 2020#**
Face value of Equity Shares (in ₹)	10	10	10	10
Dividend per Equity share (*in ₹*)*	-	-	-	1.69
Total amount of dividend paid (*₹ million)*	-	-	-	84.29
Dividend rate (%)	-	-	-	16.86%
Dividend distribution tax (*₹ million)*				17.32

* *Excluding dividend distribution tax*

\# *Dividend declared in Fiscal 2019 and paid in Fiscal 2020 by Harsha Engineers Limited now amalgamated into our Company pursuant to the Scheme.*

SECTION V – FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL STATEMENT

The Board of Directors
Harsha Engineers International Limited
(Formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
NH -8 A
Sarkhej Bavla Highway,
Changodar,
Ahmedabad – 382 213.
Gujarat.

Dear Sirs,

1. We Pankaj R Shah & Associates, Chartered Accountants ("we", or "us") have examined the attached Restated Consolidated Financial Statement of Harsha Engineers International Limited *(Formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)* ("Company") its subsidiaries, associates and joint venture (collectively referred to as 'the Group') which comprise of the Restated Ind AS Consolidated Statement of Assets and Liabilities as at 31 March 2022, 31 March 2021 and 31 March 2020, the Restated Ind AS Consolidated Statement of Profit and Loss (including Other Comprehensive Income, as applicable)and the Restated Ind AS Consolidated Statement of Cash Flows for each of the years ended 31 March 2022, 31 March 2021 and 31 March 2020 and the Restated Ind AS Consolidated Statement of Changes in Equity for each of the years ended 31 March 2022, 31 March 2021 and 31 March 2020 and the summary of significant accounting policies, (collectively, the 'Restated Consolidated Financial Statement'), as approved by the Board of Directors of the Company at their meeting held on 30 August 2022 for the purpose of inclusion in the Offer Documents prepared by the Company in connection with its proposed initial public offer of Equity shares ("IPO")and is prepared in terms of the requirements of:

   (a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the 'Act')

   (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'ICDR Regulations'); and

   (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ('ICAI') (the 'Guidance Note').

2. The preparation of the Restated Ind AS Consolidated Financial Statement is the responsibility of the Management of the Company ('Management') for the purpose set out in paragraph 13 below. The Management's Responsibility includes designing, implementing and maintenance of adequate internal financial controls Relevant to the preparation and presentation of the Restated Consolidated Financial

Statement. The Management is also responsible for identifying and ensuring that the Company complies with the Act, Rules, ICDR Regulations and Guidance Note.

3. We have examined the Restated Consolidated Financial Statement taking into consideration:

   a. The terms of reference and terms of our engagement agreed upon with you vide our engagement letter dated September 18, 2021 requesting us to carry out work on such Restated Ind AS Consolidated Statements, proposed to be included in the offer documents of the Company in connection with the proposed IPO of the Company;

   b. The Guidance Note also requires that we comply with the ethical requirements of code of ethics issued by the institute of Charted Accountants of India

   c. Concepts of test checks & materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Ind AS Consolidated Financial Statement; and

   d. The requirement of Section 26 of the Act & the ICDR Regulations.

   Our work was performed solely to assist you in meeting your responsibility in relation to your compliance with the Act, the ICDR Regulations & the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Statement have been compiled by the management from:

   a. The audited consolidated financial statements of the Group as at and for the financial year ended 31 March 2022, 31 March 2021 and 31 March 2020, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 20, 2022, for the financial year ended 31 March 2022 and December 25, 2021 for the financial year ended 31 March 2021 and 31 March 2020.

5. For the purpose of our examination, we have relied on:

   a. Auditors' reports issued by us, dated 20 May 2022 and 25 December 2021 on the audited consolidated financial statements of the Group as at and for the financial years ended 31 March 2022, 31 March 2021 and 31 March 2020 respectively as referred in Paragraph 4 above.

   b. We have relied upon the audit reports issued by us for Harsha Engineers BV for the financial year ended 31 March 2022, 31 March 2021 and 31 March 2020.

6. We did not audit the financial statements of foreign subsidiaries, Harsha Precision Bearing Components (China) Co. Ltd., and Harsha Engineers Europe SRL whose share of total assets, total revenues, net cash inflows / (outflows) included in the audited consolidated financial statements, for the years ended 31 March

2022, March 31, 2021 and March 31,2020 is tabulated below, which have been audited by other auditors, Shanghai Xin-Wo Certified Public Accountants Co. Ltd.(Chinese Certified Public Accountant), and Diligent Consult SRL(Certified Public Accountant), respectively and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

Harsha Precision Bearing Components (China) Co. Ltd.,

(Rs. In Millions)

Particulars	31st March, 2022	31st March, 2021	31st March, 2020
Total Assets	1532.59	1331.98	1132.65
Total Revenue	1056.21	902.73	799.89
Net Cash Inflow/(outflow)	(12.99)	(2.42)	(14.23)

Harsha Engineers Europe SRL

(Rs. In Millions)

Particulars	31st March, 2022	31st March, 2021	31st March, 2020
Total Assets	1960.89	1958.21	2128.18
Total Revenue	2663.06	2072.95	2170.21
Net Cash Inflow/(outflow)	(9.35)	15.49	0.74

We did not audit the financial information of the Associates/Joint Venture, Cleanmax Harsha Solar LLP and Sunstream Green Energy One Pvt. Ltd. for financial year ending 31 March 2022, 31 March 2021, & 31 March 2020, whose share of profit/loss included in the Restated Consolidated Financial Statement, for the relevant years is tabulated below, which have been audited by other auditors, and which has been furnished to us by the Company's management and our opinion on the Restated Consolidated Financial Statement, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the audited financial information furnished by management :-

Cleanmax Harsha Solar LLP

(Rs. In Millions)

Particulars	31st March 2022	31st March 2021	31st March, 2020
Share of Net Profit/(loss)	0.58	1.66	8.37
Share of Other Comprehensive Income	-	-	-

Sunstream Green Energy One Pvt. Ltd.

(Rs. In Millions)

Particulars	31st March 2022	31st March 2021	31st March, 2020
Share of Net Profit/(loss)	0.04	0.03	-
Share of Other Comprehensive Income	-	-	-

In our opinion and according to the information and explanations given to us by the Management, this financial information as mentioned above is not material to the Group. Our opinion is not modified in respect of this matter.

7. Based on our examination and according to the information and explanations given to for the respective years, we report that the Restated Consolidated Financial Statement:

   a. Have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2022, 31 March 2021, and 31 March 2020 to reflect the same accounting treatment as per the accounting policies and grouping / classifications;

   b. does not contain any qualification requiring adjustments; and

   c. Have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. We have not audited any financial statements of the Group as of any date or for any period subsequent to 31 March 2022. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group and its joint ventures as of any date or for any period subsequent to 31 March 2022.

9. The Restated Ind AS Consolidated Financial Statement do not reflect the effects of events that occurred subsequent to the respective dates of the reports on Audited Ind AS financial statements as mentioned in the paragraph 4 above

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firms of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the Management and for inclusion in the red herring prospectus, prospectus and any addendum/corrigendum thereto (the “Offer Documents”) to be filed with Securities and Exchange Board of India, relevant Stock Exchanges where the equity shares are proposed to be listed and

the relevant Registrar of Companies in India, in connection with the IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

For, Pankaj R. Shah & Associates
Chartered Accountants
FRNo:107361W

Chintan Shah
Managing Partner
Membership No: 110142
UDIN: 22110142AQGQYD3818
Date: 30-08-2022
Place: Ahmedabad

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Annexure -I : Restated Consolidated Statement of Assets and Liabilities

(Rs. In Millions)

Particulars	Notes	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	2	2,828.75	2,678.02	2,619.97
Capital Work-In-Progress		21.06	33.44	33.88
Goodwill on Consolidation	3	710.56	731.44	701.03
Other Intangible Assets	2	17.62	14.67	16.86
Financial Assets				
Investments	4	0.35	0.31	0.25
Loans & Advances	5	0.57	0.87	0.62
Other Financial Assets	6	6.37	4.02	3.90
Other Tax Assets [Net]	7	110.48	99.34	106.19
Other Non-Current Assets	8	86.46	77.86	72.57
Total Non-Current Assets		**3,782.22**	**3,639.97**	**3,555.27**
Current Assets				
Inventories	9	3,757.21	2,675.45	2,319.30
Financial Assets				
Investments	4	64.30	92.50	65.84
Trade Receivables	10	2,827.51	2,138.81	2,386.58
Cash and Cash Equivalents	11	214.17	330.47	242.78
Other Bank Balances	11	178.86	122.52	328.51
Loans & Advances	5	123.41	48.28	69.70
Other Financial Assets	6	107.52	69.46	55.48
Other Current Assets	8	527.33	693.22	708.93
Total Current Assets		**7,800.31**	**6,170.71**	**6,177.12**
TOTAL ASSETS		**11,582.53**	**9,810.68**	**9,732.39**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	12	772.48	500.00	500.00
Other Equity	13	4,446.12	3,771.77	3,219.80
Non-Controlling Interest	14	0.00	0.00	0.00
Total Equity		**5,218.60**	**4,271.77**	**3,719.80**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	15	1,378.45	1,015.15	1,276.44
Lease liabilities	16	55.18	75.83	60.87
Provisions	17	110.57	95.15	68.88
Deferred Tax Liabilities (Net)	18	39.52	20.02	(148.98)
Other Non-Current Liabilities	21	21.85	20.88	20.67
Total Non-Current Liabilities		**1,605.57**	**1,227.03**	**1,277.88**
Current Liabilities				
Financial Liabilities				
Borrowings	15	2,406.41	2,469.79	2,844.27
Lease liabilities	16	8.58	5.97	9.72
Trade Payables				
-Dues to Micro & Small Enterprises	19	95.29	42.53	38.60
-Dues to other than Micro & Small Enterprises	19	1,732.59	1,124.25	1,076.00
Other Financial Liabilities	20	234.98	262.52	183.93
Other Current Liabilities	21	238.32	398.08	551.91
Provisions	17	20.68	20.18	18.57
Current Tax Liabilities [Net]	22	21.51	(11.44)	11.71
Total Current Liabilities		**4,758.36**	**4,311.88**	**4,734.71**
Total Liabilities		**6,363.93**	**5,538.91**	**6,012.59**
TOTAL EQUITY AND LIABILITIES		**11,582.53**	**9,810.68**	**9,732.39**

Significant Accounting Policies 1

[*] Refer Note-34.3

The accompanying notes (1 to 37) are integral part of the financial statements.

As per our report of even date attached

For Pankaj R. Shah & Associates
Chartered Accountants
FRN No.: 107361W

For and on behalf of the Board of Directors
Harsha Engineers International Limited
(formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
(CIN : U29307GJ2010PLC063233)

Rajendra Shah
Chairman and Whole-time Director
DIN: 00061922

Harish Rangwala
Managing Director
DIN: 00278062

Chintan Shah
Managing Partner
M. No. : 110142

Maulik Jasani
VP Finance and Group CFO

Kiran Mohanty
Company Secretary & Chief Compliance Officer
M. No.: F9907

Date: 30-08-2022
Place: Ahmedabad

Date: 30-08-2022
Place: Ahmedabad

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Annexure -II : Restated Consolidated Statement of Profit and Loss

(Rs. In Millions)

Particulars	Notes	For the year ended 31-Mar-22	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
INCOME				
Revenue from Operations	23	13,214.81	8,737.54	8,858.53
Other Income	24	175.18	29.80	136.52
Total Income (A)		**13,389.99**	**8,767.34**	**8,995.05**
EXPENSES				
Cost of Materials Consumed	25	7,991.64	4,340.61	4,480.10
Change In Inventories of Finished Goods & Work-In-Progress	26	(594.58)	(193.37)	100.97
Employee Benefits Expenses	27	1,580.27	1,463.78	1,490.34
Finance Costs	28	245.59	299.93	328.03
Depreciation and Amortization Expenses	2	353.56	341.09	352.44
Other Expenses	29	2,547.32	1,908.08	1,927.32
Total Expenses (B)		**12,123.80**	**8,160.12**	**8,679.20**
Profit/ (Loss) Before Tax (C)=(A-B)		**1,266.19**	**607.22**	**315.85**
Tax Expense				
Current Tax		332.45	-	145.74
Deferred Tax	31	14.30	152.83	(62.68)
MAT Credit reversed/(availed)		-	-	13.70
Total Tax Expense (D)		**346.75**	**152.83**	**96.76**
Profit/ (Loss) After Tax (E)=(D-C)		**919.44**	**454.39**	**219.09**
Less:Profit transferred to Non-Controlling Interest		0.00	0.00	0.00
Profit/ (Loss) After Tax (After Non-Controlling Interest) (F)		**919.44**	**454.39**	**219.09**
Other Comprehensive Income				
i) Items that will be reclassified to profit or loss				
Changes in fair value of FVTOCI equity instruments		(0.00)	0.00	-
Gains / (Loss) of Cashflow Hedge		16.11	75.25	(74.71)
Income tax relating to these items	31	(4.05)	(18.94)	22.04
ii) Items that will not be reclassified to profit or loss				
Remeasurement of post-employment benefit obligations	32	3.15	(6.47)	(12.42)
Income tax relating to these items	31	(0.79)	1.63	0.59
Other Comprehensive Income, net of tax (G)		**14.42**	**51.47**	**(64.50)**
Total Comprehensive Income (F+G)		**933.86**	**505.86**	**154.59**
Earning Per Equity Share (EPS)	30			
Basic (Rs.)		16.06	9.09	6.26
Diluted (Rs.)		11.90	5.88	3.52

Significant Accounting Policies 1

[*] Refer Note-34.3

The accompanying notes (1 to 37) are integral part of the financial statements.

As per our report of even date attached

For Pankaj R. Shah & Associates
Chartered Accountants
FRN No.: 107361W

For and on behalf of the Board of Directors
Harsha Engineers International Limited
(formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
(CIN : U29307GJ2010PLC063233)

Rajendra Shah
Chairman and Whole-time Director
DIN: 00061922

Harish Rangwala
Managing Director
DIN: 00278062

Chintan Shah
Managing Partner
M. No. : 110142

Maulik Jasani
VP Finance and Group CFO

Kiran Mohanty
Company Secretary & Chief Compliance Officer
M. No.: F9907

Date: 30-08-2022
Place: Ahmedabad

Date: 30-08-2022
Place: Ahmedabad

HARSHA ENGINEERS INTERNATIONAL LIMITED
(formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
Annexure -III : Restated Consolidated Cash flow Statement

(Rs. In Millions)

Particulars	For the year ended 31-Mar-22	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit Before Tax as per statement of Profit & Loss	1,266.19	607.22	315.85
Adjustments for:			
Depreciation, Amortisation, Depletion & Impairment	353.56	341.09	352.44
Interest Income	(16.43)	(22.77)	(30.39)
Finance Cost	245.59	299.93	328.03
Loss/(Profit) on Sale of Investment	(0.02)	(0.10)	-
Foreign Currency Translation Reserve	33.85	15.69	(18.04)
Bad debts/Provision for doubtful trade receivables	3.65	4.88	23.39
Share of Profit/Loss from Associates	2.98	(1.69)	(8.37)
Loss / (Profit) on Sale of Assets	0.43	1.38	4.23
Operating Profit before Working Capital Changes	1,889.80	1,245.63	967.14
Adjustments for Changes in Working Capital			
Inventories	(1,081.76)	(356.15)	83.49
Trade Receivables	(692.35)	242.89	423.03
Other Current / Non-Current Assets	39.21	30.00	94.00
Trade Payables	661.10	52.18	(536.89)
Other Current / Non-Current Liabilities	(159.76)	(153.94)	104.38
Provisions	46.98	83.81	(68.65)
Other Financial Liabilities	(27.54)	78.59	196.60
Cash Generated from Operations	675.68	1,223.01	1,263.10
Income Taxes Paid	(310.94)	(11.44)	(134.03)
Net Cash Flow from Operating Activities (A)	364.74	1,211.57	1,129.07
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets (Net)	(495.29)	(397.89)	(733.21)
Sale /(Purchase) of Other Investments	28.18	(26.62)	(8.37)
Loans and Advances (Net)	(8.30)	(5.54)	45.76
Investment in fixed deposits with bank (Net)	(56.34)	205.99	11.32
Interest Income	16.43	22.77	30.39
Share of Profit/Loss from Associates	(2.98)	1.69	8.37
Net Cash Flow from Investing Activities (B)	(518.30)	(199.60)	(645.74)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends Paid	-	-	(84.29)
Corporate Dividend Distribution Tax	-	-	(17.32)
Finance Cost	(245.59)	(299.93)	(328.03)
Availment/(Repayment) of Borrowings (Net)	281.88	(624.56)	44.34
Availment/(Repayment) of Non-Current Liability	0.97	0.21	2.80
Net Cash Flow from Financing Activities (C)	37.26	(924.28)	(382.50)
Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)	(116.30)	87.69	100.83
Cash and Cash Equivalents at the Beginning			
Cash on Hand	0.60	1.79	0.07
Balances with Banks	329.87	240.99	7.62
	330.47	**242.78**	**7.69**
Cash and Cash Equivalents added pursuant to the Scheme [Refer Note 34.3]			
Cash on Hand	-	-	0.88
Balances with Banks	-	-	133.38
	-	**-**	**134.26**
Cash and Cash Equivalents at the End			
Cash on Hand	0.63	0.60	1.79
Balances with Banks	213.54	329.87	240.99
	214.17	**330.47**	**242.78**

[*] Refer Note-34.3
The accompanying notes (1 to 37) are integral part of the financial statements.

For Pankaj R. Shah & Associates
Chartered Accountants
FRN No.: 107361W

Chintan Shah
Managing Partner
M. No. : 110142

Date: 30-08-2022
Place: Ahmedabad

For and on behalf of the Board of Directors
Harsha Engineers International Limited
(formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
(CIN : U29307GJ2010PLC063233)

Rajendra Shah
Chairman and Whole-time Director
DIN: 00061922

Harish Rangwala
Managing Director
DIN: 00278062

Maulik Jasani
VP Finance and Group CFO

Kiran Mohanty
Company Secretary & Chief Compliance Officer
M. No.: F9907

Date: 30-08-2022
Place: Ahmedabad

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Annexure -IV : Restated Consolidated Statement of Changes In Equity (SOCIE)

A. Equity Share Capital

Particulars	No. of Shares	Amount (Rs. In Millions)
Issued, Subscribed and Paid up Share Capital		
Equity Shares of Rs. 10/- each fully paid up		
As at 1-Apr-19*	**20,000,000**	**200.00**
Add : Equity shares issued during the year	30,000,000	300.00
As at 31-Mar-20*	**50,000,000**	**500.00**
Add : Equity shares issued during the year	-	-
As at 31-Mar-21@	**50,000,000**	**500.00**
Less: Reduction in Face Value of each equity shares from Rs.10 to Re.1 @	-	(450.00)
Less: For consolidated of 10 Equity Shares into 1 Equity Share of the face value of Rs. 10/- each fully paid @	(45,000,000)	-
Add : On account of consolidation of shares, fractions has been rounded up to the nearest whole number by issuing additional 10 Equity Shares of Rs. 10/- each at par. @	10	0.00
Add : For amalgamation consideration, allotment of 3 Equity Shares of the Company for every 1 Equity Share of HEL to equity holders of HEL as on Record Date @	72,248,400	722.48
As at 31-Mar-22	**77,248,410**	**772.48**

B. Other Equity **(Rs. In Millions)**

Particulars	Share Capital Pending Reduction & Allotment	Reserves & Surplus					Other Comprehensive Income	Total Other Equity
		Capital Reserves	Security Premium	General Reserve	Foreign Currency Translation Reserve	Retained Earnings		
Balance as at 31-Mar-19*	**-**	**-**	**7.50**	**-**	**-**	**(193.63)**	**0.21**	**(185.92)**
Changes in accounting policy / standards	-	-	-	-	-	-	(21.52)	(21.52)
Add / Less : Pursuant to the Scheme *	272.48	(60.41)		257.53	78.73	2,764.52	15.62	3,328.47
Restated balance at the beginning of the reporting year	**272.48**	**(60.41)**	**7.50**	**257.53**	**78.73**	**2,570.89**	**(5.69)**	**3,121.03**
Profit for the year						219.09		219.09
Other comprehensive income for the year							(42.98)	(42.98)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**219.09**	**(42.98)**	**176.11**
Addition /Deduction during the year				(19.35)	43.91	(0.29)		24.27
Utilised during the year			-	-		(101.61)		(101.61)
Balance as at 31-Mar-20*	**272.48**	**(60.41)**	**7.50**	**238.18**	**122.64**	**2,688.08**	**(48.67)**	**3,219.80**
Profit for the year						454.39		454.39
Other comprehensive income for the year							51.47	51.47
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**454.39**	**51.47**	**505.86**
Addition /Deduction during the year				1.50	46.10			47.60
Utilised during the year			-	-		(1.50)		(1.50)
Transfer for Gratuity Actuarial Valuation						(2.90)	2.90	-
Balance as at 31-Mar-21 @	**272.48**	**(60.41)**	**7.50**	**239.68**	**168.74**	**3,138.08**	**5.70**	**3,771.77**
Profit for the year						919.44		919.44
Other comprehensive income for the year							14.42	14.42
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**919.44**	**14.42**	**933.86**
Addition /Deduction during the year @	**(272.48)**			-	12.97	-		(259.51)
Balance as at 31-Mar-22	**-**	**(60.41)**	**7.50**	**239.68**	**181.71**	**4,057.52**	**20.12**	**4,446.12**

[*] Refer Note-34.3

[@] Pursuant to the Scheme, on the Effective Date, the Paid-up Share Capital of the Company has been reduced from Rs. 500.00 millions divided into 50,000,000 (Five crores) equity shares of Rs 10/-(Rupees Ten only) each fully paid up to Rs. 50.00 millions divided into 50,000,000 (Five crores) equity shares of Re. 1/- (Rupee one only) each fully paid up. Simultaneously, pursuant to reduction as mentioned above, every 10 (Ten) such equity shares of the reduced face value of Re. 1/- (Rupee one only) each of the Company has been consolidated into 1 (One) Equity Share of the face value of Rs. 10/- (Rupees ten only) each fully paid and the fractions has been rounded up to the nearest whole number by issuing additional 10 Equity Shares of Rs. 10/- each at par. Also pursuant to the Scheme, the Company has issued 72,248,400 (Seven Crores Twenty Two Lakhs Forty Eight Thousand Four Hundred) Equity Shares of Rs 10/- (Rupees ten only) to the shareholders of Harsha Engineers Limited (Transferor Company 3) on record date, i.e. 25th December 2021. Accordingly the share capital has been increased to Rs. 772.48 millions divided into 77,248,410 (Seven Crores Seventy Two Lakhs Forty Eight Thousand Four Hundred and Ten) equity shares of Re. 10/- (Rupee ten only) each fully paid up. (Refer note 34.3).

The accompanying notes (1 to 37) are integral part of the financial statements.

For Pankaj R. Shah & Associates
Chartered Accountants
FRN No.: 107361W

Chintan Shah
Managing Partner
M. No. : 110142

Date: 30-08-2022
Place: Ahmedabad

For and on behalf of the Board of Directors
Harsha Engineers International Limited
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Company Secretary & Chief Compliance Officer
M. No.: F9907

Date: 30-08-2022
Place: Ahmedabad

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Annexure -V : Notes to Restated Consolidated Financial Statements

Note 1 Statement of Significant Accounting Policies

I. GENERAL INFORMATION

Harsha Engineers International Ltd (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited), is a public limited company, incorporated and domiciled in India, under the provisions of the Companies Act, 2013 ("HEIL" or "HASPL" or "the Company"). The company expresses itself as a Core Engineering as well as Solar-EPC and O&M company which focuses on continuous learning and developments, having experience to produce best Engineering products and provide best solar services as per customers requirement. Since its inception, the company undertakes turnkey projects, using solar photovoltaic (PV) technology, including polycrystalline and thin-film materials under it's Solar EPC segment, ranging from KW scale to MW scale. The Company has merged the group companies having Engineering business which are in the manufacturer of bearing cages having materials in form of brass, steel, and polyamide as well a capability to deliver stamping components primarily for the automotive and industrial customers. While our principal production facilities are at Changodar and Moraiya, near Ahmedabad in Gujarat in India, we also have production facilities in Changshu in China and Ghimbav Brasov in Romania, through our subsidiaries associate and joint venture company. The registered office of the companies is located at NH-8A, Sarkhej-Bavla Highway, Changodar, Ahmedabad-382213, Gujarat, India.

These consolidated financial statements comprise financial statements of the Company and its subsidiaries, associates & joint ventures (collectively referred to as the "Group").

II. BASIS OF PREPARATION

II.(a). Statement of compliance with Ind AS

These consolidated financial statements are restated and prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 (the 'Act').

II.(b). Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.'), , which is also the functional currency of the the company. All the amounts have been rounded off to the nearest million, unless otherwise indicated.

II.(c). Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

ITEMS	MEASUREMENT BASIS
1) Investments in Mutual Funds	Fair value
2) Employee Defined Benefit Plans	Plan Assets measured at fair value less present value of defined benefit obligation
3) Certain Financial Assets & Liabilities (Including Derivative Instruments)	Fair value

II.(d). Use of Estimates and Judgements

In preparing these consolidated financial statements , management has made judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors including expectations of future events that may have financial impact on the Company and that are believed to be reasonable under the circumstances. Revisions to the accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the respective note.

Assumptions and Estimation Uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the respective note.

II.(e). Measurement of Fair Values

The Group has established control framework with respect to the measurement of fair values. The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the respective note.

III. SIGNIFICANT ACCOUNTING POLICIES

A. Basis for Consolidation

Subsidiaries, Joint Venture & Associates

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

The Consolidated financial statements have been prepared on the following basis:

I. The financial statements of the Subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Indian Accounting Standard(Ind AS).

II. In case of Foreign Subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the year end; any exchange difference arising on same is recognized in “Foreign Currency Translation Reserve”.

III. The difference between the costs of investments in the subsidiaries over the net assets at the time of acquisition of the investment in the subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.

IV. Non-controlling interest’s share of net profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to Shareholders of the Group.

V. Non-controlling interest’s share of net assets of consolidated subsidiaries as at year end is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Group’s Shareholder.

VI. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations if any have been made in the consolidated financial statements.

The annual financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on March 31. When the end of the reporting period of the Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Company to enable the Company to consolidate the financial information of the subsidiary.

Joint Venture / Associates

The Company’s investments in its joint ventures or associates are accounted for using the equity method. Under the equity method, the investment is initially recognised at cost. The carrying amount of the investment is adjusted to recognize changes in the Company’s share of net assets of the joint ventures or associates since the acquisition date. The statement of profit and loss reflects the Company’s share of the results of operations of the joint ventures / associates.

B. Foreign Currency

Transactions in foreign currencies are translated into the functional currency of the Group at exchange rates at the date of transactions or an average rate if the average rate approximates the actual rate at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Foreign Exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary-assets and liabilities denominated in foreign currency at year end exchange rate are generally recognised in profit or loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity’s net investment in that foreign operation.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in foreign currency are translated at the exchange rate at the date of transaction. Exchange differences are recognised in the profit or loss, except exchange differences arising from the translation of qualifying cash flow hedges to the extent hedges are effective which are recognised in Other Comprehensive Income (OCI).

C. Financial Instruments

1. Financial Assets

i) Classification

The Group classifies its financial assets in the following measurement categories:

• Those measured at amortized cost and

• Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss)

The classification depends on the Company’s business model for managing the financial assets and the contractual terms of the cash flows.

• A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL :

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

• Financial assets are not reclassified subsequent to their initial recognition except if and in the period the Company changes its business model for managing financial assets.

ii) Measurement

At initial recognition, the Company measures a financial asset when it becomes a party to the contractual provisions of the instruments and measures at its fair value except trade receivables which are initially measured at transaction price. Transaction costs are incremental costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. A regular way purchase and sale of financial assets are accounted for at trade date.

iii) Subsequent Measurement and Gains and Losses

-Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains including any interest or dividend income, are recognized in profit or loss.

-Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

iv) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

2. Financial Liabilities

i) Classification, Subsequent Measurement and Gains and Losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

ii) Derecognition

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.
The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the profit or loss.

3. Offsetting

Financial assets and financial liabilities are off set and the net amount presented in the balance sheet when and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

D. Derivative Instruments and Hedge Accounting

The Company designates derivative contracts or non-derivative Financial Assets/ Liabilities as hedging instruments to mitigate the risk of movement in interest rates and/or foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the cash flow hedging reserve being part of Other Comprehensive Income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold or terminated or exercised or no longer qualifies for hedge accounting.

E. Property, Plant and Equipment

i. Recognition and Measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any, except freehold land which is carried at historical cost.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

Capital Work-in-progress includes cost of assets at sites and constructions expenditure.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit or loss.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company or it enhanced the useful lives.

iii. Depreciation/Amortisation

Depreciation is calculated on cost of items of property, plant and equipment (other than freehold land and properties under construction) less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss. Amortization on leasehold land is provided over the period of lease.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

Depreciation method followed by different companies of the Scheme are brought in line with the same method (i.e. Straight Line Method). Such change has been accounted for prospectively from F.Y 2020-21 as such change is considered as change in accounting estimate and the change is required to be applied prospectively in case of change in accounting estimate (as prescribed by guidance under Ind AS 8).

According to Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", a change in the estimated useful life of, or the expected pattern of consumption of the future economic benefits embodied in, a depreciable asset affects depreciation expense for the current period and for each future period during the asset's remaining useful life. The effect of the change in the estimated useful life relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods. Hence, such change in considered as change in accounting estimate and not change in accounting policy and prospective effect for such change is given.

Name of Subsidiaries	Basis of Depreciation
Harsha Engineers B.V (HEBV)	Straight Line Method
Harsha Precision Bearing Components (China) Co. Ltd. - HPBC(C)CL	Straight Line Method
Harsha Engineering Components (Changshu) Co. Ltd - HEC(C)CL^	Straight Line Method
Harsha Engineers Europe SRL- (HEE SRL) **	Straight Line Method
HASPL Americas Corporations	Straight Line Method

Note : ^ Harsha Engineering Components (Changshu) Co. Ltd. has been merged with Harsha Precision Bearing Components (China) Co., Ltd. effective from 1st September 2019

Note : ** Subsidiary of Harsha Engineers B.V (HEBV) - Stepdown subsidiary of the Company

iv. Derecognition

An item of Property, Plant and Equipment is derecognised upon disposal or sale or when no future economic benefits are expected to arise from the continued use of assets.

F. Intangible Assets

i. Initial Recognition and Classification

Goodwill is not amortised. It is tested annually for impairment.

Other intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred or it enhanced the useful lives.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over the estimated useful lives using the straight line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Goodwill is not amortized and is tested for impairment annually. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iv. Derecognition

An item of an intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of assets.

G. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress is valued at actual cost of production.

Cost of raw materials, stores and spares are determined on moving average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Excess/shortages if any, arising on physical verification are absorbed in the respective consumption accounts.

H. Impairment

i. Impairment of Financial Assets

The Group recognizes loss allowances for financial assets measured at amortized cost using expected credit loss model. At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

For trade receivables, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses. For all other financial assets, the Group measures loss allowances at an amount equal to twelve months expected credit losses unless there has been a significant increase in credit risk from initial recognition in which those are measured at lifetime expected credit risk.

Lifetime expected credit losses are the losses that result from all possible default events over the expected life of a financial asset. Twelve months expected credit losses are the portion of lifetime expected credit losses that represent the losses that result from default events on a financial instrument that are possible within the twelve months after the reporting date (or a shorter period if the expected life of the instrument is less than twelve months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 360 days past due. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full.

Measurement of Expected Credit Losses
Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).
Presentation of Allowance for Expected Credit Losses in the Balance Sheet Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines (on the basis of availability of the information) that the debtor does not have assets or sources of income that could generate sufficient cash flows to pay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of Non-Financial Assets
The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.
An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.
In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

I. The list of Subsidiary Companies included in consolidation of the Company are as under:

Name of Subsidiaries	Country of Incorporation	Ownership Interest held by the company		
		As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20
Harsha Engineers B.V (HEBV)	Netherlands	100%	100%	100%
Harsha Precision Bearing Components (China) Co. Ltd. -HPBC(C)CL	China	100%	100%	100%
Harsha Engineers Europe SRL- HEE SRL **	Romania	99.9999%	99.9999%	99.9999%
HASPL Americas Corporations	USA	100%	100%	-

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interests and voting rights held by non-controlling interests		
		As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20
Harsha Engineers Europe SRL- HEE SRL **	Romania	0.0001%	0.0001%	0.0001%

Note : ** Subsidiary of Harsha Engineers B.V (HEBV) - Stepdown subsidiary of the Company

J. Employee Benefits

i. Short Term Employee Benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

ii. Defined Contribution Plan
The Company makes specified monthly contributions towards the provident fund. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.
Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined Benefit Plan
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount using market yields at the end of reporting period on government bonds and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the Asset Ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

K. Provisions, contingent liabilities and contingent assets

Provisions are recognised at present value when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provision for decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. The cash flows are discounted at a current pre-tax rate that reflects the risk specific to the decommissioning liability. The unwinding of discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are not provided for, if material, are disclosed by way of notes to accounts, until such time that the liabilities arising out of these outstanding litigations have been crystallised by virtue of a final order being passed by the relevant regulatory authority or court or forum. Contingent assets are not recognised in financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

L. Revenue Recognition

i. Sale of Goods:

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

The timing of transfers of risks and rewards varies depending on the individual terms of sale, usually in case of domestic, such transfer occurs when the product is sold on Delivered-at-Place (DAP); however, for exports transfer occurs as per Inco terms.

Revenue from contracts :

Revenue from long term contracts, where the outcome can be estimated reliably, is recognized under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. The total costs of contracts are estimated based on technical and other estimates. When the current estimate of total costs and revenue is a loss, provision is made for the entire loss on the contract irrespective of the amount of work done.

Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue is reflected under "Current Liabilities" in the balance sheet.

Income from services :

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Revenues from maintenance contracts are recognised on pro-rata basis over the period of the contract.

ii. Export Benefits

Export Benefits are recognised as income on all the eligible exports and where there is no significant uncertainty regarding the ultimate collection of relevant exports.

M. Recognition of Dividend Income, Interest Income

Dividend on financial instruments is recognized as and when received. Interest income is recognized on accrual basis.

N. Income Tax

The Group and other Indian subsidiaries:

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Foreign Companies:

Foreign Companies recognize tax liabilities and assets in accordance with the local laws.

ii. Deferred Tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets or liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on net basis or their tax assists and liabilities will be realised simultaneously.

iii. Minimum alternate tax (MAT)
Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit reversed/(availed).” The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

O. Cash and Cash Equivalents
Cash and Cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

P. Borrowing Cost
Borrowing Cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of cost of asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Q. Lease
With effect from 1st April, 2019, Ind AS 116 – “Leases” (Ind AS 116) supersedes Ind AS 17 – “Leases”. The Company has adopted Ind AS 116 using the prospective approach. The application of Ind AS 116 has resulted into recognition of ‘Right-of-Use’ asset with a corresponding Lease Liability in the Balance Sheet and recognition of Depreciation and Interest expenses in Profit & Loss A/c.

Lease accounting
As a lessee
The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

As a lessor
Finance lease
Amounts due from lessees under finance leases are recorded as receivables at the Company’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating lease
Lease income from operating lease (excluding amount for services such as insurance and maintenance) is recognized in the statement of profit or loss on a straight-line basis over the lease term, unless either:

A. another systematic basis is more representative of the time pattern of the user’s benefit; or
B. the payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases.

C. the lease asset capitalised and recognised as an asset in the books.

R. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Group by the weighted average number of Equity Shares outstanding during the year. Diluted earnings per Share is calculated by dividing net profit after tax attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year plus potential equity shares.

S. Cash Flow Statement

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

T. Business combinations

Business combinations (other than common control business combinations)

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the consolidated statement of profit and loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated statement of profit and loss or OCI, as appropriate.

Common Control Transactions:

Business combinations involving entities that are controlled by the Group in which all the combining entities or businesses are ultimately controlled by the same party or parties are accounted for using the pooling of interests method as follows :

1. The assets and liabilities of the combining entities are reflected at their carrying amounts.
2. No adjustments are made to reflect fair values, or recognise any new assets and liabilities. Adjustments are only made to harmonies accounting policies.
3. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
4. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
5. The identity of the reserves are preserved and the reserves of the transferor become reserves of the transferee.
6. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Wherever any business combination is governed by the Scheme approved by the Hon'ble High Court/ National Company Law Tribunal [NCLT], the business combination is accounted for as per the accounting treatment sanctioned in the Scheme.

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Annexure -V : Notes to Restated Consolidated Financial Statements

Note : 2 Property, Plant & Equipment

For the year ended 31-Mar-22

(Rs. In Millions)

Particulars	Gross Block						Depreciation and Amortization						Net Block	
	As at 01-Apr-21	Addition pursuant to the Scheme*	Addition during the year	Disposal/ Adjustment	Translation adjustment	As at 31-Mar-22	As at 01-Apr-21	Addition pursuant to the Scheme*	For the year ^	Translation adjustment	Disposal/ Adjustment	As at 31-Mar-22	As at 31-Mar-22	As at 31-Mar-21
Property, Plant & Equipment														
Land	121.24	-	-	-	4.49	125.73	3.98	-	1.31	0.32	-	5.61	120.12	117.26
Buildings	1,035.14	-	29.13	-	21.43	1,085.70	269.63	-	39.78	0.94	-	310.35	775.35	765.51
Plant And Machineries	4,692.34	-	388.76	41.17	35.36	5,075.29	3,267.51	-	239.52	30.46	23.26	3,514.23	1,561.06	1,424.83
Furniture And Fittings	105.73	-	19.80	-	0.35	125.88	69.59	-	7.22	0.13	-	76.94	48.94	36.14
Vehicles	31.62	-	-	1.95	0.11	29.78	15.24	-	3.11	0.02	1.66	16.71	13.07	16.38
Office Equipments	43.93	-	2.76	0.33	0.01	46.37	33.90	-	2.64	0.06	0.32	36.28	10.09	10.03
Electric Installation	241.24	-	23.69	1.64	3.16	266.45	131.30	-	18.85	0.84	0.10	150.89	115.56	109.94
Computer & Peripherals	55.79	-	3.37	0.05	0.43	59.54	45.23	-	3.70	0.05	0.05	48.93	10.61	10.56
Solar Generation Plant	212.26	-	-	-	-	212.26	61.68	-	7.84	-	-	69.52	142.74	150.58
Wind Mill	57.29	-	-	-	-	57.29	43.08	-	2.06	-	-	45.14	12.15	14.21
Right of Use Assets-Lease	35.60	-	4.61	1.47	-	38.74	13.02	-	8.13	-	1.47	19.68	19.06	22.58
TOTAL (A)	**6,632.18**	**-**	**472.12**	**46.61**	**65.34**	**7,123.03**	**3,954.16**	**-**	**334.16**	**32.82**	**26.86**	**4,294.28**	**2,828.75**	**2,678.02**
Other Intangible Assets														
Computer software	100.56	-	7.85	0.05	(0.03)	108.33	85.89	-	5.43	(0.56)	0.05	90.71	17.62	14.67
TOTAL (B)	**100.56**	**-**	**7.85**	**0.05**	**(0.03)**	**108.33**	**85.89**	**-**	**5.43**	**(0.56)**	**0.05**	**90.71**	**17.62**	**14.67**
TOTAL (A+B)	**6,732.74**	**-**	**479.97**	**46.66**	**65.31**	**7,231.36**	**4,040.05**	**-**	**339.59**	**32.26**	**26.91**	**4,384.99**	**2,846.37**	**2,692.69**

^ Note : Depreciation and amortization expenses in Statement of Profit and Loss A/c also includes Rs.13.97 millions due to amortization of Long Term Deferred Expenses (Refer Note No. 8)

Note : 1. Legal titles of some of the immovable properties acquired pursuant to the Scheme are in the process of being transferred in the name of the Company.

Note : 2. As the company did not have revalued tangible & intangible asset hence, disclosure related to revlauation of tangible & intangible asset is not made.

Capital Work-in-progress aging schedule as at 31-Mar-22 **(Rs. In Millions)**

CWIP #	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	21.06	-	-	-	21.06
Projects temporarily suspended	-	-	-	-	-

No capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

[*] Refer Note-34.3

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Annexure -V : Notes to Restated Consolidated Financial Statements

Note : 2 Property, Plant & Equipment

For the year ended 31-Mar-21

(Rs. In Millions)

Particulars	Gross Block						Depreciation and Amortization						Net Block	
	As at 01-Apr-20	Addition pursuant to the Scheme*	Addition during the year	Disposal/ Adjustment	Translation adjustment	As at 31-Mar-21	As at 01-Apr-20	Addition pursuant to the Scheme*	For the year ^	Translation adjustment	Disposal/ Adjustment	As at 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20
Property, Plant & Equipment														
Land	118.23	-	-	-	3.01	121.24	2.60	-	1.23	0.15	-	3.98	117.26	115.63
Buildings	975.99	-	44.80	0.15	14.50	1,035.14	231.36	-	37.54	0.75	0.02	269.63	765.51	744.63
Plant And Machineries	4,396.05	-	274.19	38.08	60.18	4,692.34	3,025.10	-	232.40	47.07	37.06	3,267.51	1,424.83	1,370.95
Furniture And Fittings	103.09	-	3.67	1.17	0.14	105.73	63.56	-	6.82	0.06	0.85	69.59	36.14	39.53
Vehicles	31.26	-	0.52	0.35	0.19	31.62	12.30	-	3.13	0.09	0.28	15.24	16.38	18.96
Office Equipments	45.24	-	1.42	3.29	0.56	43.93	33.70	-	2.77	0.45	3.02	33.90	10.03	11.54
Electric Installation	223.41	-	19.40	3.42	1.85	241.24	116.89	-	16.81	0.41	2.81	131.30	109.94	106.52
Computer & Peripherals	51.72	-	6.13	2.16	0.10	55.79	43.31	-	3.86	-	1.94	45.23	10.56	8.41
Solar Generation Plant	212.26	-	-	-	-	212.26	53.84	-	7.84	-	-	61.68	150.58	158.42
Wind Mill	57.29	-	-	-	-	57.29	41.02	-	2.06	-	-	43.08	14.21	16.27
Right of Use Assets-Lease	42.02	-	7.19	13.61	-	35.60	12.91	-	13.05	-	12.94	13.02	22.58	29.11
TOTAL (A)	**6,256.56**	**-**	**357.32**	**62.23**	**80.53**	**6,632.18**	**3,636.59**	**-**	**327.51**	**48.98**	**58.92**	**3,954.16**	**2,678.02**	**2,619.97**
Other Intangible Assets														
Computer software	96.94	-	5.35	2.58	0.85	100.56	80.08	-	6.54	0.56	1.29	85.89	14.67	16.86
TOTAL (B)	**96.94**	**-**	**5.35**	**2.58**	**0.85**	**100.56**	**80.08**	**-**	**6.54**	**0.56**	**1.29**	**85.89**	**14.67**	**16.86**
TOTAL (A+B)	**6,353.50**	**-**	**362.67**	**64.81**	**81.38**	**6,732.74**	**3,716.67**	**-**	**334.05**	**49.54**	**60.21**	**4,040.05**	**2,692.69**	**2,636.83**

^ Note : Depreciation and amortization expenses in Statement of Profit and Loss A/c also includes Rs.7.04 millions due to amortization of Long Term Deferred Expenses (Refer Note No. 8)

Note : 1. Legal titles of some of the immovable properties acquired pursuant to the Scheme are in the process of being transferred in the name of the Company.

Note : 2. As the company did not have revalued tangible & intangible asset hence, disclosure related to revlauation of tangible & intangible asset is not made.

Capital Work-in-progress aging schedule as at 31-Mar-21 **(Rs. In Millions)**

CWIP #	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	33.44	-	-	-	33.44
Projects temporarily suspended	-	-	-	-	-

No capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

[*] Refer Note-34.3

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Annexure -V : Notes to Restated Consolidated Financial Statements

Note : 2 Property, Plant & Equipment

For the year ended 31-Mar-20*

(Rs. In Millions)

Particulars	Gross Block						Depreciation and Amortization						Net Block	
	As at 01-Apr-19*	Addition pursuant to the Scheme*	Addition during the year	Disposal/ Adjustment	Translation adjustment	As at 31-Mar-20*	As at 01-Apr-19*	Addition pursuant to the Scheme*	For the year ^	Translation adjustment	Disposal/ Adjustment	As at 31-Mar-20*	As at 31-Mar-20*	As at 31-Mar-19*
Property, Plant & Equipment														
Land	-	161.06	2.90	46.99	1.26	118.23	-	11.56	0.77	(0.03)	9.70	2.60	115.63	-
Buildings	-	609.69	353.99	0.85	13.16	975.99	-	206.93	23.14	1.48	0.19	231.36	744.63	-
Plant And Machineries	0.91	3,970.89	498.01	162.44	88.68	4,396.05	0.67	2,737.74	272.27	65.21	50.79	3,025.10	1,370.95	0.24
Furniture And Fittings	3.04	94.95	7.72	2.67	0.05	103.09	1.76	56.78	6.42	0.04	1.44	63.56	39.53	1.28
Vehicles	0.94	42.93	0.22	13.09	0.26	31.26	0.70	17.99	3.79	0.19	10.37	12.30	18.96	0.24
Office Equipments	2.58	37.09	4.64	0.13	1.06	45.24	1.66	28.92	2.45	0.79	0.12	33.70	11.54	0.92
Electric Installation	-	166.80	60.60	5.36	1.37	223.41	-	107.41	13.83	0.28	4.63	116.89	106.52	-
Computer & Peripherals	8.17	44.11	3.07	3.60	(0.03)	51.72	7.32	34.99	4.38	(0.03)	3.35	43.31	8.41	0.85
Solar Generation Plant	-	212.26	-	-	-	212.26	-	46.00	7.84	-	-	53.84	158.42	-
Wind Mill	-	57.29	-	-	-	57.29	-	38.96	2.06	-	-	41.02	16.27	-
Right of Use Assets-Lease	-	-	42.02	-	-	42.02	-	-	12.91	-	-	12.91	29.11	-
TOTAL (A)	**15.64**	**5,397.07**	**973.17**	**235.13**	**105.81**	**6,256.56**	**12.11**	**3,287.28**	**349.86**	**67.93**	**80.59**	**3,636.59**	**2,619.97**	**3.53**
Other Intangible Assets														
Computer software	3.94	90.80	6.42	0.83	(3.39)	96.94	2.32	76.54	6.11	(3.62)	1.27	80.08	16.86	1.62
TOTAL (B)	**3.94**	**90.80**	**6.42**	**0.83**	**(3.39)**	**96.94**	**2.32**	**76.54**	**6.11**	**(3.62)**	**1.27**	**80.08**	**16.86**	**1.62**
TOTAL (A+B)	**19.58**	**5,487.87**	**979.59**	**235.96**	**102.42**	**6,353.50**	**14.43**	**3,363.82**	**355.97**	**64.31**	**81.86**	**3,716.67**	**2,636.83**	**5.15**

^ Note : Depreciation and amortization expenses in Statement of Profit and Loss A/c also includes Rs.3.53 millions due to amortization of Long Term Deferred Expenses (Refer Note No. 8)

Note : 1. Legal titles of some of the immovable properties acquired pursuant to the Scheme are in the process of being transferred in the name of the Company.

Note : 2. As the company did not have revalued tangible & intangible asset hence, disclosure related to revlauation of tangible & intangible asset is not made.

Capital Work-in-progress aging schedule as at 31-Mar-20* **(Rs. In Millions)**

CWIP #	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	33.88	-	-	-	33.88
Projects temporarily suspended	-	-	-	-	-

No capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

[*] Refer Note-34.3

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Annexure -V : Notes to Restated Consolidated Financial Statements

Note 3

Goodwill on Consolidation **(Rs. In Millions)**

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Goodwill on Consolidation	710.56	731.44	701.03
Total Goodwill on Consolidation	**710.56**	**731.44**	**701.03**

Note 4

Investments **(Rs. In Millions)**

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Non-Current			
Investments in Joint venture / Associates (Measured at Amortised cost)			
Sunstream Green Energy One Pvt. Ltd.	0.10	0.06	-
2600 Fully paid up Equity shares of Rs. 10 each (Extent of Holding-26%)			
Principal Place of Business : India			
Cleanmax Harsha Solar LLP - Capital A/c.	0.25	0.25	0.25
Capital contribution of ₹250,000 (Voting Rights and Profit Sharing of 50%)			
Principal Place of Business : India			
Total Non-Current Investments	**0.35**	**0.31**	**0.25**
Current			
Mutual Fund	-	25.00	-
(IDFC Overnight Fund - Direct Plan - Growth (Units-22772.014 & NAV @1097.8824))			
Cleanmax Harsha Solar LLP Current A/c	64.30	67.50	65.84
Total Current Investments	**64.30**	**92.50**	**65.84**

Note 5

Loans & Advances **(Rs. In Millions)**

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Non-Current			
(Unsecured, Considered Good)			
Loans to Employees	0.48	0.78	0.53
Other Loan & Advances	0.09	0.09	0.09
Total Non-Current Loans & Advances	**0.57**	**0.87**	**0.62**
Current			
(Unsecured, Considered Good)			
Loan To Employees	1.69	2.06	4.46
Share Issue Expenses #	40.01	-	-
Other Trade Receivable -Un billed Revenue	63.64	43.44	46.62
Other Trade Receivable -Subsidy Receivable	-	5.43	5.49
Interest & Other Income Receivable	18.07	(2.65)	13.13
Total Current Loans & Advances	**123.41**	**48.28**	**69.70**

The Company has decided to proceed with the IPO activity and file the Draft Red Herring Prospectus (DRHP) on February 3, 2022 with SEBI & Stock Exchanges. The issue expenses on the consummation of the IPO will be shared between the Company and the selling shareholders on a pro-rata basis in proportion of the equity shares issued and allotted by the Company by way of fresh issue and the equity shares sold by the selling shareholders in the offer for sale.

Note 6

Other Financial Assets **(Rs. In Millions)**

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Non-Current			
Security Deposits	6.37	4.02	3.90
Total Non-Current Other Financial Assets	**6.37**	**4.02**	**3.90**
Current			
Export Benefits Receivables	107.02	68.96	54.43
Security Deposits	0.50	0.50	1.05
Total Current Other Financial Assets	**107.52**	**69.46**	**55.48**

Note 7

Other Tax Assets [Net] **(Rs. In Millions)**

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Non-Current			
Advance Payment of Tax (Net of Provisions)	110.48	99.34	106.19
Total Other Tax Assets [Net]	**110.48**	**99.34**	**106.19**

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Annexure -V : Notes to Restated Consolidated Financial Statements

Note 8

Other Assets **(Rs. In Millions)**

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Non-Current			
Capital Advances	37.75	18.36	10.00
Prepaid Expenses	13.13	14.15	15.17
Long Term Deferred Expenses	35.58	45.35	47.40
Total Other Non-Current Assets	**86.46**	**77.86**	**72.57**
Current			
Balances With Government Authority	279.69	233.02	212.08
Prepaid Expenses	55.56	59.73	75.65
Advances To Suppliers	192.08	400.47	421.20
Total Other Current Assets	**527.33**	**693.22**	**708.93**

Note 9

Inventories **(Rs. In Millions)**

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Raw Material	820.37	471.46	306.85
Semi Finished	266.06	228.57	233.66
Finished	1,423.17	989.55	793.42
Stores & Spares	186.83	153.51	142.01
Toolings	903.38	779.91	777.58
Project bought-out Components-Solar	157.40	52.45	65.78
Total Inventories	**3,757.21**	**2,675.45**	**2,319.30**

Note 10

Trade Receivables **(Rs. In Millions)**

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Unsecured and Considered Good			
Trade Receivables	2,886.80	2,198.96	2,445.71
Less: Provision for doubtful trade receivables	59.29	60.15	59.13
Total Trade Receivables	**2,827.51**	**2,138.81**	**2,386.58**

Age of Receivables: **(Rs. In Millions)**

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Not Due	1,964.15	1,406.04	1,014.44
0-3 Months	422.44	229.24	381.79
3-6 Months	20.18	35.51	46.68
6-12 Months	13.17	35.21	83.03
1-3 Years	9.57	44.44	774.44
>3 Years	398.00	388.37	86.20
Total	**2,827.51**	**2,138.81**	**2,386.58**

Note 11

Cash and Bank Balances **(Rs. In Millions)**

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Cash and Cash Equivalents			
Cash on Hand	0.63	0.60	1.79
Balances with Banks	213.54	329.87	240.99
Total Cash and Cash Equivalents	**214.17**	**330.47**	**242.78**
Other Bank Balances #			
In Fixed Deposit Accounts	178.86	122.52	328.51
Total Other Bank Balances	**178.86**	**122.52**	**328.51**
Total Cash and Bank Balances	**393.03**	**452.99**	**571.29**
# Note :			
1. Includes Lien Marked FD maintain as a margin money for Bank Guarantees, Letter of Credits and Overdraft facility.	90.38	87.75	285.38
2.Includes Balance maintained in Debt Service Reserve Account as per sanction	19.87	19.27	25.61

Note 12

Equity Share Capital (Rs. In Millions)

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Authorised Share Capital			
Equity Number of shares	100,000,000	50,000,000	50,000,000
Equity Shares of Rs.10/ each	1,000.00	500.00	500.00
Total	**1,000.00**	**500.00**	**500.00**

Pursuant to the Scheme sanctioned by Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench vide its order 23rd December 2021 and became effective from 24th December 2021, the authorized share capital of the ATPL, HEIPL, HEL & HSPPL (Transferor Companies), amounting to Rs. 2,000,000 (Rupees Twenty Lakhs Only) consisting of 20,000 (Twenty Thousand) equity shares of Rs 100/- (Rupees Hundred) each and Rs. 10,000,000 (Rupees One Crores Only) consisting of 1,000,000 (Ten Lakhs) equity shares of Rs 10/- (Rupees Ten) each and Rs. 350,000,000 (Rupees Thirty-Five Crores only) consisting of 35,000,000 (Three Crores and Fifty Lakhs) equity shares of Rs 10/- (Rupees Ten) each and Rs 200,000 (Rupees Two Lakhs only) consisting of 20,000 (Twenty Thousand) equity shares of Rs. 10/- (Rupees Ten) each respectively has been consolidated with the authorized share capital of the HASPL (Transferee Company) hence as a result the Authorized Share Capital of the Company has been increased from Rs. 500,000,000/- (Rupees Fifty Crores) to Rs. 862,200,000/- (Rupees Eighty Six Crores Twenty Two Lakhs). [Refer Note 34.3]

Further, increased in authorised share capital from Rs. 862.20 million divided into 86,220,000 Equity Shares of Rs.10/- each to Rs. 1000.00 million divided into 100,000,000 Equity Shares of Rs. 10/- each.

(Rs. In Millions)

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Issued, Subscribed and Paid up Capital			
Equity Number of shares	77,248,410	50,000,000	50,000,000
Equity Shares of Rs. 10/- each	772.48	500.00	500.00
Total	**772.48**	**500.00**	**500.00**

Pursuant to the Scheme, on the Effective Date, the Paid-up Share Capital of the Company has been reduced from Rs. 500.00 millions divided into 50,000,000 (Five crores) equity shares of Rs 10/-(Rupees Ten only) each fully paid up to Rs. 50.00 millions divided into 50,000,000 (Five crores) equity shares of Re. 1/- (Rupee one only) each fully paid up. Simultaneously, pursuant to reduction as mentioned above, every 10 (Ten) such equity shares of the reduced face value of Re. 1/- (Rupee one only) each of the Company has been consolidated into 1 (One) Equity Share of the face value of Rs. 10/- (Rupees ten only) each fully paid and the fractions has been rounded up to the nearest whole number by issuing additional 10 Equity Shares of Rs. 10/- each at par. Also pursuant to the Scheme, the Company has issued 72,248,400 (Seven Crores Twenty Two Lakhs Forty Eight Thousand Four Hundred) Equity Shares of Rs 10/- (Rupees ten only) to the shareholders of Harsha Engineers Limited (Transferor Company 3) on record date, i.e. 25th December 2021. Accordingly the share capital has been increased to Rs. 772.48 millions divided into 77,248,410 (Seven Crores Seventy Two Lakhs Forty Eight Thousand Four Hundred and Ten) equity shares of Re. 10/- (Rupee ten only) each fully paid up. (Refer note 34.3).

Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	No. of shares	Amount (Rs.in Million)
At the beginning of the year	20,000,000	200.00
Add : Shares issued during the year on conversion of loan	30,000,000	300.00
As at 31-Mar-20*	**50,000,000**	**500.00**
At the beginning of the year	50,000,000	500.00
Add : Shares issued during the year	-	-
As at 31-Mar-21	**50,000,000**	**500.00**
At the beginning of the year	50,000,000	500.00
Less: Reduction in Face Value of each equity shares from Rs.10 to Re.1	-	(450.00)
Less: For consolidated into 1 Equity Share of the face value of Rs. 10/- each fully paid	(45,000,000)	-
Add : On account of consolidation of shares, fractions has been rounded up to the nearest whole number by issuing additional 10 Equity Shares of Rs. 10/- each at par.	10	0.00
Add : For amalgamation consideration, allotment of 3 Equity Shares of the Company for every 1 Equity Share of HEL to equity holders of HEL as on Record Date	72,248,400	722.48
As at 31-Mar-22	**77,248,410**	**772.48**

Details of shareholder(s) holding more than 5% Equity Shares

Particulars	As at 31-Mar-22 No. of shares	As at 31-Mar-21 No. of shares	As at 31-Mar-20* No. of shares
Name of Shareholder			
Mr. Harish Rangwala	13,479,089	13,255,348	12,999,900
Mr. Rajendra Shah	15,413,550	9,976,614	8,999,850
Ms. Charusheela Rangwala	12,719,487	8,679,792	1,999,900
Ms. Nirmala Shah	9,622,530	7,473,799	2,999,850
Mr. Pilak Shah	7,698,281	4,982,809	10,999,900
Mr. Vishal Rangwala	7,769,829	498,281	2,999,850
Mr. Munjal Rangwala	-	1,494,843	6,999,850
Ms. Tanvi Rangwala	4,539,663	996,566	-
% Holding in Total Equity Shares			
Mr. Harish Rangwala	17.45%	26.51%	26.00%
Mr. Rajendra Shah	19.95%	19.95%	18.00%
Ms. Charusheela Rangwala	16.47%	17.36%	4.00%
Ms. Nirmala Shah	12.46%	14.95%	6.00%
Mr. Pilak Shah	9.97%	9.97%	22.00%
Mr. Vishal Rangwala	10.06%	1.00%	6.00%
Mr. Munjal Rangwala	-	2.99%	14.00%
Ms. Tanvi Rangwala	5.88%	1.99%	-

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Annexure -V : Notes to Restated Consolidated Financial Statements

Shareholding of Promoters

Particulars	As at 31-Mar-22 No. of shares	As at 31-Mar-21 No. of shares	As at 31-Mar-20* No. of shares
Mr. Harish Rangwala	13,479,089	13,255,348	12,999,900
% Holding in Total Equity Shares	17.45%	26.51%	26.00%
% change during the year/period	-9.06%	0.51%	16.00%
Mr. Rajendra Shah	15,413,550	9,976,614	8,999,850
% Holding in Total Equity Shares	19.95%	19.95%	18.00%
% change during the year/period	0.00%	1.95%	3.00%
Mr. Pilak Shah	7,698,281	4,982,809	10,999,900
% Holding in Total Equity Shares	9.97%	9.97%	22.00%
% change during the year/period	0.00%	-12.03%	12.00%
Mr. Vishal Rangwala	7,769,829	498,281	2,999,850
% Holding in Total Equity Shares	10.06%	1.00%	6.00%
% change during the year/period	9.06%	-5.00%	-9.00%

Note 13

Other Equity **(Rs. In Millions)**

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Share Capital Pending Reduction & Allotment - Arising pursuant to the Scheme [Refer Note 34.3]	-	272.48	272.48
Capital Reserves-Arising pursuant to the Scheme [Refer Note 34.3]	(60.41)	(60.41)	(60.41)
Security Premium	7.50	7.50	7.50
General Reserve	239.68	239.68	238.18
Retained Earnings	4,057.52	3,138.08	2,688.08
Foreign Currency Translation Reserve	181.71	168.74	122.64
Other Comprehensive Income	20.12	5.70	(48.67)
Total Other Equity	**4,446.12**	**3,771.77**	**3,219.80**

(Rs. In Millions)

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Share Capital Pending Reduction & Allotment			
Opening Balance	272.48	272.48	-
Utilised during the year	(272.48)	-	-
Less: Reduction in Face Value of each equity shares from Rs.10 to Re.1 (Refer Note-34.3)	-	-	(450.00)
Add : For amalgamation consideration, allotment of 3 Equity Shares of the Company for every 1 Equity Share of HEL to equity holders of HEL as on Record Date (Refer Note-34.3)	-	-	722.48
Total Share Capital Pending Reduction & Allotment	**-**	**272.48**	**272.48**

Share Capital Pending Reduction & Allotment represents share capital pending reduction in Face Value from Rs.10 to Re.1 of the Company's Equity Capital and also additional shares to be issued as amalgamation consideration on merger to shareholders of Harsha Engineers Limited. Since, the appointed date as per the Scheme is 1 April 2020 and as per Ind AS 103 (Appendix C), Business combinations of entities under common control, the scheme is required to be accounted from the beginning of the preceding period in the financial statements i.e. 1 April 2020, accordingly share capital reduction and additional shares to be issued on merger to shareholders of Harsha Engineers Limited have been accounted as Share Capital Pending Reduction & Allotment on 1 April 2019. Share capital Reduction in Face Value from Rs. 10 to Re. 1 has been effected on 24th December 2021 being effective date followed by consolidation of 10 shares of Rupee 1 each to 1 share of Rupees 10 each. Also the Company has issued 7,22,48,400 shares as consideration on record date i.e. 25th December 2021. Accordingly, on 25th December 2021, the balance lying in Share Capital Pending Reduction & Allotment account has been transferred to equity share capital (Refer note 34.3).

(Rs. In Millions)

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Capital Reserves			
Opening Balance	(60.41)	(60.41)	-
Add : Reduction in Face Value of each equity share from Rs.10 to Re.1 (Refer Note-34.3)	-	-	450.00
Less : Cancellation of Equity Shares vs Investment & adjustment of amalgamation consideration (Refer Note-34.3)	-	-	(510.41)
Total Capital Reserves	**(60.41)**	**(60.41)**	**(60.41)**

(Rs. In Millions)

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Security Premium			
Opening Balance	7.50	7.50	7.50
Total security premium	**7.50**	**7.50**	**7.50**

(Rs. In Millions)

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
General Reserve			
Opening Balance	239.68	238.18	-
Add : Added pursuant to the Scheme [Refer Note 34.3]	-	-	257.53
Add: Transfer During the Year/(Reversal Of Merger Premium)	-	1.50	(19.35)
Total General Reserve	**239.68**	**239.68**	**238.18**

(Rs. In Millions)

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Retained Earnings			
Opening Balance	3,138.08	2,688.08	(193.63)
Add : Added pursuant to the Scheme [Refer Note 34.3]	-	-	2,764.52
Add: Profit during the year	919.44	454.39	219.09
Less : Utilised for Dividend Paid for last year	-	-	(84.29)
Less : Utilised for Dividend Distribution Tax Paid for last year	-	-	(17.32)
Less : Transfer To General Reserve	-	(1.50)	(0.29)
Less : Adjustment of Gratuity as per Actuarial Valuation Report	-	(2.90)	-
Total Retained Earnings	**4,057.52**	**3,138.08**	**2,688.08**

HARSHA ENGINEERS INTERNATIONAL LIMITED
(formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
Annexure -V : Notes to Restated Consolidated Financial Statements

(Rs. In Millions)

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Foreign Currency Translation Reserve			
Opening Balance	168.74	122.64	-
Add : Added pursuant to the Scheme [Refer Note 34.3]	-	-	78.73
Increase/(Decrease) During the Year	12.97	46.10	43.91
Total Reserves Foreign Currency Translation Reserve	**181.71**	**168.74**	**122.64**

(Rs. In Millions)

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Other Comprehensive Income (OCI)			
(a) Equity Instruments Reserves			
Opening Balance	0.00	-	-
Increase/(Decrease) fair value of FVOCI equity instruments	(0.00)	0.00	-
Income Tax relating to above item	-	-	-
Total Equity Instruments Reserves	**-**	**0.00**	**-**
(b) Cashflow Hedge Reserve :			
Opening Balance	25.16	(31.14)	-
Add : Added pursuant to the Scheme [Refer Note 34.3]	-	-	21.52
Increase/(Decrease) During the Year	16.11	75.25	(74.70)
Income Tax relating to above item	(4.05)	(18.94)	22.03
Total Cashflow Hedge Reserve	**37.22**	**25.17**	**(31.15)**
(c) Remeasurement of defined benefit plan :			
Opening Balance	(19.46)	(17.53)	0.21
Add : Added pursuant to the Scheme [Refer Note 34.3]	-	-	(5.90)
Increase/(Decrease) During the Year	3.15	(6.47)	(12.42)
Adjustment of Gratuity as per Actuarial Valuation Report	-	2.90	-
Income Tax relating to above item	(0.79)	1.63	0.59
Total Remeasurement of defined benefit plan	**(17.10)**	**(19.47)**	**(17.52)**
Total Other Comprehensive Income (OCI)	**20.12**	**5.70**	**(48.67)**

Note 14
Non-Controlling Interest (Rs. In Millions)

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Non-Controlling Interest	0.00	0.00	0.00
Total Non-Controlling Interest	**0.00**	**0.00**	**0.00**

Note 15
Borrowings (Rs. In Millions)

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Non-Current Borrowings			
Secured			
Citi Bank Europe PLC, Dublin, Romania	-	-	233.20
RBL Bank Ltd	-	112.44	487.35
RBL Bank Ltd (ECLGS 2.0)	74.38	100.63	-
Export-Import Bank of India (EXIM BANK)	-	-	210.12
State Bank of India, China	120.40	150.90	116.85
HDFC Bank Ltd.	447.50	222.00	219.16
HDFC Bank Ltd. (ECLGS 2.0)	316.02	424.38	-
Kotak Mahindra Bank Limited	-	4.80	9.76
Unsecured			
Loan from Directors	190.15	-	-
Deposit From Shareholders	230.00	-	-
Total Non-Current Borrowings	**1,378.45**	**1,015.15**	**1,276.44**

Major Terms And Conditions w.r.t. Non Current Borrowings
(1) Citi Bank Europe PLC, Dublin, Romania

a) Security:
Secured against SBLC issued by Citi Bank N.A., India. SBLC secured against various assets of the company, as mentioned below :

1) First pari passu charge along with Exim Bank of India on Land & Building of Changodar & Moraiya unit of Harsha Engineers Limited, India.

2) First pari passu charge along with Exim Bank of India on Plant & Machinery and other movable fixed assets of the Brass Unit of Harsha Engineers Limited, India.
3) Pledge of shares of Harsha Engineers BV, Netherland as well as Harsha Engineers Europe SRL pari passu with Exim Bank of India.
4) First pari passu charge along with Exim Bank of India on entire current assets of Harsha Engineers Europe SRL.
5) First pari passu charge along with Exim Bank of India on entire movable and immovable assets of Harsha Engineers Europe SRL.
6) Unconditional and irrevocable personal Guarantees of 1) Mr. Rajendra Shah and 2) Mr. Harish Rangwala. The said personal Guarantees will be released on completion of 18 months from the date of first disbursement, subject to compliance with all the financial and non financial covenants stipulated for the loan

b) Brief terms and conditions of the term loans including re-schedulement, prepayment, penalty, default, etc
1) Re-schedulement : at the lender's discretion
2) Prepayment : Allowed after 2 years from drawdown at NIL cost, otherwise 2% of sanction amount or principal outstanding whichever is higher
3) Penalty : penalty will be @4% p.a. over the rate derived, on overdues/delays/default in payment of Instalment
4) Default : No payment of principal or interest on due date, breach of financial covenants, misrepresentations, cross default and cross acceleration, Insolvency, unlawfulness, repudiation, failure in security perfection, Expropriation, Material adverse change, cessation of business foreign exchange restriction etc., Lender will have the right to dominate any of its officials as a nominee director on the board of Harsha Engineers Limited in event of default.

(2) RBL Bank Limited

a) Security:

1) Exclusive charge by way of hypothecation over the entire Plant & Machinery created out of the term loan facility given by RBL Bank Limited. Collaterally secured by way of hypothecation over entire plant & machinery (present and future) of the company's Changodar & Moraiya Plant (excluding Brass unit at Moraiya plant, DGBB unit at Changodar plant and the assets hypothecated to any other lenders) pari passu with State Bank of India.

b) Brief terms and conditions of the term loans including re-schedulement, prepayment, penalty, default, etc

1) Re-schedulement : at the lender’s discretion
2) Prepayment : Prepayment penalty of 3% up to 31st March'2019 and thereafter prepayment allowed out of internal accruals
3) Default : No payment of principal or interest on due date, breach of financial covenants,

(3) RBL Bank Limited (WCTL UNDER ECLG 2.0)- Solar Segment

a) Security:

ECLGS Facility is secured by way of 1) second charge on all current assets of borrower both present and future 100% Cover by NCGTC under ECLGS Scheme, 2) Second charge on current assets of the borrower present and future

b) Brief terms and conditions of the term loans including re-schedulement, prepayment, penalty, default, etc.

Prepayment : No prepayment penalty shall be charged

However, the said ECLG 2.0 has been taken over by HSBC Bank with same terms and conditions in May'2022

(4) State Bank of India, Sanghai Branch,China

a) Security :

1) Entire Stocks, receivable and other current assets-Existing & future of Harsha, China (HPBC(C)CL)
2) Land use rights located at east area of Fuhua Road, North area of Tonggang Road, Changshu Economic Development Zone, Changshu, PRC
3) Fixed assets acquired in the project of Harsha China (HPBC(C)CL)
4) Existing machineries of Harsha China (HPBC(C)CL)
5) Corporate Guarantee of Harsha Engineers International Ltd, India.

b) Brief terms and conditions of the term loans including re-schedulement, prepayment, penalty, default, etc

1) Total unsecured loan extended to the company as on date of loan sanctioned (amouting RMB 9.75 Million) should not be repaid during currency of the company's advance

2) Default interests shall carry at the rate of 150% of loan contractual rate per annum, till date of payment of the defaulted amount.

3) If the credit rating awarded to the unit is below SB-10, the risk rating will be reviewed half yearly. The unit should provide necessary information to facilitate such a review. In the absence of half-yearly review for want of such information, the risk rating will automatically slip by one step.

4) Prepayment penalty of 1% of the prepaid amount would be charged. However, if the prepayment is made from the company’s own sources no charges applicable.

(5) HDFC Bank Limited

a) Security:

1) Exclusive charge by way of hypothecation on the entire plant & Machinery created out of the term loan facility given by HDFC Bank Limited

b) Brief terms and conditions of the term loans including re-schedulement, prepayment, penalty, default, etc

1) Re-schedulement : at the lender’s discretion
2) Prepayment : applicable @2% of amount prepaid in case prepaid initial within 2 years of loan tenure and NIL thereafter (if paid from own sources, internal accruals, equity)
3) Default : Any of the default event happen as per the agreement executed.
4) Any additional term loan borrowing by the company from any other lender should have a tenure no lesser than that of the TL being granted by HDFC Bank.

(6) HDFC Bank Limited (WCTL UNDER ECLG 2.0) -Engineering Segment

a) Security:

Extension of second ranking charge over existing primary and collateral securities created in favour of the Bank i.e.
(1) Extension of second ranking charge over the current assets of the company including all stocks and book debts (both present and future) and
(2) Extension of second ranking charge over the Plant & Machinery created out of the Term Loan Facility given by HDFC Bank

b) Brief terms and conditions of the term loans including re-schedulement, prepayment, penalty, default, etc

1) Re-schedulement : at the lender’s discretion
2) Prepayment : No prepayment penalty shall be charged
3) Default : Any of the default event happen as per the agreement executed.
4) Guarantors not to issue any Personal Guarantee for any other loans without prior written permission of HDFC Bank except for Car Loans, Personal loans, Home loans, Education loans to be obtained for self and family members.

(7) Kotak Mahindra Bank Limited

a) Security:

1) Secured by hypothecation of Staff buses availed out of the said term loans.

Rate of interest ranges from 1.50% to 9% p.a . On Long Term Borrowing
Rate of interest ranges from 10% to 12% p.a . On Loan from Directors.
Rate of interest ranges from 10% to 12% p.a . On Deposit from Shareholders / Loan from Director's Relatives

Terms of Repayments:

Non- Current Borrowing **(Rs. In Millions)**

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
1-2 Years	312.19	362.38	819.66
2-3 Years	732.33	239.01	263.42
3-4 Years	246.43	239.01	70.00
Beyond 4 Years	87.50	174.75	123.36
Total	**1,378.45**	**1,015.15**	**1,276.44**

Note: Non- Current Borrowing Repayments schedule dose not includes current maturity of term loan

Note: Under RBI notifications release time to time, regarding COVID19 regulatory package- rescheduling of payments, Engineering Division has availed moratorium on principal amount from RBL bank for an amount of Rs.37.5 millions for effective period of 2 months, which was fully paid later on. Also availed moratorium on principal amount from Exim Bank for an amount of Rs.70. millions for effective period of 6 months, which was fully paid later on in Apr'22. Solar Division has availed moratorium on principal amount from RBL bank for an amount of Rs.112.5 millions for effective periods of 6 months, which was fully paid later on.

(Rs. In Millions)

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Current Borrowings			
Secured			
State Bank of India	243.23	176.56	139.49
Citi Bank	826.07	743.81	557.90
YES Bank Ltd	99.27	146.44	299.36
RBL Bank Ltd	315.00	244.58	372.17
HDFC Bank Ltd	90.00	60.00	163.40
ICICI Bank Ltd	100.00	-	-
Current maturities of long term debt	417.63	508.78	619.69
Unsecured			
Loan from Banks	315.21	200.00	295.00
Loan from Directors	-	207.25	205.55
Deposit from Shareholders / Loan from Director's Relatives	-	182.37	191.71
Total Current Borrowings	**2,406.41**	**2,469.79**	**2,844.27**

Security for Current Borrowings

(1) State Bank of India :

Engineering Segment for Harsha India- Secured by hypothecation of entire current assets of of the Engineering Division first ranking pari passu with Citibank N.A., Yes Bank Ltd., RBL Bank Ltd. and HDFC Bank Ltd. Collaterally secured by way of hypothecation over the entire plant & machinery of the Engineering Division's Changodar and Moraiya Plant (excluding Brass Division at Moraiya Plant hypothecated to Citibank NA. ; DGBB Division at Changodar Plant hypothecated to ICICI Bank Limited; Exclusive Assets hypothecated to HDFC Bank Limited and RBL Bank Limited on pari passu basis) ; **For Harsha, China (HPBC(C)CL)** -Secured by entire stocks, receivable and other current assets (existing and future), Land use rights, Fixed assets acquired in the project, existing machineries of China company and corporate guarantee of the Parent Co.

(2) Citi Bank :

Engineering Segment for Harsha India- Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with State Bank of India, Yes Bank Limited, RBL Bank Limited and HDFC Bank Limited; **For Harsha China (HPBC(C)CL)-**Secured against SBLC of Citi Bank N.A.; **For Harsha, Romania(HEESRL)-**Secured against SBLC of Citi Bank N.A. and Corproate Guaratee of the Parent co.

(3) YES Bank Ltd :

Engineering Segment for Harsha India- Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with State Bank of India, Citibank NA., RBL Bank Limited and HDFC Bank Limited and **for Solar Segment** Demand loans from banks are secured by personal guarantee of Mr. Rajendra Shah and Mr. Harish Rangwala and also by first pari passu charge with RBL Bank Ltd. by hypothecation of the Solar Division's assets including stock of Raw Materials, Semi-Finished, Finished Goods, Consumable Stores and spares and other such movables, book debts, bill whether documentary or clean, outstanding monies, receivables, plant and machineries and all other current assets both present and future excluding project specific charge.

(4) RBL Bank Ltd :

Engineering Segment for Harsha India- Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with State Bank of India, Citibank NA., Yes Bank Limited and HDFC Bank Limited and **for Solar Segment** Demand loans from banks are secured by personal guarantee of Mr. Rajendra Shah and Mr. Harish Rangwala and also by first pari passu charge with YES Bank Ltd by hypothecation of the Solar Division's assets including stock of Raw Materials, Semi-Finished, Finished Goods, Consumable Stores and spares and other such movables, book debts, bill whether documentary or clean, outstanding monies, receivables, plant and machineries and all other current assets both present and future.

(5) HDFC Bank Ltd :

Engineering Segment for Harsha India- Secured by hypothecation of entire current assets of the Engineering Division first ranking pari passu with State Bank of India, Citibank NA., Yes Bank Limited and RBL Bank Limited

(6) ICICI Bank Ltd :

Engineering Segment for Harsha India- Secured by first charges on all movables assets of DGBB Division, Changodar

Note 16

Lease Liability (Rs. In Millions)

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Non-Current			
Lease Liability	55.18	75.83	60.87
Total Non-Current Lease Liability	**55.18**	**75.83**	**60.87**
Current			
Lease Liability	8.58	5.97	9.72
Total Current Lease Liability	**8.58**	**5.97**	**9.72**

Note 17

Provisions (Rs. In Millions)

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Non-Current			
Provision For Employees Benefits, Refer Note : 32	110.57	95.15	68.88
Total Non-Current Provisions	**110.57**	**95.15**	**68.88**
Current			
Provision For Employees Benefits, Refer Note : 32	20.68	20.18	18.57
Total Current Provisions	**20.68**	**20.18**	**18.57**

Note 18

Deferred Tax Liability / (Asset) (Rs. In Millions)

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Deferred Tax Asset	100.76	99.86	260.61
Deferred Tax Liability	140.28	119.88	111.63
Net Deferred Tax Liability / (Asset)	**39.52**	**20.02**	**(148.98)**

HARSHA ENGINEERS INTERNATIONAL LIMITED
(formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
Annexure -V : Notes to Restated Consolidated Financial Statements

Note 19
Trade Payables **(Rs. In Millions)**

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Dues to Micro and Small Enterprises [#]	95.29	42.53	38.60
Dues to other than Micro and Small Enterprises	1,732.59	1,124.25	1,076.00
Total Trade Payables	**1,827.88**	**1,166.78**	**1,114.59**

Age of Payables:
Outstanding for following periods from due date of payment **(Rs. In Millions)**

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
(i) MSME			
Not Due	95.29	38.43	30.00
0-12 Months	-	3.04	7.51
1-2 Years	-	0.37	0.31
2-3 Years	-	-	0.78
>3 Years	-	0.69	-
Sub Total	**95.29**	**42.53**	**38.60**
(ii) Other			
Not Due	991.78	510.76	314.66
0-12 Months	714.33	561.99	669.53
1-2 Years	2.17	18.40	65.50
2-3 Years	2.26	30.34	23.92
>3 Years	22.05	2.76	2.39
Sub Total	**1,732.59**	**1,124.25**	**1,076.00**
Grand Total	**1,827.88**	**1,166.78**	**1,114.59**

[#] Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March are provided as under for & to the extent the Company has received intimation from the "Suppliers" regarding their status under the said Act.

A: Principal amount remaining unpaid to any supplier as at year end	95.29	42.53	38.60
B: Interest due thereon	-	-	-
C: Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	6.36	-
D: Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act	-	-	-
E: Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
F: Amount of further interest remaining due and payable in succeeding years.	-	-	-

The above information has been compiled in respect of parties to the extent to which they could be identified as Suppliers under the Micro, Small and Medium Enterprises Act, on the basis of information available with the Company & provided by the supplier. All above information is compiled , only after the information available with the company.

Note 20
Other Financial Liabilities **(Rs. In Millions)**

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Current			
Interest accrued but not due on borrowings	8.27	28.45	16.08
Accrued Expenses	276.44	267.70	126.23
Derivative Liability / (Asset)	(49.73)	(33.63)	41.62
Total Other Current Financial Liabilities	**234.98**	**262.52**	**183.93**

Note 21
Other Liabilities **(Rs. In Millions)**

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Non-current			
Contingent Deposit From Vendors	21.58	17.62	19.55
Advance from Staffs	0.27	3.26	1.12
Total Non-Current Liabilities	**21.85**	**20.88**	**20.67**
Current			
Statutory Liabilities	135.31	127.76	174.16
Advance from Customers	100.35	267.85	375.47
Asset Retirement Obligation - ARO	2.66	2.47	2.28
Total Current Liabilities	**238.32**	**398.08**	**551.91**

Note 22
Current Tax Liabilities [Net] **(Rs. In Millions)**

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Current			
Provision for Taxation (Net of Advance Tax)	21.51	(11.44)	11.71
Total Current Tax Liabilities [Net]	**21.51**	**(11.44)**	**11.71**

HARSHA ENGINEERS INTERNATIONAL LIMITED
(formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
Annexure -V : Notes to Restated Consolidated Financial Statements

Note 23
Revenue from Operations **(Rs. In Millions)**

Particulars	For the year ended 31-Mar-22	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
Sales of Products & Services			
(a) Sale of Products	12,904.87	8,475.68	8,624.47
(b) Sale of Services	159.45	145.57	91.87
(c) Unbilled Revenue	20.20	(3.18)	2.31
Total	**13,084.52**	**8,618.07**	**8,718.65**
Other Operating Revenues			
Exports Benefits	113.26	100.27	119.79
Solar Power Generation	17.03	19.20	20.09
Total	**130.29**	**119.47**	**139.88**
Total Revenue from Operations	**13,214.81**	**8,737.54**	**8,858.53**

Note 24
Other Income **(Rs. In Millions)**

Particulars	For the year ended 31-Mar-22	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
Interest Income	16.43	22.77	30.39
Subsidy Income	-	(0.07)	6.63
Share of Profit/(Loss) from Cleanmax Harsha Solar LLP	(3.02)	1.66	8.37
Share of Profit/(Loss) from Sunstream Green Energy One Pvt. Ltd.	0.04	0.03	-
Gain / (Loss) on Exchange Rate Fluctuation	130.51	39.36	47.24
Gain / (Loss) on Exchange Rate Fluctuation-Curr. Revaluation	20.14	(40.88)	38.60
Miscellaneous Income	11.06	6.83	5.29
Other Income-Non -Operating			
Gain / (Loss) on Sale of Investment	0.02	0.10	-
Total Other Income	**175.18**	**29.80**	**136.52**

Note 25
Cost of Materials Consumed **(Rs. In Millions)**

Particulars	For the year ended 31-Mar-22	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
Cost of Material Consumed	7,991.64	4,340.61	4,480.10
Total Cost of Materials Consumed	**7,991.64**	**4,340.61**	**4,480.10**

Note 26
Change In Inventories of Finished Goods & Work-In-Progress **(Rs. In Millions)**

Particulars	For the year ended 31-Mar-22	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
Finished Goods Opening Stock	989.55	793.42	-
Add : Pursuant to the Scheme [Refer Note 34.3]			1000.87
Less : Finished Goods Closing Stock	(1423.17)	(989.55)	(793.42)
Total	**(433.62)**	**(196.13)**	**207.45**
Semi Finished Goods Opening Stock	228.57	233.66	-
Add : Pursuant to the Scheme [Refer Note 34.3]			156.00
Less : Semi Finished Goods Closing Stock	(266.06)	(228.57)	(233.66)
Total	**(37.49)**	**5.09**	**(77.66)**
Toolings Opening Stock	779.91	777.58	-
Add : Pursuant to the Scheme [Refer Note 34.3]			748.76
Less : Toolings Closing Stock	(903.38)	(779.91)	(777.58)
Total	**(123.47)**	**(2.33)**	**(28.82)**
Total Change In Inventories of Finished Goods & Work-In-Progress	**(594.58)**	**(193.37)**	**100.97**

Note 27
Employee Benefit Expenses **(Rs. In Millions)**

Particulars	For the year ended 31-Mar-22	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
Salaries, Wages & Bonus etc.	1,431.67	1,323.22	1,362.30
Contribution To PF, ESI etc.	77.22	68.86	68.64
Staff Welfare	71.38	71.70	59.40
Total Employee Benefit Expenses	**1,580.27**	**1,463.78**	**1,490.34**

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Annexure -V : Notes to Restated Consolidated Financial Statements

Note 28

Finance Costs **(Rs. In Millions)**

Particulars	For the year ended 31-Mar-22	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
Interest Expense			
On Term Loans	73.51	123.46	130.36
On Working Capital Loans	102.30	122.50	146.40
On Deposits	40.28	17.56	12.18
On Others	5.97	2.33	5.58
	222.06	**265.85**	**294.52**
Other Borrowing Costs			
Bank Charges & Processing Fees	23.34	33.90	33.34
Unwinding of discount on provision of Asset Retirement Obligation	0.19	0.18	0.17
	23.53	**34.08**	**33.51**
Total Finance Costs	**245.59**	**299.93**	**328.03**

Note 29

Other Expenses **(Rs. In Millions)**

Particulars	For the year ended 31-Mar-22	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
(A) Stores & Packing			
Stores & Spares Consumed	489.60	347.23	352.47
Packing Materials Consumed	289.75	173.72	160.14
Total (A)	**779.35**	**520.95**	**512.61**
(B) Power & Fuel			
Power & Fuel Expenses (Net)	412.75	308.93	303.14
Total (B)	**412.75**	**308.93**	**303.14**
(C) Operative Expenses			
Machinery Repairs & Maintenance	75.70	87.45	61.86
Civil and Fabrication Charges	0.82	1.20	7.31
Installation & Commissioning charges	32.13	21.53	51.64
Contractor-Labour Charges	246.78	177.28	197.47
Other Operative Expenses	62.50	32.73	44.90
Total (C)	**417.93**	**320.19**	**363.18**
(D) Administrative & Other Expenses			
Advertisement & Sales Promotion	9.68	22.77	30.43
Celebration Expenses	2.86	1.81	2.74
Computer Expenses	20.69	16.68	18.16
Corporate Social Responsibility(CSR)	-	33.18	6.80
Donations	-	0.16	0.55
Freight, Forwarding & Clearing Exp	549.06	303.57	257.17
IPO Related Expenses	-	-	35.34
Insurance Premium	21.41	24.18	28.01
Legal & Professional Exp	55.14	93.50	64.04
Rent & Fleet Management Expenses	80.22	77.02	83.73
Loss / (Profit) on Sale of Fixed Assets	0.43	1.38	4.23
Repairs & Maintenance	26.52	18.88	18.12
Rates & Taxes	8.02	10.89	4.18
Security & Housekeeping Expenses	41.53	46.21	53.15
Stationery, Printing & Communication Expenses	13.12	10.63	12.15
Staff Training, Membership & Subscription	5.51	3.41	4.94
Net Sundry Balance write off /Bad debts	4.50	0.14	100.03
Provision for doubtful debts	(0.85)	4.74	(76.64)
Traveling & Conveyance Expenses	16.95	7.91	36.24
Miscellaneous expenses	82.50	80.95	65.02
Total (D)	**937.29**	**758.01**	**748.39**
Total Other Expenses (A+B+C+D)	**2,547.32**	**1,908.08**	**1,927.32**

Note 30

Earning Per Share (EPS) **(Rs. In Millions)**

Particulars	For the year ended 31-Mar-22	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
Profit after tax attributable to Equity Holders	919.44	454.39	219.09
Weighted average number of Equity Shares for Basic EPS	57,241,358	50,000,000	35,000,000
Weighted Average additional Potential Equity Shares Pursuant to the Scheme *	20,007,052**	27,248,410	27,248,410
Weighted average number of Diluted Shares for Diluted EPS	77,248,410	77,248,410	62,248,410
Nominal value per equity share (Rs.) :	10.00	10.00	10.00
Earnings Per Share (Rs.):			
Basic	16.06	9.09	6.26
Diluted	11.90	5.88	3.52

[*] Refer Note-34.3

[**] For Diluted EPS calculation, we have assumed that 77,248,410 Equity Share (including 20,007,052 of Potential Equity Shares Pursuant to the Scheme, which had been issued during the FY 2021-22) that is i.e. the number of equity shares of the Company as on 31.03.2022, was effective throughout the FY2021-22.

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Annexure -V : Notes to Restated Consolidated Financial Statements

Note 31 Deferred tax asset/ (liabilities) [Net]

Movement in deferred tax balances **(Rs. In Millions)**

Particulars	Net balance April 1, 2021	For the year ended 31-Mar-22			As at 31-Mar-22		
		Addition pursuant to the Scheme*	Recognised in profit or loss	OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset/ (liabilities)							
Fixed Assets	(102.11)	-	(4.79)	-	(106.90)	-	(106.90)
Lease Liability	5.88	-	(0.66)	-	5.22	5.22	-
Bonus and Ex-gratia Payable	0.13	-	0.05	-	0.18	0.18	-
Gratuity	15.13	-	4.89	-	20.02	20.02	-
Leave Encashment	6.25	-	(0.19)	-	6.06	6.06	-
ERF-Curr.Revaluation	(7.32)	-	(2.34)	-	(9.66)	-	(9.66)
ARO Provision	0.62	-	0.05	-	0.67	0.67	-
ARO Assets	(0.05)	-	0.01	-	(0.04)	-	(0.04)
Derivative Assets	-	-	(8.46)	-	(8.46)	-	(8.46)
Cumulative C/F Business Loss	49.07	-	(2.66)	-	46.41	46.41	-
Provision of doubtful Debts	15.14	-	(0.21)	-	14.93	14.93	-
O&M Income Receivable	(1.94)	-	0.10	-	(1.84)	-	(1.84)
Amortized Merger Expenses	-	-	(0.87)	-	(0.87)	-	(0.87)
Professional Tax Payable	-	-	0.42	-	0.42	0.42	-
Remeasurement of Gratuity (OCI)	7.64	-	-	(0.79)	6.85	6.85	-
Cash Flow Hedge (OCI)	(8.46)	-	-	(4.05)	(12.51)	-	(12.51)
Deferred tax assets/ (liabilities)	**(20.02)**	**-**	**(14.66)**	**(4.84)**	**(39.52)**	**100.76**	**(140.28)**

[*] Refer Note-34.3

Movement in deferred tax balances **(Rs. In Millions)**

Particulars	Net balance April 1, 2020	For the year ended 31-Mar-21			As at 31-Mar-21		
		Addition pursuant to the Scheme*	Recognised in profit or loss	OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset/ (liabilities)							
Fixed Assets	(90.69)	-	(11.42)	-	(102.11)	-	(102.11)
Lease Liability	7.63	-	(1.76)	-	5.88	5.88	-
Bonus and Ex-gratia Payable	1.34	-	(1.21)	-	0.13	0.13	-
Gratuity	10.84	-	4.29	-	15.13	15.13	-
Leave Encashment	5.18	-	1.08	-	6.25	6.25	-
ERF-Curr.Revaluation	(14.47)	-	7.15	-	(7.32)	-	(7.32)
ARO Provision	0.57	-	0.05	-	0.62	0.62	-
ARO Assets	(0.06)	-	0.01	-	(0.05)	-	(0.05)
Donation	(4.17)	-	4.17	-	-	-	-
Cumulative C/F Business Loss	203.67	-	(155.75)	-	49.07	49.07	-
Provision of doubtful Debts	14.88	-	0.26	-	15.14	15.14	-
O&M Income Receivable	(2.24)	-	0.30	-	(1.94)	-	(1.94)
Remeasurement of Gratuity (OCI)	6.01	-	-	1.63	7.64	7.64	-
Cash Flow Hedge (OCI)	10.47	-	-	(18.94)	(8.46)	-	(8.46)
Deferred tax assets/ (liabilities)	**148.98**		**(152.83)**	**(17.31)**	**(20.02)**	**99.86**	**(119.88)**

[*] Refer Note-34.3

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Annexure -V : Notes to Restated Consolidated Financial Statements

Note 31 Deferred tax asset/ (liabilities) [Net]

Movement in deferred tax balances **(Rs. In Millions)**

Particulars	Net balance April 1, 2019*	For the year ended 31-Mar-20*			As at 31-Mar-20*		
		Addition pursuant to the Scheme*	Recognised in profit or loss	OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset/ (liabilities)							
Fixed Assets	0.92	(99.80)	8.19	-	(90.69)	-	(90.69)
Lease Liability	-	-	7.63	-	7.63	7.63	-
Bonus and Ex-gratia Payable	2.16	14.23	(15.05)	-	1.34	1.34	-
Gratuity	0.25	9.10	1.49	-	10.84	10.84	-
Leave Encashment	1.38	4.63	(0.84)	-	5.18	5.18	-
ERF-Curr.Revaluation	-	(1.43)	(13.04)	-	(14.47)	-	(14.47)
ARO Provision	-	0.74	(0.16)	-	0.57	0.57	-
ARO Assets	-	(0.09)	0.03	-	(0.06)	-	(0.06)
Derivative Assets	-	(16.38)	16.38	-	-	-	-
Donation	-	-	(4.17)	-	(4.17)	-	(4.17)
Cumulative C/F Business Loss	70.60	43.72	89.35	-	203.67	203.67	-
Provision of doubtful Debts	42.65	-	(27.77)	-	14.88	14.88	-
O&M Income Receivable	(2.88)	-	0.64	-	(2.24)	-	(2.24)
Remeasurement of Gratuity (OCI)	(0.09)	5.52	-	0.59	6.01	6.01	-
Cash Flow Hedge (OCI)	-	(11.56)	-	22.05	10.47	10.47	-
Deferred tax assets/ (liabilities)	**115.00**	**(51.32)**	**62.68**	**22.63**	**148.98**	**260.61**	**(111.63)**

[*] Refer Note-34.3

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Annexure -V : Notes to Restated Consolidated Financial Statements

Note 32

DISCLOSURES FOR GRATUITY & LEAVE SALARY PROVSIONS AS PER INDIAN ACCOUNTING STANDARD - 19

Particulars	2021-22		2020-21		2019-20	
	Gratuity	Leave Salary	Gratuity	Leave Salary	Gratuity	Leave Salary
Withdrawal rate	5% P.A. at Younger age reducing to 1% P.A. at older age		5% P.A. at Younger age reducing to 1% P.A. at older age		5% P.A. at Younger age reducing to 1% P.A. at older age	
Retirement Age	58 Years		58 Years		58 Years	
Discount Rate	7.15% P.A.		6.85% P.A.		6.85% P.A.	
Salary escalation	6% P.A.		6% P.A.		5% to 6% P.A.	

The following table sets out status of gratuity plan and leave salary as required under Indian Accounting Standard 19 on "Employee Benefit".

(Rs. In Millions)

Particulars	2021-22		2020-21		2019-20	
	Gratuity	Leave Salary	Gratuity	Leave Salary	Gratuity	Leave Salary
Table showing change in benefit obligation						
Opening defined benefit obligation	159.79	37.75	135.70	32.83	5.10	4.44
Addition pursuant to the scheme*					115.09	24.97
Interest Cost	10.47	2.49	8.80	2.14	8.29	2.08
Current Service Cost	15.12	5.06	13.69	5.14	10.75	4.67
Benefit Paid	(10.60)	(8.74)	(6.31)	(8.28)	(13.16)	(8.99)
Actuarial Loss / (gain) on Obligations	-	-	-	-	6.38	1.93
Due to Experience adjustments	(4.45)	1.30	7.90	5.92	3.24	3.73
Liability at the end of the period	**170.33**	**37.85**	**159.79**	**37.75**	**135.70**	**32.83**
Table showing change in Fair Value of Plan Assets						
Fair Value of Plan Assets at the beginning	69.32	12.90	68.73	12.45	4.59	-
Addition pursuant to the scheme*					72.97	11.69
Expected Return on Plan Assets	-1.30	(0.14)	1.44	(0.47)	(2.80)	(0.60)
Contributions	0.99	0.02	0.78	0.00	0.85	0.50
Interest Income	4.79	0.96	4.68	0.92	5.47	0.89
Benefit paid	(10.60)	0.00	(6.31)	0.00	(12.35)	(0.04)
Fair Value of Plan Assets at the end of the period	**63.19**	**13.74**	**69.32**	**12.90**	**68.73**	**12.45**

(Rs. In Millions)

Particulars	2021-22		2020-21		2019-20	
	Gratuity	Leave Salary	Gratuity	Leave Salary	Gratuity	Leave Salary
Actual Gain / loss recognized						
Actuarial (gain) / loss on obligations	(4.45)	1.30	7.90	5.92	3.24	3.73
Actuarial (gain) / loss on Plan Assets	1.30	0.14	(1.44)	0.47	2.80	0.60
Net Actuarial (gain) / loss recognized during year	**(3.15)**	**1.44**	**6.47**	**6.39**	**6.05**	**4.33**
Amount recognized in Balance Sheet						
Liability at the end of the period	170.33	37.85	159.79	37.75	135.70	32.83
Fair Value of Plan Asset at the end of the period	63.19	13.74	69.32	12.90	68.73	12.45
Net Amount recognized in Balance Sheet	**107.14**	**24.11**	**90.47**	**24.85**	**66.97**	**20.38**

(Rs. In Millions)

Particulars	2021-22		2020-21		2019-20	
	Gratuity	Leave Salary	Gratuity	Leave Salary	Gratuity	Leave Salary
Expense recognized in the Statement of Profit and Loss						
Current Service cost	15.12	5.06	13.69	5.14	10.75	4.67
Interest cost	5.68	1.53	4.12	1.22	2.82	1.19
Expected return on Plan Asset	-	1.44	-	6.39	-	5.40
Net Expense recognized in P&L	**20.80**	**8.03**	**17.81**	**12.75**	**13.57**	**11.25**
Expense recognized in the Statement of Other Comprehensive Income						
Due to change in financial assumption	-	-	-	-	6.47	-
Due to change in demographic assumption	-	-	-	-	(0.09)	-
Due to experience adjustment	(4.45)	-	7.90	-	3.24	-
Return on plan assets excluding amounts included in interest income	1.30	0.00	(1.44)	-	2.80	-
Net Expense recognized in OCI	**(3.15)**	**-**	**6.47**	**-**	**12.42**	**-**

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(Rs. In Millions)

Gratuity	2021-22		2020-21		2019-20	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate 1%/-1% (FY2020-21: 1%/-1%, FY2019-20 : 0.5%/-0.5%)	154.23	189.29	144.10	178.39	123.33	150.22
Salary growth rate 1%/-1% (FY2020-21: 1%/-1%, FY2019-20 : 0.5%/-0.5%)	189.28	153.96	178.33	143.87	150.31	123.06
Withdrawal/Attrition Rate 10%/-10% (FY2020-21: 50%/-50%, FY2019-20 : 10%/-10%)	170.68	169.94	160.94	158.32	137.78	133.23

Leave salary	2021-22		2020-21		2019-20	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate 0.5%/-0.5% (FY2020-21: 0.5%/-0.5%, FY2019-20 : 0.5%/-0.5%)	35.70	40.20	35.50	40.21	30.25	37.48
Salary growth rate 0.5%/-0.5% (FY2020-21: 0.5%/-0.5%, FY2019-20 : 0.5%/-0.5%)	40.21	35.67	40.22	35.47	37.50	30.18
Withdrawal/Attrition Rate 10%/-10% (FY2020-21: 10%/-10%, FY2019-20 : 10%/-10%)	37.97	37.72	37.84	37.64	34.26	32.70

[*] Refer Note-34.3

Note 33
Related party disclosures
As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of related parties identified of the Company are as follows:
A. Subsidiary/ Associate / Joint Venture

Name of Entity	Type
Harsha Precision Bearing Components (China) Co., Ltd.	Subsidiary
Harsha Engineers B.V (HEBV)	Subsidiary
Harsha Engineers Europe SRL	Step-down Subsidiary
HASPL Americas Corporation	Subsidiary
Cleanmax Harsha Solar LLP	Joint Venture
Sunstream Green Energy One Private Limited	Associate

Note :
1. Pursuant to the Scheme sanctioned by Hon'ble National Company Law Tribunal (NCLT) , Ahmedabad bench vide its order dated December 23 2021, Aastha Tools Private Limited (ATPL), Harsha Engineers (India) Private Limited (HEIPL) has been merged with Harsha Engineers Limited (HEL) w.e.f. appointed date i.e April 1, 2020 and effective from December 24, 2021 and immediatley upon effectiveness of the same, HEL and Helianthus Solar Power Private Limited (HSPPL) has been merged with Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited, "HASPL") with effect from appointed date i.e. April 1, 2020.
2. Pursuant to the Scheme, Harsha Precision Bearing Components (China) Co. Ltd, Harsha Engineers BV and Harsha Engineers Europe SRL become the subsidiaries of the Company with effect from April 1, 2020 i.e. Appointed date.
3. The Board at its meeting held on February 20, 2021 approved the Scheme of Amalgamation - 2 of Harsha Engineers BV with the Company and their respective shareholders and creditors in accordance with the provision of Companies Act which is currently under process.
4. Related Party Transactions (RPT) by the Company are also included RPT of Transferor Companies as per the Scheme for the reporting periods. It may be noted that as per the Scheme approved by the NCLT, Ahmedabad Bench dated December 23, 2021, RPT made by Transferor Companies during the respective reporting period are also considered as RPT with respect to the merged entity i.e Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited, "HASPL").
5. HACM Solar LLP, Joint Venture of the Company has been struck off on October 21, 2021 and name has been struck off from the ROC .

B. Director & Key Managerial Personnel				**C. Relative of Key Managerial Personnel**				
Name of Director & Key Managerial Personnel				**Name of Relative of Key Managerial Personnel**				
Rajendra Shah [1]	Chairman & Whole-time Director	Harish Rangwala [2]	Managing Director	Rajendra Shantilal Shah HUF	Mili Mehta	Charusheela Rangwala	Madhurika Jasani	Lipsa Nayak
Vishal Rangwala [3]	CEO & Whole - time Director	Pilak Shah [4]	COO & Whole - time Director	Ukani Brijeshkumar Parshottambhai HUF	Yashpal Mehta	Tanvi Rangwala	Rinkal Jasani	Aayansh Mohanty
Hetal Ukani [5]	Whole - time Director	Ambar Patel [6]	Independent Director	Kanubhai Shah	Vaishali Shah	Tarana Rangwala	Nitya Jasani	Ravi Mohanty
Kunal Shah [6]	Independent Director	Neharika Vohra [6]	Independent Director	Navinchandra Shah	Raag Shah	Suresh Jasani (HUF)	Saurin Jasani	Rashmita Nayak
Ramakrishnan Kasinathan [6]	Independent Director	Bhushan Punani [6]	Independent Director	Manish Naik	Viha Ukani	Suresh Jasani	P.C Mohanty	Sinny Nayak
Maulik Jasani [7]	VP Finance and Group CFO	Kiran Mohanty [8]	Company Secretary & Chief Compliance Officer	Nirmala Shah	Preya Ukani	Maulik S Jasani HUF	Nayana Mohanty	Soham Naik

[1] Mr. Rajendra Shah is appointed as Chairman and Whole Time Director of the Company with effect from December 25, 2021.
[2] Mr Harish Rangwala is appointed as Managing Director of the Company with effect from December 25, 2021.
[3] Mr. Vishal Rangwala is appointed as Additional Director of the company with effect from August 12, 2021. He also appointed as CEO and Whole time Director with effect from December 25, 2021.
[4] Mr Pilak Shah is appointed as COO and Whole-time Director of the Company with effect from December 25, 2021.
[5] Ms Hetal Ukani has been appointed as Additional Director with effect from August 12, 2021. She also appointed as Whole time Director with effect from December 25, 2021.
[6] Mr. Ambar Patel, Mr. Kunal Shah, Prof. (Dr.) Neharika Vohra, Dr.Bhushan Punani and Mr. Ramakrishnan Kasinathan are appointed as Independent Directors of the company with effect from January 10, 2022.
[7] Mr. Maulik Jasani is appointed as Chief Financial Officer of the Company with effect from December 25, 2021.
[8] Mr. Kiran Mohanty has been appointed as Company Secretary & Chief Compliance officer of the company with effect from August 12, 2021.

Note :
1. Mr. Dilip Sanghvi is resigned from the position of Independent Director of the company with effect from December 25, 2021.
2. Mr. Falgun Shah is ceased to be Chief Financial Officer with effect from December 25, 2021.
3. Mr. Jitendra Mamtora is resigned from the position of Independent Director of the Company with effect from April 23, 2021.
4. Ms. Aastha Upadhyay has resigned from the position of Company Secretary of the Company with effect from March 15, 2021.
5. Due to sudden demise of Mr. Munjal Rangwala, ceased from the position of whole time director with effect from March 20, 2021

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Annexure -V : Notes to Restated Consolidated Financial Statements

Note 33

Related party disclosures

D. Enterprise on which Directors and KMPs have significant influence and control

Crest Creative Unit	Vishal Rangwala Family Trust
Harsha Renewable Energy Private Limited*	Pilak Shah Family Trust
Daylight Solar Private Limited	Munjal Rangwala Family Trust
First Light Asset Management Private Limited	Mili Mehta Family Trust
Hues Hub Online Private Limited	Hetal Ukani Family Trust
Advantterra Capital Management LLP	Brijesh Charitable Trust
Vakil Premji Ragahvji Thacker Education Foundation Charitable Trust	Meghna Developers Private Limited
Munjal Rangwala Friendship Foundation Charitable Trust	Meghna Organisers Private Limited
Aastha Charitable Trust for Welfare Mentally Challenged	Nirman Capital Services Private Limited***
Tridym Infrastructures Private Limited	IMC of ITI Vadodara (Disable)
Harsha Abakus Solar Pvt. Ltd - Group Gratuity Scheme**	Institute Management Committee of ITI Bavla
Harsha Engineers Ltd - Group Gratuity Scheme	Changodar Green Enviro Project Association
Aastha Tools Pvt Ltd - Group Gratuity Scheme	Harsha Engineers Employees Co.Op. Credit Soc. Ltd.

*The name of Harsha Renewable Energy Private Limited has been struck off from the register of companies and the said Company is dissolved with effect from April 6, 2022.

** Name of Harsha Abakus Solar Private Limited Group Gratuity Trust has been changed to Harsha Engineers International Limited Group Gratuity Trust w.e.f June 15, 2022 on account of merger

***Nirman Capital Services Private Limited has filed the application for striking off the name on August 18, 2022 which is currently under process.

E. Transactions during the year with related parties:

1. Subsidiary/ Associate / Joint Venture Transactions ^ :- (Rs. In Millions)

Particulars	Purchase of Goods / Job work / Service/ Assets / Reimbursement			Sales of Goods/ Assets/Lease Rent/ Reimbursement		
	2021-22	2020-21	2019-20*	2021-22	2020-21	2019-20*
Harsha Precision Bearing Components (China) Co., Ltd.	-	3.26	0.69	56.30	31.60	44.07
Harsha Engineers Europe SRL	0.10	11.11	18.03	6.43	23.51	69.33
Cleanmax Harsha Solar LLP	-	-	1.64	0.00	0.00	1.64

(Rs. In Millions)

Particulars	Loans Given			Interest Income		
	2021-22	2020-21	2019-20	2021-22	2020-21	2019-20
Harsha Precision Bearing Components (China) Co., Ltd.	48.33	-	24.45	6.08	7.19	7.83

(Rs. In Millions)

Particulars	Investment In Equity / Partner's Capital /Current A/c/ Share Profit from Associate / Joint Venture		
	2021-22	2020-21	2019-20*
Harsha Engineers B.V.	255.89	-	-
HASPL Americas Corporation	-	6.61	
Cleanmax Harsha Solar LLP	(3.20)	1.66	11.73
Sunstream Green Energy One Pvt. Ltd.	0.04	0.06	-

^ Transactions with Subsidiaries are eliminated in the consolidated financials

2. Key Management Personnel Transactions (Rs. In Millions)

Particulars	Remuneration			Dividend		
	2021-22	2020-21	2019-20*	2021-22	2020-21	2019-20*
Rajendra Shah	6.85	6.60	3.88	-	-	14.72
Harish Rangwala	6.85	6.60	3.88	-	-	22.35
Vishal Rangwala	17.95	17.16	5.41	-	-	0.84
Pilak Shah	14.95	13.98	5.41	-	-	8.40
Late Munjal Rangwala	0.73	5.99	4.31	-	-	2.52
Hetal Ukani	6.24	6.25	1.10	-	-	-
Maulik Jasani	5.48	4.62	4.35	-	-	-
Falgun Shah	3.69	3.87	3.84	-	-	-
Aastha Upadhyay	-	0.33	0.33	-	-	-
Kiran Mohanty	1.65	1.46	1.44	-	-	-

(Rs. In Millions)

Particulars	Loan Accepted			Loans Repaid		
	2021-22	2020-21	2019-20*	2021-22	2020-21	2019-20*
Rajendra Shah	48.57	24.40	14.50	32.70	1.40	60.00
Harish Rangwala	115.07	15.00	118.00	154.47	30.00	110.00
Pilak Shah	24.50	-	8.50	22.50	-	90.00
Late Munjal Rangwala	-	-	12.67	-	6.30	40.00
Hetal Ukani	15.00	-	-	18.91	-	-

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Annexure -V : Notes to Restated Consolidated Financial Statements

Note 33

Related party disclosures

(Rs. In Millions)

Particulars	Interest Expense			Sitting Fees		
	2021-22	2020-21	2019-20*	2021-22	2020-21	2019-20*
Rajendra Shah	3.62	1.68	-	-	-	-
Harish Rangwala	13.69	7.98	2.76	-	-	-
Pilak Shah	2.28	-	-	-	-	-
Late Munjal Rangwala	-	0.77	0.51	-	-	-
Hetal Ukani	1.79		-			-
Jitendra Mamtora	-	-	-	-	0.06	0.08
Ambar Patel	-	-	-	0.10	0.08	0.10
Kunal Shah	-	-	-	0.10	0.06	0.10
Prof. Dr. Neharika Vohra	-	-	-	0.10	0.06	0.08
BhushanLal Punani	-	-	-	0.04	-	-
Ramakrishnan Kasinathan	-	-	-	0.04	-	-

(Rs. In Millions)

Particulars	Loan Given			Interest Income		
	2021-22	2020-21	2019-20*	2021-22	2020-21	2019-20*
Kiran Mohanty	-	0.08	-	0.00	0.00	-

(Rs. In Millions)

Particulars	Loans Received Back			Sales of Goods		
	2021-22	2020-21	2019-20*	2021-22	2020-21	2019-20*
Harish Rangwala	-	-	-	2.01	-	-
Kiran Mohanty	0.01	0.01	-	-	-	-

3. Relative of Key Management Personnel Transactions (Rs. In Millions)

Particulars	Dividend			Deposits Accepted		
	2021-22	2020-21	2019-20*	2021-22	2020-21	2019-20*
Charusheela Rangwala	-	-	14.63	114.55	-	18.80
Tanvi Rangwala	-	-	1.68	-	-	-
Nirmala Shah	-	-	12.60	62.00	25.00	12.60
Mili Mehta	-	-	0.00	-	-	-
Late Krina Shah	-	-	2.10	-	-	-
Hetal Ukani	-	-	2.10	-	-	-
Vaishali Shah	-	-	2.10	10.00	-	-
Rajendra Shah (HUF)	-	-	-	-	1.70	-

(Rs. In Millions)

Particulars	Deposits Repaid			Interest Expense		
	2021-22	2020-21	2019-20*	2021-22	2020-21	2019-20*
Charusheela Rangwala	46.80	-	5.45	5.21	-	0.21
Nirmala Shah	47.83	-	-	5.10	-	-
Mili Mehta	15.43	0.25	-	1.16	0.02	0.03
Late Krina Shah	-	39.00	-	-	0.07	0.16
Hetal Ukani	-	8.99	-	-	0.56	1.04
Vaishali Shah	11.70	-	-	1.12	0.13	0.14
Rajendra Shah (HUF)	9.88	-	-	0.74	0.84	0.94

(Rs. In Millions)

Particulars	Remuneration			Purchase of Service		
	2021-22	2020-21	2019-20*	2021-22	2020-21	2019-20*
Hetal Ukani	-	-	1.85	-	-	-
Maulik S. Jasani (HUF)	-	-	-	0.31	0.31	0.31

4. Enterprise on which Directors and KMPs have significant influence and control Transactions (Rs. In Millions)

Particulars	Purchase of Goods / Job work / Assets / Reimbursement / Contribution / CSR			Sales of Goods/ Assets/Lease Rent/ Reimbursement		
	2021-22	2020-21	2019-20*	2021-22	2020-21	2019-20*
Crest Creative Unit	0.34	0.26		-	-	-
Aastha Charitable Trust for Welfare Mentally	0.21	33.39	6.50	0.27	-	-
Harsha Abakus Solar Pvt. Ltd. Emp. Group Gratuity	0.21	0.07	0.11	-	-	-
Harsha Engineers Ltd - Group Gratuity Scheme	0.72	0.68	0.71	-	-	-
Aastha Tools Pvt Ltd-Group Gratuity Scheme	-	0.02	0.02	-	-	-

(Rs. In Millions)

Particulars	Loans Given			Loans Repaid		
	2021-22	2020-21	2019-20*	2021-22	2020-21	2019-20*
Harsha Renewable Energy Private Limited	0.01	0.01	-	0.01	-	-
Daylight Solar Private Limited	0.00	0.00	-	0.00	0.00	-
First Light Asset Management Private Limited	0.00	0.02	0.00	0.03	-	-

HARSHA ENGINEERS INTERNATIONAL LIMITED
(formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)

Annexure -V : Notes to Restated Consolidated Financial Statements

Note 33

Related party disclosures

F. Outstanding balance

1. Subsidiary/ Associate / Joint Venture Outstanding ^

(Rs. In Millions)

Particulars	Investment In Equity / Partner's Capital /Current A/c/ Share Profit from Associate / Joint Venture			Other Receivables		
	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Harsha Precision Bearings Components (China) Co.	675.99	675.99	675.99	50.49	18.64	53.76
Harsha Engineers B.V.	1,361.23	1,105.34	1,105.34	-	-	-
Harsha Engineers Europe SRL	-	-	-	1.39	26.24	102.57
HASPL Americas Corporation	6.66	6.66	-	-	-	-
Cleanmax Harsha Solar LLP	64.55	67.75	66.09	-	11.82	24.82
Sunstream Green Energy One Pvt. Ltd.	0.10	0.06	-	-	-	-

(Rs. In Millions)

Particulars	Loan & Advance			Interest Receivables on loan		
	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Harsha Precision Bearings Components (China) Co.	183.42	129.40	133.93	7.38	20.23	40.05
Harsha Engineers B.V.	-	-	-	-	46.59	44.97

(Rs. In Millions)

Particulars	Other Payables		
	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Harsha Precision Bearings Components (China) Co.	-	-	0.05
Harsha Engineers Europe SRL	-	27.54	68.00

^ Transactions with Subsidiaries are eliminated in the consolidated financials

2. Key Management Personnel Outstanding

(Rs. In Millions)

Particulars	Loan			Interest Payable on Loan		
	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Rajendra Shah	48.57	32.77	9.77	-	-	-
Harish Rangwala	102.07	141.55	156.55	-	0.41	0.59
Pilak Shah	24.50	22.50	22.50	-	-	-
Late Munjal Rangwala	-	10.40	16.70	-	0.04	0.09
Hetal Ukani	15.00					

(Rs. In Millions)

Particulars	Remmuneration Payable			Loan Receivable		
	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Rajendra Shah	3.21	3.45	0.24	-	-	-
Harish Rangwala	3.21	3.45	0.24	-	-	-
Vishal Rangwala	12.43	12.43	0.25	-	-	-
Pilak Shah	9.41	9.27	0.28	-	-	-
Late Munjal Rangwala	-	1.78	0.23	-	-	-
Hetal Ukani	3.25	3.36	0.15	-	-	-
Maulik Jasani	0.22	0.20	0.25	-	-	-
Falgun Shah	-	0.27	0.24	-	-	-
Aastha Upadhyay	-	0.03	0.03	-	-	-
Kiran Mohanty	0.11	0.09	0.08	0.06	0.06	-

3. Relative of Key Management Personnel Outstanding

(Rs. In Millions)

Particulars	Deposit			Interest Payable on Deposit		
	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Charusheela Rangwala	101.80	23.61	23.61	-	-	-
Nirmala Shah	62.00	47.83	22.84	-	-	-
Mili Mehta	-	15.43	15.68	-	-	0.01
Late Krina Shah	-	-	26.40	-	-	0.07
Hetal Ukani	-	18.91	27.89	-	-	0.47
Vaishali Shah	10.00	11.70	11.70	-	-	0.06
Rajendra Shah (HUF)	-	9.88	8.18	-	-	0.42

(Rs. In Millions)

Particulars	Other Payable		
	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Maulik Jasani (HUF)	0.03	0.03	0.03

4. Enterprise on which Directors and KMPs have significant influence and control Outstanding

(Rs. In Millions)

Particulars	Loan & Advance		
	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Harsha Renewable Energy Private Limited	-	0.01	-
First Light Asset Management Private Limited	-	0.02	0.00

[*] Refer Note-34.3

34. Other Notes

34.1. Contingent Liabilities, Contingent Assets and Capital Commitments

Contingent liabilities are not provided for, if material, are disclosed by way of notes to accounts (net of advance, if any). Contingent assets are not recognised in financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

(Rs. In Millions)

Particulars	31-Mar-22	31-Mar-21	31-Mar-20*
(a) CONTINGENT LIABILITIES NOT PROVIDED FOR :			
(i) Letter of Credit/Corporate Guarantee/Stand By Letter of Credit (SBLC) & Bank Guarantee (Outstanding)	357.45	548.50	788.63
(ii) Custom duty benefits towards duty free imports under EPCG license scheme in respect of which export obligation are yet to be discharged.	14.29	4.99	28.36
(iii) Claims against the company not acknowledged as debts:			
- Income Tax Matters	237.93	184.32	231.01
- Excise, Service Tax and GST Matters	10.56	10.56	9.88
- Sales Tax & Vat Matters	-	0.60	-
(iv) Other Matters including claims related to Customer, Vendor, ESIC, Electricity, Ex-Employee and others #	168.99	158.89	154.44
(b) CAPITAL COMMITMENTS :			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	116.05	67.26	38.77

It includes Rs. 150 millions of the City Civil Court, Bengaluru case filed by Orchestrate Systems Pvt. Ltd. (OSPL) against the Company. This matter was filed by OSPL after the winding up petition was filed by the Company against OSPL at Karnataka High Court. later the Company had withdrawn the winding up petition at Karnataka High court against OSPL, with permission of court to pursue the matter under MSMED Act. Thereafter, the Company had filed MSME case against OSPL for recovery of Rs. 68.6 millions and on conciliation fail at MSMEFC the matter was refer to Arbitration. After completion of arbitration, arbitrator has passed necessary order in favour of the Company for recovery of Rs. 68.6 millions plus interest as per the said order dated 4th May 2019. The company has filed execution petition at commercial court Raipur for above arbitration order as assets of OSPL are located in Chhattisgarh. The same matter is pending with commercial court, Raipur. OSPL has challenged this arbitration at Gujarat High court and the same matter is also pending with Gujarat High court. Against, civil court case at Bengaluru by OSPL, Counter Claim Revival Application has been submitted by the Company, Hearing on revival application is in process.

Note : 1. All of the issue of litigation pertaining to Income tax are based on interpretation of the income tax law & rules, Management has been opined by its counsel that many of the issues raised by revenues will not be sustainable in law as they are covered by judgements of respective judicial authorities which supports its contention. As such no material impact on the financial of the Company is envisaged.

Note : 2. Most of the issue of litigation pertaining to Central Excise/ Service tax are based on interpretation of the tax law & rules, Management has been opined by its counsel that many of the issues raised by revenues will not be sustainable in law as they are covered by judgements of respective judicial authorities which supports its contention. As such no material impact on the financial of the Company is envisaged.

[*] Refer Note-34.3

34.2. Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker [CODM] of the Group.

Ind AS 108 "Operating Segment" establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas. Accordingly, information has been presented both along business segments and geographic segments

A : BUSINESS SEGMENTS INFORMATION

The Chief Operating Decision Maker [CODM] reviews the Group as (i) "Engineering & Others" and (ii) "Solar-EPC and O&M" segment .

The CODM reviews revenue, results, total assets and total liabilities as the performance indicator of an operating segment.
The "Engineering & Others" segment includes all activities related with Bearing Cages & Stamp components including but not limited to sales, services, design, tooling, development, procurement and manufacturing.

The "Solar-EPC and O&M" segment includes all activities related with Solar Power Projects including but not limited to engineering, design, development, procurement, construction, erection, installation, commissioning, operation & maintenance.

The above business segments have been identified considering, (1) the different risk and returns and (2) the Customers.
The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional information for segment reporting.

HARSHA ENGINEERS INTERNATIONAL LIMITED
(formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
Annexure -V : Notes to Restated Consolidated Financial Statements

(Rs. In Millions)

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21	Year ended 31-Mar-20*
1. Segment Revenues :			
a. Engineering & Others	12,385.35	8,195.62	8,216.59
b. Solar-EPC and O&M	829.46	541.92	641.94
Total Revenue from Operations	**13,214.81**	**8,737.54**	**8,858.53**
2. Segment Operating Results (EBITDA) # :			
a. Engineering & Others	1,890.88	1,404.62	1,233.79
b. Solar-EPC and O&M	(25.11)	(155.00)	(233.24)
Total Operating Results (EBITDA)	**1,865.77**	**1,249.62**	**1,000.55**
3. Segment Results (PBT) :			
a. Engineering & Others	1,313.83	865.07	642.45
b. Solar-EPC and O&M	(47.64)	(257.85)	(326.60)
Total Profit Before Tax (PBT)	**1,266.19**	**607.22**	**315.85**
4. Segment Assets :			
a. Engineering & Others	10,478.54	8,828.07	8,159.99
b. Solar-EPC and O&M	1,103.99	982.61	1,572.40
Total Assets	**11,582.53**	**9,810.68**	**9,732.39**
5. Segment Liabilities :			
a. Engineering & Others	5,223.34	4,404.81	4,475.39
b. Solar-EPC and O&M	1,140.59	1,134.10	1,537.20
Total Liabilities	**6,363.93**	**5,538.91**	**6,012.59**

Operating Results (EBITDA) : Total Profit Before Finance Cost, Depreciation & Amortisation, Tax & Profit / (loss) on Sale of Fixed Assets

SECONDARY SEGMENT INFORMATION
B : Geographical Segment:

(Rs. In Millions)

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21	Year ended 31-Mar-20*
1. Revenues: #			
a. India	4,845.10	2,888.57	3,218.37
b. Outside India	8,369.71	5,848.97	5,640.16
2. Non-current assets: ##			
a. India	2,058.57	1,840.03	1,808.14
b. Outside India	1,519.42	1,617.54	1,563.60
[#] The revenue information above is based on the locations of the customers. [##] Non-current assets for this purpose consist of property, plant and equipment and intangible assets.			

[*] Refer Note-34.3

Information about major customers:

The following is the transactions by the Group with customers individually contributing 10 per cent or more of the Group's revenue from operations:

(a) For the year ended 31 March 2022, revenue from operations of 1 customer of the Group represented approximately 14.23 % of the Group's revenue from operations.
(b) For the year ended 31 March 2021, revenue from operations of 1 customer of the Group represented approximately 14.16 % of the Group's revenue from operations.
(c) For the year ended 31 March 2020, revenue from operations of 1 customer of the Group represented approximately 16.63 % of the Group's revenue from operations.

34.3. Merger :

Pursuant to the Composite Scheme of Amalgamation and Arrangement between Aastha Tools Private Limited (ATPL), Harsha Engineers (India) Private Limited (HEIPL), Harsha Engineers Limited (HEL), Helianthus Solar Power Private Limited (HSPPL) and Harsha Abakus Solar Private Limited (the Company) and their respective shareolders and creditors under section 230 to 232 read with section 61 and 66 alongwith other applicable provisions of the Companies Act, 2013 ("the Scheme" or "Business Reorganisation Scheme"), ATPL and HEIPL were merged into HEL with effect from the appointed date, April 01, 2020 and immediately upon effectiveness of the the same HEL and HSPPL (Amalgamating Companies) were merged into the Company pursuant to the Scheme with effect from the appointed date, April 01, 2020. The Scheme was sanctioned by the Ahmedabad bench of the Hon'ble National Company Law Tribunal [NCLT] vide its order dated 23rd December 2021 and all the businesses, undertakings, activities, properties, investments and liabilities of each of the Amalgamating Companies were transferred to and vested in the Company as per the Scheme with effect from April 01, 2020, being the appointed date. The certified copy of order and necessary forms was filed with Registrar of Companies, Gujarat [ROC] at Ahmedabad on 24th December 2021, being the effective date. The Scheme has accordingly been given effect to in these financial statements as per the accounting treatment approved in NCLT order and provided in the Scheme.

As Amalgamating Companies are under the common control of the shareholders, the Scheme has been accounted for in the books of the Company using Pooling of Interest method as prescribed in Appendix C to Ind AS-103 ["Business combinations of entities under common control"]. Accordingly,

(1) The assets and liabilities pertaining to the Amalgamating Companies vested in the Company have been accounted as provided in the Scheme, at their respective carrying values as appearing in their respective books on the opening hours of business on April 01, 2020 being the Appointed Date.

(2) The inter-corporate deposits/ loans and advances outstanding between the Amalgamating Companies and the Company inter-se have been cancelled.

(3) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonize accounting policies.

(4) The balance of the retained earnings appearing in the financial statements of the Company is aggregated with the corresponding balance appearing in the financial statements of the Amalgamating Companies or is adjusted against General Reserve.

(5) The identity of the reserves are preserved and the reserves of the Amalgamating Companies become the reserves of the Company.

(6) The surplus/deficit of the share capital of the Amalgamating Companies over the value of investments in the shares of these companies appearing in the books of the Company and cancelled pursuant to the Scheme has been adjusted in the "Capital Reserve Account" of the Company. Further, as a result of merger the net difference amounting to INR 60.41 millions was debited to the Capital Reserve.

(7) The financial statements of the Company for the previous financial year i.e. 2019-20 have been restated as if this business combination through the Scheme had occurred from the beginning of the financial year 2019-20, i.e. 1st April 2019, as prescribed in the Appendix C to Ind AS-103.

The total consideration for amalgamation is Rs. 722.48 millions, which is determined by exchange ratio of 3 shares of the Company against 1 share of HEL.

The book values of assets and liabilities acquired of Amalgamating Companies on merger, as at the appointed date i.e. 1 April 2020 has been provided below:

(Rs. In Millions)

Particulars	**As at 1/4/2020**
Total Assets (A)	7,419.91
Total Liabilities (B)	(3,249.84)
Net assets taken over (C=A+B)	**4,170.07**
Reserves of Amalgamating Companies vested in the Company (D)	(3,926.95)
Net Equity taken over (E=C+D)	**243.12**
Cancellation of Investments in equity of ATPL, HEIPL, HSSPL, held by the HEL or Company as the case may be (F)	(31.05)
Share Capital Pending Reduction and Consolidation (Reduction in Face Value from Rs.10 each to Re. 1 each of the Company followed by Consolidation of Re. 1 to Rs. 10) (G)	450.00
Share Capital Pending Allotment (Being consideration for amalgamation, 3 Equity Shares of the Company against 1 Equity Share of HEL to Share Holders of HEL, which is allotted on record date as per the Scheme) (H)	(722.48)
Difference on Amalgamation (Debited to the Capital Reserves) (I=E+F+G+H)	**(60.41)**

Scheme of Amalgamation - 2

The Company has also filed a Scheme of Amalgamation between Harsha Engineers B.V. and Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited, "HASPL", the Company) and their respective shareholders and creditors under section 234 read with sections 230 to 232 along with other applicable provisions of the Companies Act, 2013 other applicable rules and regulations made thereunder (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force), subject to necessary statutory approvals ("the Scheme of Amalgamation - 2") .

The Company is holding 100% of the equity shares of the Harsha Engineers BV. Accordingly, pursuant to amalgamation of Harsha Engineers B.V. with the Company on the Appointed Date, equity shares held by the Company in Harsha Engineers BV shall be cancelled and extinguished and hence, no shares of the Company shall be issued and allotted. On the Scheme of Amalgamation - 2 being effective, the assets and liabilities pertaining to the Harsha Engineers B.V. will be accounted for at their respective carrying values as appearing in their respective books as on the Appointed Date.

Scheme of Amalgamation-2 was approved and order was pronounced by the National Company Law Tribunal [NCLT] on 25th August 2022. The necessary corporate actions & further activities will be done in due course, after the Company receives certified copy of the order.

34.4. Events occurring after the Reporting Date
Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitments affecting the financial position are disclosed in the Director's Report.

Pursuant to the merger, the Company had made an application for adjudication of stamp duty order as required under Gujarat Stamp Act. Subsequently the Company has received demand notice from the office of the Superintendent of Stamps, Gujarat State, Gandhinagar vide its letter dated April 13, 2022 for the payment of stamp duty of Rs 91,91,100 and same was paid by the Company. The Company has received the stamp adjudication order on April 28, 2022 stating the payment has been made as per section 32 of Gujarat Stamp Act.

Harsha Precision Bearing Components (China) Co.,Ltd. has received a penalty notice for RMB 1.50 lakhs on 14th June 2022 from Changshu Bureau, China. for EHS related violation at Changshu Plant, and same was Paid by the Company.

34.5 Previous year's figures have been regrouped / reclassified to make them comparable with those of the current reporting period, wherever necessary.

34.6. Additional Regulatory Information :
1) The company does not have any investment property hence, comment related to revaluation is not made.
2) The Company has not granted any Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are: (a) repayable on demand; or (b)without specifying any terms or period of repayment.
3) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
4) As on the reporting date, the company has borrowings from banks or financial institutions on the basis of security of current assets and for which quarterly statements are submitted , which is in line with the books of accounts of the company.
5) The Company has not been declared as willful defaulter (By virtue of Section 477 & 488 of The Companies Act, 2013) by any bank or financial institution or government or any government authority.
6) The Company has transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. and having outstanding balance at the year end as per below details.

(Rs. In Millions)

Name of the struck off company	**Nature of transactions with struck off company**	**Relationship with the struck off company, if any.**	**Balance outstanding**		
			As at 31-Mar-22	**As at 31-Mar-21**	**As at 31-Mar-20***
Metro Packaging Pvt Limited	Payables	Not Applicable	0	-	-
Harsha Renewable Energy Private Limited	Receivable	Having Common Director & Shareholders	-	0	-

7) The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
8) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017
9) (A) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
(B) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall :
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
10) The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
11) The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

34.6 The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID19 is significantly impacting business operation of the Company in initial periods by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc. On 24th March, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities. The company has started production and other operations as per the Government / local body guidelines and approval.

Due to outbreak of COVID-19 globally and in India, the company's management has made initial assessment of likely adverse impact on business and increase in financial risks. The company has specifically reviewed its assets to ensure and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

34.7 Wholly owned subsidiary company namely Harsha Engineering Components (Changshu) Co. Ltd. has been merged with Harsha Precision Bearing Components (China) Co., Ltd. , another wholly owned subsidiary company, effective from 1st September 2019.

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Annexure -V : Notes to Restated Consolidated Financial Statements

Note 35 Financial Ratio

(Rs. In Millions)

Particulars	For the year ended		
	31-Mar-22	**31-Mar-21**	**31-Mar-20***
(1) Current Ratio (Times)	**1.64**	**1.43**	**1.30**
% Change from previous year	15%	10%	**
Reason for change more than 25% : Not Applicable			
Current Ratio=Current Assets divided by Current Liabilities			
Current Assets	7,800.31	6,170.71	6,177.12
Current Liabilities	4,758.36	4,311.88	4,734.71
(2) Debt-Equity Ratio (Times)	**0.74**	**0.83**	**1.13**
% Change from previous year	-12%	-26%	**
Reason for change more than 25% : 31-Mar-21 Lower due to : Repayment of debt and increased in Total Equity due to higher profitability			
Debt-Equity Ratio=Total debt (current and non-current borrowings & lease liabilities) divided by Total equity			
Total debt (current and non-current borrowings & lease liabilities)	3,848.62	3,566.74	4,191.30
Total equity	5,218.60	4,271.77	3,719.80
(3) Debt Service Coverage Ratio (Times)	**2.26**	**1.34**	**0.94**
% Change from previous year	68%	43%	**
Reason for change more than 25% : 31-Mar-22 & 31-Mar-21 : Higher due to higher profitability and lower repayment of debt and interest			
Debt Service Coverage Ratio=Profit after tax plus Depreciation and Amortisation expenses and Finance Costs divided by Debt Service (interest and 12 months principal repayment = Current Debt Obligation]			
Profit after tax Plus Depreciation and Finance cost	1,518.59	1,095.41	899.56
Debt Service = Current Debt Obligation (Interest and 12 months principal repayment)	671.80	814.68	957.44
(4) Return on Equity Ratio (%)	**17%**	**10%**	**6%**
% Change from previous year	66%	81%	**
Reason for change more than 25% : 31-Mar-22 : Higher due to increase in profitability mainly due to increase in Revenue., 31-Mar-21 :Higher due to: Higher Profits Generation			
Return on Equity Ratio = Net profit attributable to Equity Share holders (PAT-Profit After Tax) divided by Shareholders Equity			
Net profit attributable to Equity Share holders(PAT-Profit After Tax)	919.44	454.39	219.09
Total equity	5,279.01	4,332.18	3,780.21
(5) Inventory turnover ratio (Times)	**1.97**	**1.55**	**1.98**
% Change from previous year	27%	-22%	**
Reason for change more than 25% : 31-Mar-22 : High due to lower Inventory increase compare to higher material Cost.			
Inventory turnover ratio=Cost of materials consumed + Changes in inventories of finished goods, work-in-progress divided by Closing Inventories			
Cost of materials consumed + Changes in inventories of finished goods, work-in-progress	7,397.06	4,147.24	4,581.07
Closing Inventories	3,757.21	2,675.45	2,319.30
(6) Trade Receivables turnover ratio (Times)	**4.63**	**4.03**	**3.65**
% Change from previous year	15%	10%	**
Reason for change more than 25% : Not Applicable			
Trade Receivables turnover ratio = Net Sales divided by Closing Accounts Receivable			
Net Sales	13,084.52	8,618.07	8,718.65
Closing Accounts Receivable	2,827.51	2,138.81	2,386.58
(7) Trade payables turnover ratio (Times)	**5.76**	**5.31**	**5.71**
% Change from previous year	8%	-7%	**
Reason for change more than 25% : Not Applicable			
Trade payables turnover ratio = Cost of materials consumed + Other Expenses - [Corporate Social Responsibility(CSR)+Donations+Loss / (Profit) on Sale of Fixed Assets+Rates & Taxes+ + Sundry Balance write off /Bad debts (Net) + Provision for doubtful debts] divided by Closing Accounts Payables			
Cost of materials consumed + Other Expenses less - (+Corporate Social Responsibility (CSR) +Donations + Loss / (Profit) on Sale of Fixed Assets + Rates & Taxes + Sundry Balance write off /Bad debts (Net) + Provision for doubtful debts	10,526.86	6,198.20	6,368.27
Closing Accounts Payables	1,827.88	1,166.78	1,114.60

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Annexure -V : Notes to Restated Consolidated Financial Statements

(8) Net capital turnover ratio (Times)	**2.53**	**2.05**	**2.38**
% Change from previous year	24%	-14%	**
Reason for change more than 25% : Not Applicable			
Net capital turnover ratio = Revenue from operations divided by Shareholder's Equity			
Revenue from operations	13,214.81	8,737.54	8,858.53
Total equity	5,218.60	4,271.77	3,719.80
(9) Net profit ratio (%)	**7%**	**5%**	**2%**
% Change from previous year	34%	110%	**
Reason for change more than 25% : 31-Mar-22 : Higher due to increase in profitability mainly due to increase in Revenue and reduction in Total Expenses, 31-Mar-21 : Higher due to reduction in Total Expenses .			
Net profit ratio (%) = Net profit (PAT-Profit After Tax) divided by Revenue from Operations			
Net profit (PAT-Profit After Tax)	919.44	454.39	219.09
Revenue from Operations	13,214.81	8,737.54	8,858.53
(10) Return on Capital employed (%)	**23%**	**17%**	**13%**
% Change from previous year	34%	33%	**
Reason for change more than 25% : 31-Mar-22 : Higher due to increase in profitability mainly due to increase in Revenue, 31-Mar-21 : Higher due to increase in profitability mainly due to reduction in total expenses and reduction in long term borrowings.			
Return on Capital employed (%)=Profit before interest and tax divided by Capital Employed (Total Equity + Total Long Term Borrowings + Total Lease Liability)			
Profit before interest and tax	1,511.78	907.15	643.88
Capital Employed (Total Equity + Long Term Borrowings + Lease Liability)	6,652.23	5,362.75	5,057.11
(11) Return on investment (%)	**13%**	**9%**	**7%**
% Change from previous year	41%	40%	**
Reason for change more than 25% : 31-Mar-22 : Higher due to increase in profitability mainly due to increase in Revenue, 31-Mar-21 : Higher due to increase in profitability mainly due to reduction in Total Expenses			
Profit before tax Plus Finance Cost	1,511.78	907.15	643.88
Total assets	11,582.53	9,810.68	9,732.39
** The numbers for 31-Mar-19 year ended are not comparable with numbers for 31-Mar-20 pursuant to the Scheme [Refer Note 34.3] and hence not explained.			
[*] Refer Note-34.3			

Note 36

Explanation of transition to Ind AS

Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited) previously had prepared financial statements in accordance with the accounting standards specified under the section 133 of the Act read together with the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Indian GAAP or previous GAAP or IGAAP) while the Company has voluntarily decided to adopt Ind AS accounting standards as specified under section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended from time to time along with the rules thereof or any other applicable rules or related requirements under the Act from the beginning of financially year 2020-21 and accordingly Ind AS transition date is 01st April 2019. Accordingly, the Company has prepared it's consolidate financial statements in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31st March 2021, the comparative information presented in these financial statements for the year ended 31 March 2020 and in the preparation of an opening Ind AS balance sheet at 01st April 2019 (the Company's date of transition to Ind AS).

In preparing its opening Ind AS balance sheet, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with the Indian GAAP. As the effect of the Scheme has been provided from the beginning of the preceding financial year (i.e. 1st April 2019) as per the requirement of appendix C of Ind AS 103, refer Note No. 34.3, and same is also a transition date to Ind AS for the Company, we have considered here balance under Indian GAAP only for the Companies (including transferor company) whose previous GAAP was under Indian GAAP and not Ind AS. Accordingly, balance under Indian GAAP shown in this note are respective balances of the Company and Helianthus Solar Power Private Limited as per their previous GAAP as other companies being part of the Scheme are under Ind AS only. An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables and notes:

Exemption and exception applied

In preparing these financial statements, the Company has applied the below optional exemptions and mandatory exceptions in line with principles of Ind AS 101.

Optional exemptions

I. Property, Plant and Equipment (PPE)

Ind AS 101 provides the below options with respect to the items of PPE:

• Carry forward the previous GAAP carrying values as at the transition date as "deemed cost" under Ind AS, provided there is no change in functional currency.
• Fair value the items of PPE as at the transition date and use this as the "deemed cost" under Ind AS.
• Restate the carrying values of PPE retrospectively as at the transition date based on Ind AS 16.

The above options are available for intangible assets and investment property as well except fair value option not permitted for investment property.
The Company has opted to measure all the items of PPE at the previous GAAP carrying values as at the transition date.

II. Deemed cost for investments in equity shares of subsidiaries and associates

Under, Ind AS 101 an entity can determine the value of investment in a subsidiary, associate or joint arrangement as either of the below:

• Cost determined in accordance with Ind AS 27 (i.e. retrospective application of Ind AS 27)
• Fair value at the entity's date of transition to Ind AS
• Previous GAAP carrying amount

Accordingly, if an entity chooses to measure its investment at fair value at the date of transition then that is deemed to be cost of such investment for the company and, therefore, it shall carry its investment at that amount (i.e. fair value at the date of transition) after the date of transition.
The Company has opted to measure all the items of investments in equity shares of subsidiaries and associates at the previous GAAP carrying values as at the transition date.

Mandatory exceptions

Below are the key mandatory exceptions used in preparation of these financial statements:

A. Estimates

Under Ind AS 101, an entity's estimates in accordance with Ind AS at 'the date of transition to Ind AS' or 'the end of the comparative period presented in the entity's first Ind AS financial statements', as the case may be, should be consistent with estimates made for the same date in accordance with previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.
The Company's Ind AS estimates as on the transition date are consistent with the estimates made under previous GAAP as on this date. Key estimates considered in preparation of these financial statements that were not required under the previous GAAP are listed below:

• Fair valuation of financial instruments carried at FVTPL or FVOCI.
• Impairment of financial assets based on the expected credit loss model.
• Discounted value of liability on account of decommissioning cost.
• Allocation of previous GAAP carrying values of fixed assets.

B. Classification and measurement of financial assets

Ind AS 101 provides exemptions to certain classification and measurement requirements of financial assets under Ind AS 109, where these are impracticable to implement. Classification and measurement is done on the basis of facts and circumstances existing as on the transition date.
Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the transition date.

C. Reconciliation of equity as at 1 April, 2019				(Rs. In Millions)
Particulars	**Foot note ref.**	**Amount as per IGAAP***	**Effects of transition to Ind AS**	**Amount as per Ind AS**
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		3.53	-	3.53
Capital Work-In-Progress		-	-	-
Other Intangible Assets		1.62	-	1.62
Financial Assets				
Investments		0.25	-	0.25
Loans & Advances		2.35	-	2.35
Other Tax Assets [Net]		17.90	-	17.90
Other Non-Current Assets		13.70	-	13.70
Total Non-Current Assets		**39.35**	**-**	**39.35**
Current Assets				
Inventories		90.26	-	90.26
Financial Assets			-	-
Investments	36.6	69.20	(11.73)	57.47
Trade Receivables	36.5	1,423.89	(135.77)	1,288.12
Cash and Cash Equivalents		7.69	-	7.69
Other Bank Balances		123.57	-	123.57
Loans & Advances	36.2	46.57	9.23	55.80
Other Financial Assets		-	-	-
Other Current Assets		287.72	-	287.72
Total Current Assets		**2,048.91**	**(138.27)**	**1,910.64**
TOTAL ASSETS		**2,088.26**	**(138.27)**	**1,949.99**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		200.00	-	200.00
Other Equity		(84.45)	(101.49)	(185.95)
Total Equity		**115.55**	**(101.49)**	**14.05**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings		337.50	-	337.50
Other Financial Liabilities		-	-	-
Provisions		3.92	-	3.92
Deferred Tax Liabilities (Net)	36.1	(78.22)	(36.78)	(115.00)
Other Non-Current Liabilities		0.66	-	0.66
Total Non-Current Liabilities		**263.86**	**(36.78)**	**227.08**
Current Liabilities				
Financial Liabilities				
Borrowings		784.23	-	784.23
Trade Payables				-
-Dues to Micro & Small Enterprises		28.44	-	28.44
-Dues to other than Micro & Small Enterprises		500.91	-	500.91
Other Financial Liabilities		118.23	-	118.23
Other Current Liabilities		276.02	-	276.02
Provisions		1.02	-	1.02
Current Tax Liabilities [Net]		-	-	-
Total Current Liabilities		**1,708.86**	**-**	**1,708.86**
Total Liabilities		**1,972.71**	**(36.78)**	**1,935.94**
TOTAL EQUITY AND LIABILITIES		**2,088.26**	**(138.27)**	**1,949.99**

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

D. Reconciliation of equity as at 31 March, 2020				(Rs. In Millions)
Particulars	**Foot note ref.**	**Amount as per IGAAP***	**Effects of transition to Ind AS**	**Amount as per Ind AS**
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		2.44	-	2.44
Capital Work-In-Progress		-	-	-
Goodwill on Consolidation		-	-	-
Other Intangible Assets		0.84	-	0.84
Financial Assets				
Investments		0.25	-	0.25
Loans & Advances		0.03	-	0.03
Other Tax Assets [Net]		10.34	-	10.34
Other Non-Current Assets		15.17	-	15.17
Total Non-Current Assets		**29.08**	**-**	**29.08**
Current Assets				
Inventories		65.78	-	65.78
Financial Assets			-	-
Investments	36.6	63.89	1.95	65.84
Trade Receivables	36.5	1,057.40	(53.31)	1,004.10
Cash and Cash Equivalents		1.71	-	1.71
Other Bank Balances		107.75	-	107.75
Loans & Advances	36.2	48.76	8.91	57.67
Other Financial Assets		-	-	-
Other Current Assets	36.3	240.11	0.07	240.19
Total Current Assets		**1,585.42**	**(42.37)**	**1,543.05**
TOTAL ASSETS		**1,614.50**	**(42.37)**	**1,572.12**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		500.00	-	500.00
Other Equity		(432.34)	(32.78)	(465.13)
Total Equity		**67.66**	**(32.78)**	**34.87**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings		225.00	-	225.00
Other Financial Liabilities		-	-	-
Provisions		4.89	-	4.89
Deferred Tax Liabilities (Net)	36.1	(167.31)	(9.59)	(176.90)
Other Non-Current Liabilities		0.84	-	0.84
Total Non-Current Liabilities		**63.42**	**(9.59)**	**53.82**
Current Liabilities				
Financial Liabilities				
Borrowings		635.79	-	635.79
Trade Payables				-
-Dues to Micro & Small Enterprises		22.55	-	22.55
-Dues to other than Micro & Small Enterprises		240.06	-	240.06
Other Financial Liabilities		204.44	-	204.44
Other Current Liabilities		377.74	-	377.74
Provisions		2.84	-	2.84
Current Tax Liabilities [Net]		-	-	-
Total Current Liabilities		**1,483.42**	**-**	**1,483.42**
Total Liabilities		**1,546.84**	**(9.59)**	**1,537.25**
TOTAL EQUITY AND LIABILITIES		**1,614.50**	**(42.37)**	**1,572.12**

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

E. Statement of Reconciliation of Profit/Other Equity as at 31st March, 2020 and 1st April, 2019:

The impact of the above Ind AS adjustment on other equity is as below: (Rs. In Millions)

Particulars	**Foot note ref.**	**As at 31st March, 2020**	**As at 01st April, 2019**
Other equity as per previous GAAP (A)		**(432.34)**	**(84.45)**
Ind AS adjustments:			
Changes for Provision of doubtful Debts	36.5	(53.23)	(135.77)
Changes in Revenue Recognition	36.2	8.91	9.23
Deferred Tax on transition to Ind AS	36.1	9.49	36.87
Deferred Tax On Re-Classification of Gratuity	36.1	0.10	(0.09)
Changes for Income from Associate LLP restated as per Ind AS	36.6	1.95	(11.73)
Impact of total adjustments on account of Ind AS (B)		**(32.78)**	**(101.49)**
Other equity as per Ind AS (C) = (A) + (B)		**(465.13)**	**(185.95)**

F. Reconciliation of total comprehensive income for the year ended 31 March 2020 (Rs. In Millions)

Particulars	**Foot note ref.**	**Amount as per IGAAP***	**Effects of transition to Ind AS**	**Amount as per Ind AS**
INCOME				
Revenue from operations	36.2	642.26	-0.32	641.94
Other income	36.6	5.94	13.69	19.62
Finance income		9.72	-	9.72
TOTAL INCOME (A)		**657.91**	**13.37**	**671.28**
EXPENSES				
Cost of Materials Consumed		567.62	-	567.62
Employee Benefits Expenses	36.4	121.07	(0.71)	120.37
Finance costs		91.85	-	91.85
Depreciation and Amortization Expenses		1.82	-	1.82
Other Expenses	36.5	298.84	(82.53)	216.31
TOTAL EXPENSES (B)		**1,081.21**	**(83.24)**	**997.97**
Profit/ (loss) before tax		**(423.29)**	**96.60**	**(326.69)**
Tax expense				
Current Tax		(0.01)	-	(0.01)
Deferred Tax	36.1	-89.09	27.38	(61.71)
MAT credit entitlement		13.70	-	13.70
Profit/ (loss) after tax for the period (C)		**(498.69)**	**123.99**	**(374.71)**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Changes in fair value of FVTOCI equity instruments		-	-	-
Remeasurement of post-employment benefit obligations	36.4	-	(0.71)	(0.71)
Income tax relating to these items	36.1	-	0.20	0.20
Other comprehensive income for the period, net of tax (D)		**-**	**(0.51)**	**(0.51)**
Total Comprehensive Income for the Period (C+D)		**(498.69)**	**123.48**	**(375.22)**

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

36.1 Deferred Tax

Under previous GAAP, Deferred Taxes were recognised based on Profit & Loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS, Deferred Tax is recognised by following Balance Sheet approach i.e. tax impact on temporary difference between the carrying value of assets and liabilities in the books and their respective tax base.

36.2 Straightlining of Operations and Maintenance Income

Under previous GAAP, O&M Income was recognised on incremental rate basis but under Ind AS, such Income have been restated as per Straight Line Basis. Due to such effect there will be Increase in profit in the Initial years which will be reversed in the subsequent years. The Income for prior period have been added to the tune of ₹ 92,28,208 to Opening Reserves and Surplus at the transition date of Balance Sheet i.e 01/04/2019. Such Income will be reversed in the years following that date.

36.3 Treatment of Lease

Expenses in nature of lease which are paid upfront for the entire period of contract have now been amortised over the life of the contract. Under previous GAAP such expense was charged in the single year only.

36.4 Remeasurement of Post Employment Benefit Obligations

Under the previous GAAP, cost relating to Post Employment Benefit Obligations including actuarial gain / losses were recognised in Profit & Loss. Under Ind AS, actuarial gain / losses on the net Defined Benefit Liability are recognised in Other Comprehensive Income instead of Profit & Loss.

36.5 Provision for Bad and Doubtful Debts

Provision for Bad and Doubtful Debts have been reassessed for 01/04/2019 and 31/03/2020. In view of the same, there has been additional provision created for ₹ 13,57,65,588 on the transition date Balance Sheet i.e 01/04/2019 and reversed for ₹ 8,24,58,569 for the comparative period i.e period ending 31/03/2020

36.6 Share of Income from Associate LLP restated as per Ind AS

Under previous GAAP share of profit from associate LLP have been accounted for as per accounting standards of pervious GAAP which has now been restated to consider such subsidiary's profit derived by applying Ind AS principles

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Annexure -V : Notes to Restated Consolidated Financial Statements

Note 37

A. Financial instruments by category and their fair value **(Rs. In Millions)**

As at 31-Mar-22	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments								
Quoted	-	-	-	-	-	-	-	-
Unquoted	-		64.65	64.65	-	-	-	-
Loans								-
Non-Current			0.57	0.57				
Current	-	-	123.41	123.41	-	-	-	-
Trade Receivables	-	-	2,827.51	2,827.51	-	-	-	-
Cash and Cash Equivalents	-	-	214.17	214.17	-	-	-	-
Other Bank Balances	-	-	178.86	178.86	-	-	-	-
Other financial assets								-
Non-Current			6.37	6.37				
Current	-	-	107.52	107.52	-	-		-
Total financial assets	**-**	**-**	**3,523.06**	**3,523.06**	**-**	**-**	**-**	**-**
Financial liabilities								
Borrowings								
Non-current			1,378.45	1,378.45	-	-	-	-
Current			2,406.41	2,406.41	-	-	-	-
Lease liabilities								
Non-current			55.18	55.18	-	-	-	-
Current			8.58	8.58	-	-	-	-
Other financial liabilities								
Non-current			-	-				
Current		(49.73)	284.71	234.98	(49.73)	-	-	(49.73)
Trade Payables			1,827.88	1,827.88		-	-	-
Total financial liabilities	**-**	**(49.73)**	**5,961.21**	**5,911.48**	**(49.73)**	**-**	**-**	**(49.73)**

(Rs. In Millions)

As at 31-Mar-21	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments								
Quoted	-	25.00	-	25.00	25.00	-	-	25.00
Unquoted	-		67.81	67.81	-	-	-	-
Loans								-
Non-Current			0.87	0.87				
Current	-	-	48.28	48.28	-	-	-	-
Trade Receivables	-	-	2,138.81	2,138.81	-	-	-	-
Cash and Cash Equivalents	-	-	330.47	330.47	-	-	-	-
Other Bank Balances	-	-	122.52	122.52	-	-	-	-
Other financial assets								-
Non-Current			4.02	4.02				
Current	-	-	69.46	69.46	-	-		-
Total financial assets	**-**	**25.00**	**2,782.24**	**2,807.24**	**25.00**	**-**	**-**	**25.00**
Financial liabilities								
Borrowings								
Non-current			1,015.15	1,015.15	-	-	-	-
Current			2,469.79	2,469.79	-	-	-	-
Lease liabilities								
Non-current			75.83	75.83	-	-	-	-
Current			5.97	5.97	-	-	-	-
Other financial liabilities								
Non-current			-	-				
Current		(33.63)	296.15	262.52	(33.63)	-	-	(33.63)
Trade Payables			1,166.78	1,166.78		-	-	-
Total financial liabilities	**-**	**(33.63)**	**5,029.67**	**4,996.04**	**(33.63)**	**0.00**	**0.00**	**(33.63)**

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

(Rs. In Millions)

As at 31-Mar-20*	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments								
Quoted	-	-	-	-	-	-	-	-
Unquoted	-		66.09	66.09	-	-	-	-
Loans			-	-				-
Non-current			0.62	0.62				
Current	-	-	69.70	69.70	-	-	-	-
Trade Receivables	-	-	2,386.58	2,386.58	-	-	-	-
Cash and Cash Equivalents	-	-	242.78	242.78	-	-	-	-
Other Bank Balances	-	-	328.51	328.51	-	-	-	-
Other financial assets				-				-
Non-Current			3.90	3.90				
Current			55.48	55.48	-	-		-
Total financial assets	**-**	**-**	**3,153.66**	**3,153.66**	**-**	**-**	**-**	**-**
Financial liabilities								
Borrowings								
Non-current			1,276.44	1,276.44	-	-	-	-
Current			2,844.27	2,844.27	-	-	-	-
Lease liabilities								
Non-current			60.87	60.87	-	-	-	-
Current			9.72	9.72	-	-	-	-
Other financial liabilities								
Non-current			-					
Current		41.62	142.31	183.93	41.62	-	-	41.62
Trade Payables			1,114.60	1,114.60	-	-	-	-
Total financial liabilities	**-**	**41.62**	**5,448.21**	**5,489.83**	**41.62**	**-**	**-**	**41.62**

Fair value of financial assets and liabilities measured at amortized cost is not materially different from the amortized cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

Investments in subsidiaries and equity accounted investees are carried at amortized cost.

Types of inputs are as under:

Input Level I (Directly Observable) which includes quoted prices in active markets for identical assets such as quoted price for an equity security on Security Exchanges

Input Level II (Indirectly Observable) which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses etc.

Input Level III (Unobservable) which includes management's own assumptions for arriving at a fair value such as projected cash flows used to value a business etc.

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Cross Currency Interest Rate Swaps	This instrument is valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The model incorporate various inputs including credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads, interest rate curve.

Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods

Level 3 fair values

Movements in the values of unquoted equity instruments for the year end 31st March,2020, 31st March,2021 and 31st March, 2022 is as below:

(Rs. In Millions)

Particulars	Amount
As at 31-Mar-19*	**-**
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	-
As at 31-Mar-20*	**-**
Acquisitions/ (disposals)	25.00
Gains/ (losses) recognised in other comprehensive income	0.00
As at 31-Mar-21	**25.00**
Acquisitions/ (disposals)	(25.00)
Gains/ (losses) recognised in other comprehensive income	(0.00)
As at 31-Mar-22	**-**

Transfer out of Level 3

There were no transfers out of level 3 during the year 2021-22, 2020-21 and 2019-20.

C. Financial risk management

The Company's principal financial liabilities comprises of loans & borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company operations and to provide guarantees to support its operations. The Company's principal financial assets include trade & other receivables, cash & cash equivalents and investments that are derived directly from its operations. The Company has exposure to the following risks arising from financial instruments:

i. Credit risk
ii. Liquidity risk
iii. Market risk

(i) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the company. The potential activities where credit risks may arise include from cash and cash equivalents, derivative financial instruments and security deposits or other deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the company along with relevant mitigation procedures adopted have been enumerated below:

Trade receivables

The Company's exposure to credit Risk is the exposure that Company has on account of goods & services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Company's customer base are Industrial and Commercial.
The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.
The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

Age of Receivables: **(Rs. In Millions)**

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Not Due	1,964.15	1,406.04	1,014.44
0-3 Months	422.44	229.24	381.79
3-6 Months	20.18	35.51	46.68
6-12 Months	13.17	35.21	83.03
1-3 Years	9.57	44.44	774.44
>3 Years	398.00	388.37	86.20
Total	**2,827.51**	**2,138.81**	**2,386.58**

The above receivables which are past due but not impaired are assessed on case-to-case basis. The instances pertain to third party customers which have a proven creditworthiness record. Management is of the view that these financial assets are not impaired as there has not been any adverse change in credit quality and are envisaged as recoverable based on the historical payment behavior and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available. Consequently, no additional provision has been created on account of expected credit loss on the receivables. There are no other classes of financial assets that are past due but not impaired. The concentration of credit risk is limited due to fact that the customer base is large and unrelated.

Other financial assets

Other financial assets comprise of cash and cash equivalents, Bank fixed deposits, loans provided to employees and investments in equity shares of companies other than subsidiaries, associates and joint ventures as well as derivative instruments.
- Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating. The Company reviews their credit-worthiness at regular intervals.
- Investments are made in credit worthy companies.
-Derivative instrument comprises cross currency interest rate swaps, forward contracts, options etc. where the counter parties are banks with good reputation, and past track record with adequate credit rating. Accordingly no default risk is perceived.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross / undiscounted values and include estimated interest payments and exclude the impact of netting agreements.

(Rs. In Millions)

31-Mar-22	Contractual cash flows based on maturity			
	Carrying amount	Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non current borrowings	1,378.45	1,378.45	-	1,378.45
Current borrowings	2,406.41	2,406.41	2,406.41	-
Non current lease liabilities	55.18	55.18	-	55.18
Current lease liabilities	8.58	8.58	8.58	-
Non current financial liabilities	-	-	-	-
Current financial liabilities	137.97	137.97	137.97	-
Trade and other payables	1,827.88	1,827.88	1,827.88	-
Total	5,814.47	5,814.47	4,380.84	1,433.63

HARSHA ENGINEERS INTERNATIONAL LIMITED

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(Rs. In Millions)

31-Mar-21	Contractual cash flows based on maturity			
	Carrying amount	Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non current borrowings	1,015.15	1,015.15	-	1,015.15
Current borrowings	2,469.79	2,469.79	2,469.79	-
Non current lease liabilities	75.83	75.83	-	75.83
Current lease liabilities	5.97	5.97	5.97	-
Non current financial liabilities	-	-	-	-
Current financial liabilities	130.23	130.23	130.23	-
Trade and other payables	1,166.78	1,166.78	1,166.78	-
Total	4,863.75	4,863.75	3,772.77	1,090.98

(Rs. In Millions)

31-Mar-20*	Contractual cash flows based on maturity			
	Carrying amount	Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non current borrowings	1,276.44	1,276.44	-	1,276.44
Current borrowings	2,844.27	2,844.27	2,844.27	-
Non current lease liabilities	60.87	60.87	-	60.87
Current lease liabilities	9.72	9.72	9.72	-
Non current financial liabilities	-	-	-	-
Current financial liabilities	176.44	176.44	176.44	-
Trade and other payables	1,114.60	1,114.60	1,114.60	-
Total	5,482.34	5,482.34	4,145.03	1,337.31

(iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company’s income or the value of its holdings of financial instruments.

Currency risk

The functional currency of the company is Indian Rupees and its revenue is generated from operations in India. It is exposed to foreign currency risk arising out of the EURO, US Dollar, CNY, JPY, PHB & RUB. Accordingly, the foreign currency exposure and interest rate exposure has been hedged time to time as per the company's Risk management policy after evaluating the risk associated with.

This aside, the Company does not have any derivative instruments used for trading or speculative purposes.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company’s portfolio of borrowings comprise of a mix of fixed rate and floating rate loans which are monitored continuously in the light of market conditions.

Sensitivity

The table below summarises the impact of increase / decrease of Debt funds and debt securities on the Companies' s Other Comprehensive Income for the period.

(Rs. In Millions)

Particulars	Impact on Other Comprehensive Income		
	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Debt funds and debt securities – increase by 0.50% in fair market value	-	0.13	-
Debt funds and debt securities – decrease by 0.50% in fair market value	-	(0.13)	-

D. Capital management

The Company’s objectives when managing capital are to:

- safeguard their ability to continue as a going concern so that they can continue to provide return for shareholders and benefits for other stakeholders.

- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the following debt equity ratio:

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

The Company's debt to equity ratio is as follows: (Rs. In Millions)

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Debt #	**3,848.62**	**3,566.74**	**4,191.30**
Total equity	**5,218.60**	**4,271.77**	**3,719.80**
Debt to total equity ratio	0.74:1 times	0.83:1 times	1.13:1 times

#Debt includes borrowings and current maturities of long term debt in other financial liabilities.
Company believes in conservative leverage policy. Company's capital expenditure plan over the medium term shall be largely funded through internal accruals.

[*] Refer Note-34.3

The accompanying notes (1 to 37) are integral part of the financial statements.

As per our report of even date attached
For Pankaj R. Shah & Associates
Chartered Accountants
FRN No.: 107361W

Chintan Shah
Managing Partner
M. No. : 110142

Date: 30-08-2022
Place: Ahmedabad

For and on behalf of the Board of Directors
Harsha Engineers International Limited
(formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
(CIN : U29307GJ2010PLC063233)

Rajendra Shah
Chairman and Whole-time Director
DIN: 00061922

Harish Rangwala
Managing Director
DIN: 00278062

Maulik Jasani
VP Finance and Group CFO

Kiran Mohanty
Company Secretary & Chief Compliance Officer
M. No.: F9907

Date: 30-08-2022
Place: Ahmedabad

HARSHA ENGINEERS INTERNATIONAL LIMITED

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

Annexure -VI : Statement Reconciling Total Comprehensive Income in Restated Consolidated Financial Statement

(Rs. In Millions)

Particulars	For the year ended 31-Mar-22	For the year ended 31-Mar-21	For the year ended 31-Mar-20*
Total Comprehensive Income as per Ind AS	**933.86**	**505.86**	**154.59**
Profit/ (Loss) After Tax as per Ind AS (A)	**919.44**	**454.39**	**219.09**
Adjustment due to restatement			
Adjustment (B)	-	-	-
Profit/ (Loss) After Tax as per Restated Consolidated Financial Statement (C=A+B)	**919.44**	**454.39**	**219.09**
Other Comprehensive Income as per Ind AS (D)	**14.42**	**51.47**	**(64.50)**
Adjustment due to restatement			
Adjustment (E)	-	-	-
Other Comprehensive Income as per Restated Consolidated Financial Statement (F=D+E)	**14.42**	**51.47**	**(64.50)**
Total Comprehensive Income as per Restated Ind AS Financial Statement (G=C+F)	**933.86**	**505.86**	**154.59**

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Other Equity as per Ind AS (A)	**4,446.12**	**3,771.77**	**3,219.80**
Adjustment due to restatement in Reserve and Surplus			
Adjustment (B)	-	-	-
Adjustment due to restatement in Other Comprehensive Income			
Adjustment (C)	-	-	-
Other Equity per Restated Ind AS Financial Statement (D=A+B+C)	**4,446.12**	**3,771.77**	**3,219.80**

[*] Refer Note-34.3

For Pankaj R. Shah & Associates
Chartered Accountants
FRN No.: 107361W

For and on behalf of the Board of Directors
Harsha Engineers International Limited
(formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)
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Kiran Mohanty
Company Secretary & Chief Compliance Officer
M. No.: F9907

Date: 30-08-2022
Place: Ahmedabad

Date: 30-08-2022
Place: Ahmedabad

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(In ₹ million except share data or unless stated otherwise)

Particulars	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Earning Per Share (EPS) :			
Restated profit/(loss) after tax attributable to owners of the Company (A)	919.44	454.39	219.09
Weighted average number of shares outstanding during the year for basic EPS(B)	57,241,358	50,000,000	35,000,000
Weighted average number of shares outstanding during the year for diluted EPS (C)	77,248,410	77,248,410	62,248,410
Basic Earnings per share (in ₹) (D = A/B)	**16.06**	**9.09**	**6.26**
Diluted Earnings per share (in ₹) (E = A/C)	**11.90**	**5.88**	**3.52**
Restated net worth attributable to owners of the Company (A)	5,279.01	4,332.18	3,780.21
Restated net profit/(loss) after tax attributable to owners of the Company (B)	919.44	454.39	219.09
Return on net worth (C = B/A*100) (%)	**17.42%**	**10.49%**	**5.80%**
Restated net worth attributable to owners of the Company (A)	5,279.01	4,332.18	3,780.21
Number equity shares outstanding at the end of the respective year (B)	77,248,410	50,000,000	50,000,000
Restated net asset value per equity share (in ₹) (C = A/B) (in ₹)	**68.34**	**86.64**	**75.60**
Restated profit/ (loss) for the period (A)	919.44	454.39	219.09
Tax expense (B)	346.75	152.83	96.76
Exceptional Items (C)	-	-	-
Finance cost (D)	245.59	299.93	328.03
Depreciation and amortisation (E)	353.56	341.09	352.44
Profit/ (Loss) from Discontinued Operations (F)	-	-	-
Profit / (loss) on Sale of Fixed Assets (G)	(0.43)	(1.38)	(4.23)
EBITDA (A+B+C+D+E+F-G)	**1,865.77**	**1,249.62**	**1,000.55**
Revenues from operations	13,214.81	8,737.54	8,858.53
EBITDA / Revenues from Operations (%)	**14.12%**	**14.30%**	**11.29%**

Notes:

1. *The ratios on the basis of Restated Consolidated Financial Statements have been computed as below:*
   Basic and Diluted Earnings per share (Rs.) = Net profit/(loss) as Restated, attributable to equity holders / Weighted average number of Equity Shares outstanding during the period
   Return on net worth (%) = Net profit/(loss) as Restated, attributable to equity holders / Net worth at the end of the period
   Net assets value per Equity Share = Net Worth at the end of the respective period / Number equity shares outstanding at the end of respective period
   EBITDA = Restated profit/(loss) for the respective period + tax expenses + finance costs + depreciation and amortisation - Profit / (loss) on Sale of Fixed Assets
2. *Earnings per shares (EPS) calculation is in accordance with the notified Indian Accounting Standard (Ind AS) 33 'Earnings per share' prescribed by the Companies (Indian Accounting Standards) Rules, 2015.*
3. *The above ratios have been computed on the basis of the Restated Consolidated Financial Statements.*

Other financial statements

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company and our Material Subsidiaries, presented in Indian Rupees, for Fiscal 2022, Fiscal 2021 and Fiscal 2020, (collectively, the "**Audited Financial Statements**") are available on our website at https://harshaengineers.com/InvestorRelations/companyandsubsidiariesfinancial.php.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence (collectively, the "Group") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

CAPITALIZATION STATEMENT

The following table sets forth our capitalisation derived from our Restated Consolidated Financial Statement as at March 31, 2022, and as adjusted for the Offer. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Information*" and "*Risk Factors*" on pages 265, 204, and 27 respectively.

(In ₹ million except for Total non-current borrowings/ total equity and Total borrowings/ total equity)

Particulars	Pre-Offer as at March 31, 2022	As adjusted for the Offer*
Total borrowings:		
Non-current borrowings (including lease liabilities) (A)	1,433.63	1,433.63
Current borrowings (including lease liabilities) (B)	2,414.99	2,414.99
Total borrowings (A+B = C)	3,848.62	3,848.62
Total equity:		
Equity share capital	772.48	910.44
Other equity (Excluding Capital Reserve due to amalgamation)*	4,506.53	8,918.56
Equity attributable to the owners of the Company	5,279.01	9,829.00
Non-Controlling Interests	0.00	0.00
Total equity (D)	5,279.01	9,829.00
Total non – current borrowings / total equity (A/D)	0.27	0.15
Total borrowings / total equity (C/D)	0.73	0.39

* *The other equity amount has not been adjusted for share issue expenses in relation to the Fresh Issue. Other equity is adjusted for the Employee Discount given to Eligible Employees.*

FINANCIAL INDEBTEDNESS

Our Company and Subsidiaries have availed credit facilities in their ordinary course of business for purposes such as, *inter alia*, meeting their working capital requirements and general corporate purposes

For further details regarding the borrowing powers of our Board, see "*Our Management – Borrowing Powers of our Board*" on page 185.

Please see below the term loans along with rate of interest, tenor, outstanding amount as on July 31, 2022, the purpose for which the term loans were availed and the details of hypothecation of assets against the terms loans availed by the Company.

Break up of Term Loans outstanding as on July 31, 2022						
Sr. No.	**Name of the lender**	**Amount outstanding as of July 31, 2022(in ₹ Million)**	**Purpose of the Loan**	**Interest Rate**	**Tenure of the facility**	**Description on hypothecation of assets**
1	HDFC Bank Limited	204.00	For Capacity expansion, capital expenditure maintenance, automation as well as improvisation at building at Moraiya plant	from 6.50% p.a. to 9.00% p.a. (Floating rate)	Total 66 Months (including 6 months Moratorium from 1st disbursement) , expiring on September 11, 2025	Exclusive charge by way of hypothecation on entire plant and machinery created out of the said term loan
2	HDFC Bank Limited	388.26	To augment working capital requirement to enable business unit to meet operating liabilities & restart/increase operations	from 6.50% p.a.- 8.00% p.a. (Floating Rate)	Total 60 Months (including 12 months Moratorium from 1st disbursement) , expiring on January 31, 2026	ECLGS Facility is secured by way of Extension of second ranking charge over existing primary and collateral securities created in favour of the bank i.e. 1) extension of second ranking charge over the current assets of the company including all stocks and book debts (both present and future) and extension of second ranking charge over the plant and machinery created out of the term loan facility given by HDFC Bank of Rs.300 million and 100% Cover by NCGTC under ECLGS Scheme.
3	HDFC Bank Limited	350.00	For capital expenditure	from 5.90% p.a.- 8.00% p.a.- (Floating Rate)	Total 66 Months (including 6 months Moratorium from 1st disbursement) , expiring on May 22, 2027	Exclusive charge by way of hypothecation on entire plant and machinery created out of the said term loan
4	Kotak Mahindra Bank Limited	3.04	For Staff Bus purchases	from @8.50%-9.50%	5 years, 60 instalments, expiring on February 5, 2023 and 4 years, 48 instalments, expiring January 5, 2023 respectively	10 Nos. of Buses (TATA 912 Ultra)
5	HSBC Bank	91.88	Funding Working Capital Gap, payment to creditors and	from 6.50% p.a.- 8.00% p.a. (Floating Rate)	44 Months, expiring on January 4, 2026	ECLGS Facility is secured by way of second charge on all current assets of borrower both present and future 100% Cover by NCGTC under ECLGS Scheme. (Take over of RBL Bank)

Break up of Term Loans outstanding as on July 31, 2022						
Sr. No.	**Name of the lender**	**Amount outstanding as of July 31, 2022(in ₹ Million)**	**Purpose of the Loan**	**Interest Rate**	**Tenure of the facility**	**Description on hypothecation of assets**
			for procurement of raw material			
6	State Bank of India, Shanghai Branch, China	161.69	Term loan to finance setting- up/ relocating of existing units to new integrated facility/ factory.	1.65% above 5 Year LPR (Loan Prime rate)	78 months (including 6 months moratorium from 1st disbursement) , expiring on February 27, 2026	1. Entire Stocks, receivable and other current assets- existing and future. 2. Land use rights located at east area of Fuhua Road, North area of Tonggang Road, Changshu Economic Development Zone, Changshu, PRC 3. Fixed assets acquired in the project 4. Existing machineries of the merged entity 5. Corporate Guarantee of the parent company.
	Total	1,198.87				

As on July 31, 2022 the aggregate outstanding borrowings of our Company amounted to ₹ 4,612.95 million on a consolidated basis (including non-fund based), and a brief summary of such borrowings is set forth below:

(₹ In Million)

Category of borrowing	Sanctioned amount as on July 31, 2022	Outstanding amount as on July 31, 2022
Term loans		
Secured	1,740.30	1,198.87
Unsecured#	0.00	430.00
Total (A)	1,740.30	1,628.87
Lease Liabilities*		
Secured	99.36	61.67
Unsecured	-	-
Total (B)	99.36	61.67
Working capital facilities		
Fund based		
Secured	2,360.83	1,855.07
Unsecured	1,205.60	625.21
Total (C)	3,566.43	2,480.28
Non-fund-based facilities		
Secured	1,036.20	442.14
Unsecured	0.00	0.00
Total (D)	1,036.20	442.14
Total (A + B + C+D)	6,442.28	4,612.95

* *In lease liabilities, both operational lease as well as financial lease have been considered*

\# *Sanctioned amount is not applicable since it includes unsecured loans from directors and deposit from shareholders.*

For disclosure of borrowings as at March 31, 2022, as per requirements of Schedule III of Companies Act, 2013 and related accounting standards, see "*Restated Consolidated Financial Statements*" on page 204.

Principal terms of the borrowings availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company and our Subsidiaries.

1. ***Interest/ Commission:*** The interest rate for our overdraft / cash credit / working capital facilities / term loans is typically the base rate of a specified lender plus a specified spread per annum. The spread varies amongst different facilities and typically ranges from 10 bps to 400 bps or interest ranging from 1.50% to 11.00% in case of our Company.

2. ***Tenor:*** The tenor of our working capital facilities typically ranges for 12 months in case of our Company and 12 to 36 months in case of our Subsidiaries. In case of term loan, the period is around 6 years in case of our Company and Subsidiaries.

3. ***Security:*** The facilities are typically secured by creation of a charge on the moveable and immovable assets of our Company. Bank facilities availed by our Company, in certain cases, are secured by personal guarantees of our promoters, Mr. Rajendra Shah and Mr. Harish Rangwala. The financial facilities availed by our Subsidiaries, in certain cases, is secured by corporate guarantee from our Company, with a mortgage of all bank accounts, mobile assets and fixed assets.

4. ***Penal Interest:*** The penal interest applicable is typically up to 2% over the applicable interest rate.

5. ***Repayment**:* Our working capital facilities, are typically repayable on demand. Our term loan facilities are typically repayable on interest reset date.

6. ***Restrictive covenants*:**

   As per the terms of our facility agreements, certain corporate actions for which we require prior written consent of the lenders, include:

   (a) undertaking any scheme of amalgamation, compromise, reconstruction, consolidation, demerger or merger;

   (b) change in promoter shareholding / change in promoter directorship, resulting in change in management control;

   (c) effecting any material change in the constitution or management of our Company;

   (d) changing the capital structure or dilution of shareholding of the promoter;

   (e) enter into borrowing arrangements either secured or unsecured with any other bank, financial institution, borrower, or otherwise;

   (f) amending the Memorandum of Association and Articles of Association; and

   (g) undertaking any new business, operations or projects or substantial expansion of any current business, operations or projects;

7. ***Events of default:*** Borrowing arrangements entered into by our Company and our Subsidiaries contain standard events of default, including, amongst others:

   (a) Payment default;

   (b) Breach of terms;

   (c) Failure in business, bankruptcy, insolvency, dissolution;

   (d) Jeopardising the security created;

   (e) Asset is destroyed, or is stolen or untraceable for 30 days;

   (f) Asset is confiscated, attached, taken into custody by any authority or subject to any execution proceeding;

   (g) Failure to supply certified true copy of the registration;

   (h) Misleading information and representations;

   (i) Default under any other financing arrangements of our Company;

   (j) Asset is used or alleged to be used for any illegal purposes or activity;

   (k) any of the cheques delivered or to be delivered by the Borrower to the Bank in terms and conditions hereof is not encashed for any reason whatsoever on presentations;

   (l) any other occurrence or existence of one or more events, conditions or circumstances (including any change in law), which in opinion of Bank, could have a material adverse effect.

8. ***Consequences of occurrence of events of default:*** Borrowing arrangements entered into by our Company and our Subsidiaries contain standard consequences of events of default, including, amongst others:

   (a) termination of facilities;

   (b) suspension of access to facilities;

   (c) enforcement of security;

   (d) appointment of trustees / observers;

   (e) re-constitute its board of directors of the Company;

   (f) enters into any arrangement or composition with its creditors or commits any act of insolvency; and

   (g) repossession of the hypothecated asset

For further details of financial and other covenants required to be complied with in relation to our borrowings, see "*Risk Factors – Our financing agreements impose certain restrictions on our operations, and our failure to comply with operational and financial covenants may adversely affect our reputation, business and financial condition*" on page 33.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey the management's perspective on our financial condition and results of operations for Fiscals 2022, 2021 and 2020.

*The Restated Consolidated Financial Statements included in this Prospectus are prepared and presented in accordance with Ind AS, in each case restated in accordance with the requirements of Section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules 2014, as amended, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2019)" issued by the ICAI (the "**Guidance Note**").*

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2022, 2021 and 2020, included herein is derived from the Restated Consolidated Financial Statements, included in this Prospectus.

Ind AS differs in certain respects from Indian GAAP, IFRS and US GAAP and other accounting principles with which prospective investors may be familiar. Please also see "Risk Factors — Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and US GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows" on page 55.

This discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in the chapters entitled "Risk Factors" and "Forward-Looking Statements" on pages 27 and 18, respectively.

Unless otherwise indicated, industry data in this section has been derived from the report titled "Industry Research Report on Bearings, Bearings Cages & Stampings Market" dated August 2022, prepared and released by CARE Advisory and commissioned and paid for by our Company. Unless otherwise indicated, all financial, operational, industry information and other related information included herein with respect to any particular year refers to such information for the relevant Fiscal. For details, see "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page 15.

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.

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)*. We offer a wide range of bearing cages starting from 20 mm to 2,000 mm in diameter and our bearing cages find its application in the automotive, railways, aviation & aerospace, construction, mining, agriculture, electrical and electronics, renewables sectors etc.

The following table sets forth a breakdown of our revenue from operations from engineering business and EBITDA from engineering business, in absolute terms and as a percentage of total revenue from operations, for the periods indicated:

Particulars	Fiscal 2022 (Restated)		Fiscal 2021 (Restated)		Fiscal 2020 (Restated)	
	(amount in ₹ million)	% of total revenue from operations	(amount in ₹ million)	% of total revenue from operations	(amount in ₹ million)	% of total revenue from operations
Revenue from operations from engineering business	12,385.35	93.72%	8,195.62	93.80%	8,216.59	92.75%
EBITDA[1] from engineering business	1,890.88	14.31%	1,404.62	16.08%	1,233.79	13.93%
EBITDA[1] from engineering and solar EPC businesses	1,865.77	14.12%	1,249.62	14.30%	1,000.55	11.29%

[1] *EBITDA=Profit Before Tax + Depreciation and Amortisation + Finance Cost + loss/ (profit) on Sale of Fixed Assets*

We are a technology driven company with a strong focus on quality, design and tool development, which has allowed us to develop products suited to our customers' requirements. We have the expertise to design and develop advance tooling in-house which enables us to manufacture precision bearing cages and complex and specialised precision stamped components. Bearing cages are critical parts of a bearings and it requires high precision technology to manufacture them. Our Company, which housed a team of 253 qualified engineers (including solar EPC business) as of March 31, 2022, along with our decades of experience in bearing cages engineering, enable us to develop specialized products and solutions. Our ability to develop products suited to our customers' requirements has fostered strong and long term customer relationship which in turn has helped us gain higher margins for our products and better navigate competition. Further, we have been successful in diversifying our product portfolio and improve our current processes in different types of bearing cages mainly due to our design, development and technological capabilities. As of March 31, 2022, we have been able to manufacture more than 7,205 bearing cages and more than 295 other products for customers in the automotive, railways, aviation & aerospace, construction, mining, agriculture, electrical and electronics, renewables sectors, allowing us to meet changing customer requirements. In addition, over the past three years our product development and innovation centre has developed more than 1,200 products in different bearing types.

We have been able to leverage our tooling capabilities and the expertise developed in the stamping employed for manufacture of steel cages to diversify and grow our stamping components business. We also provide comprehensive metal stamping solutions ranging from simple to complex designs and geometries to our clients in automotive; bearing and sealing; and electrical and appliance industry. Our capability extends to manufacturing high quality precision components as well as semi assembled modular units. We have recently expanded our product portfolio to introduce sand casting, value added stamping components, bronze bushings etc. to cater to more end user industries such as wind, mining and shipping sectors. While the automotive segment is shifting towards the electric vehicles, we believe its impact on us will be limited as we are not manufacturing needle bearings cages which are engine components. Needle cages bearing used in engines and small cage bearing used in two and three wheelers are likely to be the most impacted type of bearings due to increasing penetration of electric vehicles (*Source: CARE Advisory Report*). Further, we believe that the electrification of vehicles will increase the precision requirements sought by customers which will help companies like ours to further improve their market share in the sector.

Bearing cage is an important component within a bearing and requires the highest lead time for development and technical and tooling expertise for its manufacture when compared to other components of a bearing. (*Source: CARE Advisory Report*) Given the critical function of a bearing cage, and the resultant quality requirements, global bearing companies have steadily increased outsourcing for manufacturing of bearing cages and the business from these bearing companies has gotten concentrated to a few bearing cage manufacturers including us. (*Source: CARE Advisory Report*). We have established strong customer relationship with leading global bearing manufacturers in the automotive, railways, renewable energy and other industrial sectors. Additionally, we have been involved by our key customer groups in their product development process from the design stage and accordingly, we have been able to ensure repeat orders from our customers. Each of our top five customer groups (excluding customers' contributing to revenue from scrap sales) have been our customers for over a decade. We believe our long term relationships with customers is indicative of our quality consciousness, cost efficiency and design, tooling and technological capabilities. We intend to diversify and expand our business operations in accordance with the evolving needs of our customers and our industry.

Our top five customer groups (excluding customers' contributing to revenue from scrap sales), as per our Restated Consolidated Financial Statements, contributed to revenue from operations from engineering business, ₹ 9,323.39 million, ₹ 6,315.65 million, and ₹ 6,426.31 million for Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively and constituted 70.55%, 72.28%, and 72.54% of our total revenue from operations for, Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

We have four strategically located manufacturing facilities for our engineering business with one of our principal manufacturing facilities at Changodar and one at Moraiya, near Ahmedabad in Gujarat in India, and one manufacturing unit each at Changshu, China and Ghimbav Brasov in Romania. We believe that our presence in these strategic locations helps us to penetrate global markets more efficiently and in a cost effective manner and allow access to our customers. We supply products to customers in over 25 countries covering five continents i.e., North America, Europe, Asia, South America and Africa. To help us meet 'just in time' requirements of our customers, we have entered into arrangements to stock inventory in warehouses spread across more than 20 locations across the world including in, Europe, US, China and South America. Our multinational presence has also allowed us to diversify our revenue geographically.

The following table sets forth a breakdown of our revenue from operations from engineering business (from India and outside India), in absolute terms and as a percentage of total revenue from operations, for the periods indicated basis the location of the customers:

Particulars	**Fiscal 2022 (Restated)**		**Fiscal 2021 (Restated)**		**Fiscal 2020 (Restated)**	
	Revenue from operations from engineering business (amount in ₹ million)	**Percentage of total revenue from operations (%)**	**Revenue from operations from engineering business (amount in ₹ million)**	**Percentage of total revenue from operations (%)**	**Revenue from operations from engineering business (amount in ₹ million)**	**Percentage of total revenue from operations (%)**
India*	4,019.01	30.41%	2,350.70	26.90%	2,585.22	29.18%
Outside India*	8,366.34	63.31%	5,844.92	66.89%	5,631.37	63.57%

Particulars	Fiscal 2022 (Restated)		Fiscal 2021 (Restated)		Fiscal 2020 (Restated)	
	Revenue from operations from engineering business (amount in ₹ million)	Percentage of total revenue from operations (%)	Revenue from operations from engineering business (amount in ₹ million)	Percentage of total revenue from operations (%)	Revenue from operations from engineering business (amount in ₹ million)	Percentage of total revenue from operations (%)
Total	**12,385.35**	**93.72%**	**8,195.62**	**93.80%**	**8,216.59**	**92.75%**

* *The revenue information above is based on the location of the customers*

The combined bearing cages capacity of all our manufacturing units is 1,097.87 million pieces per annum as on March 31, 2022. Our facilities have end-to-end manufacturing capabilities, strong engineering and design capabilities, and the ability to supply to our global customer base. All our manufacturing facilities offer fungibility within the product groups which we manufacture, allowing us flexibility to move the production basis the market demand, subject to consent of the customers and such production quantities being within the capacity limits available under respective approvals. Our manufacturing units in India, China and Romania have been duly certified for conforming to and applying international standards of quality management systems and we have comprehensive tooling, testing and measurement infrastructure at our Indian and Romanian manufacturing units. We have also been awarded a number of industry awards including "TPM Excellence-Award for excellence in consistent TPM commitment-2018" by Japan Institute of Plant Maintenance", "Excellence in Delivery-2019" by Timken and "Gold Rating National 5 S Excellence Awards-2019" from Confederation of Indian Industry in the year 2019. For details in relation to awards, see "*History and Certain Corporate Matters– Key awards, accreditations or recognitions*" on page 168.

We are part of the Harsha Group which was established in 1986 and has over 35 years of operating history in the engineering business. Our Company, Harsha Engineering International Limited, was incorporated in 2010 as Harsha Abakus Solar Private Limited. In order to consolidate the Harsha Group's India engineering and solar EPC business, and to get the benefits of synergies, a corporate reorganisation was recently completed effective from the appointed date of April 01, 2020. Pursuant to the Corporate Reorganisation, the engineering business of the Harsha Group housed in Aastha Tools Private Limited, Harsha Engineers India (Private) Limited and Harsha Engineers Limited was amalgamated into our Company. For further details, see "*History and Other Corporate Matters – Material Acquisitions and Divestments*" on page 169.

Our founder Promoters, Harish Rangwala and Rajendra Shah, have more than 35 years of experience in the precision engineering and bearing cages manufacturing sector and have played a pivotal role in our innovation, success and growth. Additionally, our second generation Promoters, Vishal Rangwala and Pilak Shah, are also involved in the overall operations, strategies and business of our Company.

We are also an EPC service provider in the solar photovoltaic industry and also provides operations and maintenance services in the solar sector. We have over 10 years of operating history in the solar EPC business. We have an in-house design, engineering, procurement, project management and O&M team which has a combined experience of installing at least 500 MW and more than 60 MW commissioning experience in roof top segment as of March 31, 2022. Our revenue from solar EPC business aggregated to ₹ 829.46 million, ₹ 541.92 million, and ₹ 641.94 million for Fiscals 2022, 2021 and 2020, respectively, constituting 6.28%, 6.20%, and 7.25% respectively, of our total revenue from operations, as per our Restated Consolidated Financial Statements.

We have three wholly owned subsidiaries, one in China - Harsha Precision Bearing Components (China) Co. Ltd, one in the United States of America - HASPL Americas Corporation and one in the Netherlands - Harsha Engineers B.V., and a step-down subsidiary in Romania - Harsha Engineers Europe SRL. Our Company also has a 50% interest, as a partner, in Clenmax Harsha Solar LLP and 26% equity interest in Sunstream Green Energy One Private Limited (formerly known as Eirene Naval Systems Private Limited).

Set out below are our key operating and financial metrics:

Particulars	Fiscal 2022 (Restated)	Fiscal 2021 (Restated)	Fiscal 2020 (Restated)
	(in ₹ million, except ratios and percentages)		
Revenue from operations	13,214.81	8,737.54	8,858.53
Free cash flow to firm[1]	(252.63)	599.40	379.76
EBITDA[2]	1,865.77	1,249.62	1,000.55
EBITDA margins[3]	14.12%	14.30%	11.29%
PAT	919.44	454.39	219.09
PAT margin[4]	6.87%	5.18%	2.44%
Net Worth	5,279.01	4,332.18	3,780.21
Net Debt[5]	3,565.85	3,220.77	3,930.99
RoACE[6]	24.92%	17.24%	18.05%
RoAE[7]	19.13%	11.20%	6.10%

Particulars	Fiscal 2022 (Restated)	Fiscal 2021 (Restated)	Fiscal 2020 (Restated)
	(in ₹ million, except ratios and percentages)		
Ratio of EBITDA to net cash flow generated from operating activities[8]	5.12	1.03	0.89
Net Debt to Net Worth[9]	0.68	0.74	1.04
Ratio of Net Debt to EBITDA[10]	1.91	2.58	3.93
FCFF to EBITDA ratio[11]	(0.14)	0.48	0.38
FCFF to PAT ratio[12]	(0.27)	1.32	1.73
Fixed Asset Turnover Ratio – Consolidated[13]	4.64	3.24	3.36

[1] *Free cash flow to firm = PAT + Non-cash charges (including depreciation and amortisation) + (Finance cost adjusted for tax impact) - capital expenditure (increase in gross block) - changes in working capital*
[2] *EBITDA = PBT + depreciation and amortisation + finance cost + loss/ (profit) on sale of fixed assets*
[3] *EBITDA margin = EBITDA / revenue from operations*
[4] *PAT margin = PAT / total revenue*[5]
[5] *Net Debt = Total Debt - Free Cash and Cash Equivalents (i.e., Cash and bank balance - lien marked FDs)*
[6] *Return on Average Capital Employed = (EBIT + Loss/ (profit) on Sale of Fixed Assets)/ Average Capital Employed; Average Capital employed = Net Worth + Long Term Borrowings includes Lease liability where Average taken as (Beginning + Ending) /2*
[7] *Return on Average Equity = PAT / ((Beginning Equity + Ending Equity)/2)*
[8] *Ratio of EBITDA to net cash flow generated from operating activities = EBITDA / Cash flow from operations*
[9] *Net Debt to Net Worth = Net Debt / Net Worth*
[10] *Ratio of Net Debt to EBITDA = Net Debt / EBITDA*
[11] *FCFF to EBITDA ratio = Ratio of net debt to free cash flow to firm / EBITDA*
[12] *FCFF to PAT ratio = Free cash flow to firm / PAT*
[13] *Fixed Asset Turnover Ratio – Consol = Revenue from operations / Net Fixed Assets (adjusted for depreciation)*

Significant Factors Affecting Our Financial Condition and Results of Operations

The results of our operations and our financial condition are affected by numerous factors and uncertainties, many of which may be beyond our control, including as discussed in "*Our Business*" and "*Risk Factors*" beginning on pages 138 and 27, respectively. The following is a discussion of certain factors that we believe may be expected to have a significant effect on our financial condition and results of operations:

Market conditions affecting the automotive and industrial sectors

The demand for our engineering business products is directly related to the general economic conditions which drives the consumption of industrial, automotive and other components and the usage of our products, i.e. bearing cages (in brass, steel and polyamide materials), complex and specialised precision stamped components, welded assemblies and brass castings and cages and bronze castings and bushings. The sales of our products may be affected by a general change in economic or industry conditions including the following:

- trends in the global and domestic economies;
- global and local political and regulatory measures and developments, such as tax incentives or other subsidies, environmental policies;
- government initiatives;
- global and local fiscal and monetary dynamics, such as rises or falls in interest rates (resulting in greater or lesser ability by customers to borrow money, including for auto purchases, capital expenditure), foreign exchange rates, availability of raw material and resources such as manpower and energy, etc.;
- general levels of GDP growth in a country or region, and growth in personal disposable income in that country or region;
- inflation rates;
- global and local economic or fiscal crises;
- global and local economic or fiscal instability; and
- trade agreements.

In addition, the manufacturing industry tends to be affected directly by trends in the general economy and it is sensitive to general economic conditions and factors such as inflation, employment and disposable income levels, interest rate levels, demographic trends, technological changes, increasing environmental, health and safety regulations, government policies, and adverse climatic conditions which may negatively affect the demand for our products. Further, stronger macro-economic indicators tend to correlate with higher demand for industrial, automotive and other components, while weaker macro-economic indicators tend to correlate with lower demand for such products.

The cyclical nature of general macro-economic conditions means that our results of operations can substantially be affected and may experience substantial fluctuations from time to time. There may also be a number of secondary effects of an economic downturn, such as the insolvency of suppliers or customers, delays in deliveries by suppliers, payment delays and/or stagnant demand by customers, recession in some of the economies, disruption in banking and financial systems, economic instability, unfavourable government policies, rising inflation, lowering spending power, customer confidence, trade war, trade restrictions, pandemics, currency revaluations, change in credit ratings and political uncertainty. Cuts in federal or central, state and local government investment as well as consequent impairment in infrastructural facilities and growth can also drag down global and national growth rates. Given our wide presence, our revenue stream is diversified both geographically as well as across customers.

Further, our business plans envisage expanding our operations in line with our customers' requirements in India, Europe, Americas and China. We expect to continue to incur substantial expenditure in connection with such planned expansion, which would require us to successfully attract additional business from our existing and new customers. Accordingly, our successful expansion in any market is subject to business, economic and competitive uncertainties and contingencies, many of which are beyond our control.

Changes in customer specifications, purchasing patterns and demand for our products

We have a broad customer base across five continents including North America, Europe, Asia, South America and Africa. A majority of our customers are key global customer groups.

We have in the past and may in the future derive a significant portion of our revenues from limited number of customer groups. Our top five customer groups (excluding customers' contributing to revenue from scrap sales), as per our Restated Consolidated Financial Statements, contributed to revenue from operations from engineering business ₹ 9,323.39 million, ₹ 6,315.65 million and ₹ 6,426.31 million for Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively and constituted 70.55%, 72.28% and 72.54% of our revenue from operations for Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. Additionally, we are heavily dependent on customers who are operating in the automotive and industrial sectors.

A sustained decline in the demand for our customers' products could prompt them to cut their production volumes, in turn affecting their demand for our products. The volume and timing of sales to our customers may vary due to variation in demand for our customers' products, our customers' attempts to manage their inventory, change in the needs of our customers with respect to the niche choices of the grades of steel, introduce design changes or changes in their product mix, manufacturing strategy and growth strategy, and macroeconomic factors affecting the economy in general and our customers in particular.

Further, as our business is currently concentrated to a select number of significant customers, we may experience reduction in cash flows and liquidity if we lose one or more of our major customers or if the amount of business from them is significantly reduced for any reason, including as a result of a dispute with or disqualification by, a major customer. Consolidation of any of our customers may also adversely affect our existing relationships and arrangements with such customers, and any of our customers that are acquired may cease to use our products. Additionally, customers losing on their market share in the respective sector, replacement of an existing product with an alternative product may also adversely affect our business, financial condition, results of operations, cash flows and future prospects. Further, our customer-centric approach and continuous effort on transparent dealings has allowed us to enter into long term contracts with leading key global bearing manufacturers.

Evolving product and market mix

We have a diversified product portfolio in terms of the materials used as well as the dimensions and end-use of the finished products. We manufacture bearing cages in the range of 20 mm to 2,000 mm in diameter. We have been successful in improving our current processes of manufacturing and new product development for different type of bearing cages mainly due to our designing and tooling development and technological capabilities. Within our diversified product portfolio, we manufacture bearing cages (in brass, steel and polyamide materials), complex and specialised precision stamped components, welded assemblies and brass castings and cages and bronze castings and bushings. Since our incorporation, we have manufactured more than 7,500 types of products in the automotive and industrial segments. Our expertise in area of tooling, automated production facilities, focus on development with technologically advanced, and cost competitive manufacturing technology processes has resulted in repeat orders from our key customer groups. These key customer groups are also key global bearing manufacturers who have been our customers for over a decade. We intend to diversify and expand our business operations in accordance with the evolving needs of our customers and our industry. However, the transition of our manufacturing facilities and resources to fulfil production under new product programs may impact production rates or other operational efficiency measures at our facilities. Further, we may not be able to succeed in effectively implementing the new technology required in manufacturing new products or to recover our investments. Any failure in the development or implementation of our operations is likely to adversely affect our business, results of operations and cash flows.

While our principal production facilities are at Changodar and Moraiya, near Ahmedabad in Gujarat in India, we also have production facilities in Changshu in China and Ghimbav Brasov in Romania. We believe that our presence in these strategic locations helps us penetrate global markets more efficiently and effectively and allows access to our customers in more than 25 countries across the world. To help us meet 'just in time' requirements of our customers we have entered into arrangements to stock inventory in warehouses spread across more than 20 locations across the world including in, Europe, US, China and South America. Our multinational presence has also allowed us to diversify our revenues geographically. We have established strong customer relationship with leading global bearing manufactures in the automotive, railways, renewable energy and other industrial sectors. Further, our presence in these locations helps us overcome significant entry barriers in comparison with our competitors, allowing us to penetrate these markets more efficiently and becoming a local supplier to leading key global bearing players. Our multinational presence has also allowed us to diversify our revenues geographically and enhanced our reputation which results in higher orders from India. As per our Restated Consolidated Financial Statements, for Fiscal 2022, Fiscal 2021 and Fiscal 2020, our manufacturing and services operations in India contributed approximately 71.92%, 65.94% and 66.31% respectively, of our total revenue from operations, our manufacturing and services operations in China contributed 7.95%, 10.21% and 9.10% respectively, of our total revenue from operations and our manufacturing and services operations in Romania contributed 20.13%, 23.85% and 24.58% respectively, of our total revenue from operations.

Venturing into a new product line may require methods of operations and marketing and financial strategies, different from those currently employed in our Company. We may not be able to successfully develop our new product lines. Further, we will be subject to the risks generally associated with new product introductions and applications, including unproven know-how, unreliable technology, inexperienced staff, delays in product development and possible defects in products.

Availability of raw materials and employee costs

Our operations are impacted by the availability and cost of raw materials utilised in our production process. While we purchase our raw materials primarily through spot contracts in the domestic and international markets, any change in cost and availability of such raw materials for any reason, including change in the approved suppliers, change in law or applicable governmental policies relating to imports, would adversely affect our business, financial condition, results of operations and prospects. The primary raw material required for manufacturing of our products is brass, steel and polyamide. Our expenditure on raw material consumed (as adjusted for changes in inventories of finished goods and work in progress), has been 55.98 %, 47.46%, and 51.71% of our revenue from operations for Fiscals 2022, 2021 and 2020, respectively as per our Restated Consolidated Financial Statements. Prices for these raw materials can be volatile and depend on commodity prices in the markets, which, in turn, depend on changes in global economic conditions, industrial cycles, supply-and-demand dynamics, attempts by individual producers to capture market share, and market speculation, among other factors. We do not enter into any firm commitment/ long-term contracts with our suppliers. In India, we primarily purchase raw materials from the open market from suppliers that meet stipulations set up by our customers, at market price. If such raw material costs increase significantly during this period, it can have a negative impact on our profitability.

During Fiscals 2022, 2021 and 2020, employee benefits expenses aggregated to ₹ 1,580.27 million, ₹ 1,463.78 million, and ₹ 1,490.34 million respectively, and as a percentage of our revenue from operations, were 11.96%, 16.75%, and 16.82% respectively as per our Restated Consolidated Financial Statements. We believe that we have sufficient human resources to sustain our current operations and planned growth, particularly at the management level, and we expect to improve our operational efficiency by reducing our employee costs as a percentage of our revenue from operations in future periods. As a material portion of our overall manpower is located in India, rising wages in India as well as any change in applicable laws, may have a material impact on our net income.

Foreign currency fluctuations

Our financial statements are presented in Indian Rupees. However, a part of our revenues is derived from export sales. We face foreign exchange rate risk to the extent that our revenue, expenses, assets or liabilities are denominated in a currency other than the Indian Rupee. We report our consolidated results of operations in Indian Rupees, while our Subsidiaries report their financial results in their respective local currencies. Our overall operations of our foreign subsidiaries are in foreign currency and a portion of our equipment purchases, a portion of our travelling, commission and spares purchases, a portion of our material costs, a portion of our interest cost and third party warehouse expenses are denominated in foreign currencies, while a significant portion of our revenue is also denominated in foreign currencies. For Fiscals 2022, 2021 and 2020, 63.02%, 65.30%, and 62.68% of our revenue from operations and 33.15%, 36.16%, and 34.65% of our total expenses, as per our Restated Consolidated Financial Statements, were denominated in foreign currencies, respectively. Based on our geographical presence and business operations worldwide, we primarily deal in USD, Euro, RMB and RON. Our foreign currency exposures, exchange rate fluctuations between the Indian Rupee and foreign currencies, especially the USD, Euro, RMB and RON, may have a material impact on our results of operations, cash flows and financial condition.

We may suffer losses on account of foreign currency fluctuations for sale of our products to our international customers, since we may be able to revise the prices, for foreign currency fluctuations, only on a periodic basis and may not be able to pass on all losses on account of foreign currency fluctuations to our customers. While we seek to partly hedge our foreign currency risk by entering into forward exchange contracts and premium paid long term options contracts, any steps undertaken to hedge the risks on account of fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations.

Our net foreign exchange gain/(loss) for, Fiscal 2022, 2021 and 2020, as per our Restated Consolidated Financial Statements was ₹ 150.65 million, ₹ (1.52) million, and ₹ 85.84 million, respectively and constituted 1.14%, (0.02)%, and 0.97% of our total consolidated revenue from operations for, Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. Adverse fluctuations in exchange rates that we have not adequately hedged may adversely impact our profitability and financial condition.

Impact of COVID-19

The outbreak of COVID-19 pandemic globally and in India is causing disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and increase in financial risks. The Company has specifically reviewed its assets to ensure and believes that the impact is likely to be short term in nature and is negligible. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. As on the date of this Prospectus, all the manufacturing facilities of the Company are fully operational. For further details in relation to the impact of COVID-19, please see "*Risk Factors*" on page 27.

Key Performance Indicators and Certain Non-GAAP Measures

Particulars	**Fiscal 2022 (Restated)**	**Fiscal 2021 (Restated)**	**Fiscal 2020 (Restated)**
	(in ₹ million, except ratios and percentages)		
Revenue from operations	13,214.81	8,737.54	8,858.53
Free cash flow to firm[1]	(252.63)	599.40	379.76
EBITDA[2]	1,865.77	1,249.62	1,000.55
EBITDA margins[3]	14.12%	14.30%	11.29%
PAT	919.44	454.39	219.09
PAT margin[4]	6.87%	5.18%	2.44%
Net Worth	5,279.01	4,332.18	3,780.21
Net Debt[5]	3,565.85	3,220.77	3,930.99
RoACE[6]	24.92%	17.24%	18.05%
RoAE[7]	19.13%	11.20%	6.10%
Ratio of EBITDA to net cash flow generated from operating activities[8]	5.12	1.03	0.89
Net Debt to Net Worth[9]	0.68	0.74	1.04
Ratio of Net Debt to EBITDA[10]	1.91	2.58	3.93
FCFF to EBITDA ratio[11]	(0.14)	0.48	0.38
FCFF to PAT ratio[12]	(0.27)	1.32	1.73
Fixed Asset Turnover Ratio – Consolidated[13]	4.64	3.24	3.36

1 *Free cash flow to firm = PAT + Non-cash charges (including depreciation and amortisation) + (Finance cost adjusted for tax impact) - capital expenditure (increase in gross block) - changes in working capital*

2 *EBITDA = PBT + depreciation and amortisation + finance cost + loss/ (profit) on sale of fixed assets*

3 *EBITDA margin = EBITDA / revenue from operations*

4 *PAT margin = PAT / total revenue[5]*

5 *Net Debt = Total Debt - Free Cash and Cash Equivalents (i.e., Cash and bank balance - lien marked FDs)*

6 *Return on Average Capital Employed = (EBIT + Loss/ (profit) on Sale of Fixed Assets)/ Average Capital Employed; Average Capital employed= Net Worth + Long Term Borrowings includes Lease liability where Average taken as (Beginning + Ending) /2*

7 *Return on Average Equity = PAT / ((Beginning Equity + Ending Equity)/2)*

8 *Ratio of EBITDA to net cash flow generated from operating activities = EBITDA / Cash flow from operations*

9 *Net Debt to Net Worth = Net Debt / Net Worth*

10 *Ratio of Net Debt to EBITDA = Net Debt / EBITDA*

11 *FCFF to EBITDA ratio = Ratio of net debt to free cash flow to firm / EBITDA*

12 *FCFF to PAT ratio = Free cash flow to firm / PAT*

13 *Fixed Asset Turnover Ratio – Consol = Revenue from operations / Net Fixed Assets (adjusted for depreciation)*

Please see below explanation in relation to the financial key performance indicators included in the table above, which are relevant for the section titled "*Basis for Offer Price*", followed by a comparative analysis for Fiscals 2022, 2021 and 2020 for the respective financial key performance indicators.

Revenue from Operations

Revenue from operations is an important parameter which indicates the total turnover of the business, as it provides information in relation to the year over year growth of the Company.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

An important parameter which provides potential investors information regarding the operational efficiency of the business.

EBITDA Margin

EBITDA Margin serves an indicator of operational profitability of the business before interest, depreciation, amortisation, and taxes.

Profit After Taxes (PAT)

PAT is a critical indicator of the profitability of the business.

PAT Margin

PAT Margin is the ratio of PAT to the total revenue. This KPI provides financial benchmarking against peers as well as to compare against the historical performance of the business.

Return on Average Equity (RoAE)

RoAE is an indicator of the Company's efficiency, as it is a measure of the Company's profitability. RoAE provides information regarding the profit generation by the Company against the equity contribution.

Fiscal 2022 Compared to Fiscal 2021

Revenue from Operations

Our revenue from operations increased by 51.24% to ₹ 13,214.81 million for Fiscal 2022 from ₹ 8,737.54 million for Fiscal 2021, primarily due to increase in our revenue from operations from engineering business.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

Our earnings before interest, tax depreciation and amortisation has increased by 49.31% to ₹ 1,865.77 million for Fiscal 2022 from ₹ 1,249.62 million for Fiscal 2021, primarily due to increase in our revenue from operations from engineering business as well as reduction of operating loss of solar EPC business.

EBITDA Margin

Our earnings before interest, tax depreciation and amortisation margins have decreased to 14.12% for Fiscal 2022 from 14.30% for Fiscal 2021, primarily due to increase in the material prices of our raw materials.

Profit After Taxes (PAT)

Our profit after tax has increased by 102.35% to ₹ 919.44 million for Fiscal 2022 from ₹ 454.39 million for Fiscal 2021, primarily due to increase in the revenue from operations from the engineering business and reduction in the operating loss of solar EPC business as well as gain on account of exchange rates.

PAT Margin

Our profit after tax margins have increased to 6.87% for Fiscal 2022 from 5.18% for Fiscal 2021, primarily due to increase in our EBITDA and PAT.

Return on Average Equity (RoAE)

Our return on average equity (RoAE) has increased to 19.13 % for Fiscal 2022 from 11.20% for Fiscal 2021, primarily due to increase in PAT.

Fiscal 2021 Compared to Fiscal 2020

Revenue from Operations

Our revenue from operations decreased by 1.37% to ₹ 8,737.54 million for Fiscal 2021 from ₹ 8,858.53 million for Fiscal 2020, primarily due to decrease in operational revenue due to the outbreak of the COVID-19 pandemic mainly during the first quarter of Fiscal 2021.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

Our earnings before interest, tax depreciation and amortisation has increased by 24.89% to ₹ 1,249.62 million for Fiscal 2021 from ₹ 1,000.55 million for Fiscal 2020, primarily due to increase in our operating profit from engineering business as well as reduction of operating loss of solar EPC business.

EBITDA Margin

Our earnings before interest, tax depreciation and amortisation margins have increased to 14.30% for Fiscal 2021 from 11.29% for Fiscal 2020, primarily due to increase in our operating profit from engineering business as well as reduction of operating loss of solar EPC business.

Profit After Taxes (PAT)

Our profit after tax has increased by 107.40% to ₹ 454.39 million for Fiscal 2021 from ₹ 219.09 million for Fiscal 2020, primarily due to reduction in expenses and increase in profit margins.

PAT Margin

Our profit after tax margins have increased to 5.18% for Fiscal 2021 from 2.44% for Fiscal 2020, primarily due to increase in our operating profit from engineering business as well as reduction of operating loss of solar EPC business.

Return on Average Equity (RoAE)

Our return on average equity (RoAE) has increased to 11.20 % for Fiscal 2021 from 6.10% for Fiscal 2020, primarily due to increase in PAT.

Significant Accounting Policies

The significant accounting policies adopted in the preparation of our Restated Consolidated Financial Statements is set forth below. These policies have been consistently applied to all the years presented, unless otherwise stated.

A. Basis for Consolidation

Subsidiaries, Joint Venture & Associates

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

The Consolidated financial statements have been prepared on the following basis:

I. The financial statements of the Subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Indian Accounting Standard-(Ind AS).

II. In case of Foreign Subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the year end; any exchange difference arising on same is recognized in "Foreign Currency Translation Reserve".

III. The difference between the costs of investments in the subsidiaries over the net assets at the time of acquisition of the investment in the subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.

IV. Non-controlling interest's share of net profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to Shareholders of the Group.

V. Non-controlling interest's share of net assets of consolidated subsidiaries as at year is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Group's Shareholder.

VI. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations if any have been made in the consolidated financial statements.

The annual financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on March 31. When the end of the reporting period of the Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Company to enable the Company to consolidate the financial information of the subsidiary.

Joint Venture / Associates

The Company's investments in its joint ventures or associates are accounted for using the equity method. Under the equity method, the investment is initially recognised at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the joint ventures or associates since the acquisition date. The statement of profit and loss reflects the Company's share of the results of operations of the joint ventures.

B. Foreign Currency

Transactions in foreign currencies are translated into the functional currency of the Group at exchange rates at the date of transactions or an average rate if the average rate approximates the actual rate at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Foreign Exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary-assets and liabilities denominated in foreign currency at year end exchange rate are generally recognised in profit or loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in foreign currency are translated at the exchange rate at the date of transaction. Exchange differences are recognised in the profit or loss, except exchange differences arising from the translation of qualifying cash flow hedges to the extent hedges are effective which are recognised in Other Comprehensive Income (OCI).

C. Financial Instruments

1. Financial Assets

i) <u>Classification</u>

The Group classifies its financial assets in the following measurement categories:

- Those measured at amortized cost and
- Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss)

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

- A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL :
  - the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Financial assets are not reclassified subsequent to their initial recognition except if and in the period the Company changes its business model for managing financial assets.

ii) Measurement

At initial recognition, the Company measures a financial asset when it becomes a party to the contractual provisions of the instruments and measures at its fair value except trade receivables which are initially measured at transaction price. Transaction costs are incremental costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. A regular way purchase and sale of financial assets are accounted for at trade date.

iii) Subsequent Measurement and Gains and Losses

– Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains including any interest or dividend income, are recognized in profit or loss.

– Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

iv) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

2. Financial Liabilities

i) Classification, Subsequent Measurement and Gains and Losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

ii) Derecognition

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the profit or loss.

3. Offsetting

Financial assets and financial liabilities are off set and the net amount presented in the balance sheet when and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

D. Derivative Instruments and Hedge Accounting

The Company designates derivative contracts or non-derivative Financial Assets/ Liabilities as hedging instruments to mitigate the risk of movement in interest rates and/or foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the cash flow hedging reserve being part of Other Comprehensive Income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold or terminated or exercised or no longer qualifies for hedge accounting.

E. Property, Plant and Equipment

i. Recognition and Measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any, except freehold land which is carried at historical cost.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

Capital Work-in-progress includes cost of assets at sites and constructions expenditure.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company or it enhanced the useful lives.

iii. Depreciation/Amortisation

Depreciation is calculated on cost of items of property, plant and equipment (other than freehold land and properties under construction) less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss. Amortization on leasehold land is provided over the period of lease.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

Depreciation method followed by different companies of the Scheme are brought in line with the same method (i.e. Straight Line Method). Such change has been accounted for prospectively from F.Y 2020-21 as such change is considered as change in accounting estimate and the change is required to be applied prospectively in case of change in accounting estimate (as prescribed by guidance under Ind AS 8).

According to Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", a change in the estimated useful life of, or the expected pattern of consumption of the future economic benefits embodied in, a depreciable asset affects depreciation expense for the current period and for each future period during the asset's remaining useful life. The effect of the change in the estimated useful life relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods. Hence, such change in considered as change in accounting estimate and not change in accounting policy and prospective effect for such change is given.

Name of Subsidiaries	Basis of Depreciation
Harsha Engineers B.V (HEBV)	Straight Line Method
Harsha Precision Bearing Components (China) Co. Ltd. - HPBC(C)CL	Straight Line Method
Harsha Engineering Components (Changshu) Co. Ltd - HEC(C)CL^	Straight Line Method
Harsha Engineers Europe SRL- (HEE SRL)	Straight Line Method
HASPL Americas Corporation	Straight Line Method

Note : ^ Harsha Engineering Components (Changshu) Co. Ltd. has been merged with Harsha Precision Bearing Components (China) Co. Ltd. effective from 1st September 2019

iv. Derecognition

An item of Property, Plant and Equipment is derecognised upon disposal or sale or when no future economic benefits are expected to arise from the continued use of assets.

F. Intangible Assets

i. Initial Recognition and Classification

Goodwill is not amortised. It is tested annually for impairment.

Other intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred or it enhanced the useful lives.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over the estimated useful lives using the straight line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Goodwill is not amortized and is tested for impairment annually. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iv. Derecognition

An item of an intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of assets.

G. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress is valued at actual cost of production.

Cost of raw materials, stores and spares are determined on moving average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Excess/shortages if any, arising on physical verification are absorbed in the respective consumption accounts.

H. Impairment

i. Impairment of Financial Assets

The Group recognizes loss allowances for financial assets measured at amortized cost using expected credit loss model. At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

For trade receivables, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses. For all other financial assets, the Group measures loss allowances at an amount equal to twelve months expected credit losses unless there has been a significant increase in credit risk from initial recognition in which those are measured at lifetime expected credit risk.

Lifetime expected credit losses are the losses that result from all possible default events over the expected life of a financial asset. Twelve months expected credit losses are the portion of lifetime expected credit losses that represent the losses that result from default events on a financial instrument that are possible within the twelve months after the reporting date (or a shorter period if the expected life of the instrument is less than twelve months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 360 days past due. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full.

Measurement of Expected Credit Losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of Allowance for Expected Credit Losses in the Balance Sheet Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines (on the basis of availability of the information) that the debtor does not have assets or sources of income that could generate sufficient cash flows to pay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of Non-Financial Assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

I. The list of Subsidiary Companies included in consolidation of the Company are as under:

Name of Subsidiaries	Country of Incorporation	Ownership Interest held by the company		
		As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Harsha Engineers B.V (HEBV)	Netherlands	100%	100%	100%
Harsha Precision Bearing Components (China) Co. Ltd. -HPBC(C)CL	China	100%	100%	100%
Harsha Engineers Europe SRL- HEE SRL ^	Romania	99.9999%	99.9999%	99.9999%
HASPL Americas Corporation	USA	100%	100%	-

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interests and voting rights held by non-controlling interests		
		As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20*
Harsha Engineers Europe SRL- HEE SRL ^	Romania	0.0001%	0.0001%	0.0001%

Note : ^ Subsidiary of Harsha Engineers B.V (HEBV) - Stepdown subsidiary of the Company

J. Employee Benefits

i. Short Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

ii. Defined Contribution Plan

The Company makes specified monthly contributions towards the provident fund. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount using market yields at the end of reporting period on government bonds and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the Asset Ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

K. Provisions, contingent liabilities and contingent assets

Provisions are recognised at present value when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provision for decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. The cash flows are discounted at a current pre-tax rate that reflects the risk specific to the decommissioning liability. The unwinding of discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities not provided for, if material, are disclosed by way of notes to accounts, until such time that the liabilities arising out of these outstanding litigations have been crystallised by virtue of a final order being passed by the relevant regulatory authority or court or forum. Contingent assets are not recognised in financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

L. Revenue Recognition

i. Sale of Goods:

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

The timing of transfers of risks and rewards varies depending on the individual terms of sale, usually in case of domestic, such transfer occurs when the product is sold on Delivered-at-Place (DAP); however, for exports transfer occurs as per Inco terms.

Revenue from contracts :

Revenue from long term contracts, where the outcome can be estimated reliably, is recognized under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. The total costs of contracts are estimated based on technical and other estimates. When the current estimate of total costs and revenue is a loss, provision is made for the entire loss on the contract irrespective of the amount of work done.

Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue is reflected under "Current Liabilities" in the balance sheet.

Income from services :

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Revenues from maintenance contracts are recognised on pro-rata basis over the period of the contract.

ii. Export Benefits

Export Benefits are recognised as income on all the eligible exports and where there is no significant uncertainty regarding the ultimate collection of relevant exports.

M. Recognition of Dividend Income, Interest Income

Dividend on financial instruments is recognized as and when received. Interest income is recognized on accrual basis.

N. Income Tax

The Group and other Indian subsidiaries:

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Foreign Companies:

Foreign Companies recognize tax liabilities and assets in accordance with the local laws.

ii. Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets or liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on net basis or their tax assists and liabilities will be realised simultaneously.

iii. Minimum alternate tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit reversed/(availed).” The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

O. Cash and Cash Equivalents

Cash and Cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

P. Borrowing Cost

Borrowing Cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of cost of asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Q. Lease

With effect from 1st April, 2019, Ind AS 116 – "Leases" (Ind AS 116) supersedes Ind AS 17 – "Leases". The Company has adopted Ind AS 116 using the prospective approach. The application of Ind AS 116 has resulted into recognition of 'Right-of-Use' asset with a corresponding Lease Liability in the Balance Sheet and recognition of Depreciation and Interest expenses in Profit & Loss A/c.

Lease accounting

As a lessee

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

As a lessor

Finance lease

Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating lease

Lease income from operating lease (excluding amount for services such as insurance and maintenance) is recognized in the statement of profit or loss on a straight-line basis over the lease term, unless either:

A. another systematic basis is more representative of the time pattern of the user's benefit; or

B. the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

C. the lease asset capitalised and recognised as an asset in the books.

R. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Group by the weighted average number of Equity Shares outstanding during the year. Diluted earnings per Share is calculated by dividing net profit after tax attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year plus potential equity shares.

S. Cash Flow Statement

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

T. Business combinations

Business combinations (other than common control business combinations)

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the consolidated statement of profit and loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated statement of profit and loss or OCI, as appropriate.

Common Control Transactions:

Business combinations involving entities that are controlled by the Group in which all the combining entities or businesses are ultimately controlled by the same party or parties are accounted for using the pooling of interests method as follows :

1. The assets and liabilities of the combining entities are reflected at their carrying amounts.

2. No adjustments are made to reflect fair values, or recognise any new assets and liabilities. Adjustments are only made to harmonise accounting policies.

3. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

4. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

5. The identity of the reserves are preserved and the reserves of the transferor become reserves of the transferee.

6. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Wherever any business combination is governed by the Scheme approved by the Hon’ble High Court/ National Company Law Tribunal (NCLT), the business combination is accounted for as per the accounting treatment sanctioned in the Scheme.

Our Segment Accounting

The Chief Operating Decision Maker ("**CODM**") reviews the Group as (i) "Engineering & Others" and (ii) "Solar-EPC and O&M" segment. The CODM reviews revenue, results, total assets and total liabilities as the performance indicator of an operating segment.

The "Engineering & Others" segment includes all activities related with Bearing Cages & Stamp components including but not limited to sales, services, design, development, procurement and manufacturing.

The "Solar-EPC and O&M" segment includes all activities related with Solar Power Projects including but not limited to engineering, design, development, procurement, construction, erection, installation, commissioning, operation & maintenance.

The above business segments have been identified considering, (1) the different risk and returns and (2) the customers. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional information for segment reporting.

	Fiscal 2022 (Restated)	Fiscal 2021 (Restated)	Fiscal 2020 (Restated)
	(₹ in millions)		
Segment Revenues:			
Engineering & Others	12,385.35	8,195.62	8,216.59
Solar-EPC and O&M	829.46	541.92	641.94
Total Revenue from Operations	**13,214.81**	**8,737.54**	**8,858.53**
Segment Operating Results (EBITDA)#:			
Engineering & Others	1,890.88	1,404.62	1,233.79
Solar-EPC and O&M	(25.11)	(155.00)	(233.24)
Total Operating Results (EBITDA)	**1,865.77**	**1,249.62**	**1,000.55**
Segment Results (PBT):			
Engineering & Others	1,313.83	865.07	642.45
Solar-EPC and O&M	(47.64)	(257.85)	(326.60)
Total Profit Before Tax (PBT)	**1,266.19**	**607.22**	**315.85**
Segment Assets:			
Engineering & Others	10,478.54	8,828.07	8,159.99
Solar-EPC and O&M	1,103.99	982.61	1,572.40
Total Assets	**11,582.53**	**9,810.68**	**9,732.39**
Segment Liabilities:			
Engineering & Others	5223.34	4,404.81	4,475.39
Solar-EPC and O&M	1,140.59	1,134.10	1,537.20
Total Liabilities	**6,363.93**	**5,538.91**	**6,012.59**

\# *Operating Results (EBITDA): Total Profit Before Finance Cost, Depreciation & Amortisation, Tax & Profit/ (Loss) on Sale of Fixed Assets*

Principal components of our Income and Expenses

Income

Revenue from Operations

Our total income comprises revenue from operations and other income. Revenue from operations constitutes the sale of products and services and other operating revenues such as exports benefits and solar power generation.

Other Income

Other income constitutes the interest income, subsidy income, profits/(loss) on exchange rate fluctuation, currency revaluation, profits/ (loss) on sale of fixed assets, miscellaneous income etc.

Expenses

Cost of Materials Consumed and Changes in Inventories of Finished Goods and Work-in Progress

Cost of materials consumed primarily indicates the cost of the materials used in the manufacturing activities of the Company. Changes in inventories of finished goods and work-in-progress denotes increase/decrease in inventories of finished goods, toolings and work in progress between opening and closing dates of a reporting period.

Employee Benefit Expense

Employee benefit expenses primarily include salaries, wages, bonus paid to our employees, contributions to various funds and employee welfare expenses.

Depreciation and Amortization expenses

Depreciation and amortization expenses primarily include depreciation expenses on our property, plant and equipment and amortization expenses on our intangibles and right of use assets.

Finance Cost

Finance cost includes interest expense on term loans, working capital borrowings, and deposits, finance charges for sanction/renewal of credit facilities and bank charges and processing fees for various banking and/or trade finance transactions done with the banks.

Other Expenses

Other expenses primarily comprise of stores and packing, power and fuel, operative expenses, administrative and other expenses as detailed below.

Stores and packing constitutes of the stores and packing materials consumed.

Power and fuel constitutes the power and fuel related net consumption.

Operative expenses constitutes machinery repairs and maintenance, contractor-labour charges, installation and commission charges etc.

Administrative expenses constitutes the advertisement and sales promotion, freight, forwarding and clearing expenses, rent and fleet management expenses, legal and professional fees, security and housekeeping expenses etc.

Tax Expense

Our tax expense or credit for the period represents the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses (including unabsorbed depreciation).

Profit After Tax

Profit after tax represents profit after tax.

Results of Operations Based on Our Restated Consolidated Financial Statements

The following table sets forth select financial data from our restated consolidated statement of profit and loss for Fiscals 2022, 2021, and 2020, the components of which are also expressed as a percentage of revenue from operations for such periods.

	Fiscal 2022		**Fiscal 2021**		**Fiscal 2020**	
	(₹ in millions, except percentages)					
Income						
Revenue from operations	**13,214.81**	**100%**	**8,737.54**	**100%**	**8,858.53**	**100%**
Other income	175.18	1.32%	29.80	0.34%	136.52	1.54%
Total income	**13,389.99**	**101.32%**	**8,767.34**	**100.34%**	**8,995.05**	**101.54%**
Expenses						
Cost of materials consumed	7,991.64	60.47%	4,340.61	49.68%	4,480.10	50.57%
Changes in inventories of finished goods and work-in-progress	(594.58)	(4.5%)	(193.37)	(2.21%)	100.97	1.14%
Employee benefits expense	1,580.27	11.96%	1,463.78	16.75%	1,490.34	16.82%

	Fiscal 2022		Fiscal 2021		Fiscal 2020	
	(₹ in millions, except percentages)					
Finance costs	245.59	1.86%	299.93	3.43%	328.03	3.70%
Depreciation and amortisation expense	353.56	2.68%	341.09	3.90%	352.44	3.98%
Other expenses	2,547.32	19.28%	1,908.08	21.83%	1,927.32	21.76%
Total expenses	**12,123.80**	**91.74%**	**8,160.12**	**93.39%**	**8,679.20**	**97.98%**
Profit before Tax	**1,266.19**	**9.58%**	**607.22**	**6.95%**	**315.85**	**3.57%**
Tax Expense						
Current tax	332.45	2.52%	-	**-**	145.74	**1.65%**
Deferred Tax	14.30	0.11%	152.83	**1.75%**	(62.68)	**(0.71%)**
MAT Credit Reversed/ Availed	-	-	-	**-**	13.70	**0.15%**
Total tax expense	**346.75**	**2.62%**	**152.83**	**1.75%**	**96.76**	**1.09%**
Profit for the Year	**919.44**	**6.96%**	**454.39**	**5.20%**	**219.09**	**2.47%**

Fiscal 2022 Compared to Fiscal 2021

Income

Our total income increased by 52.73% to ₹ 13,389.99 million for Fiscal 2022 from ₹ 8,767.34 million for Fiscal 2021, primarily due to increase in our revenue from operations and other income.

Revenue from operations

Our revenue from operations increased by 51.24% to ₹ 13,214.81 million for Fiscal 2022 from ₹ 8,737.54 million for Fiscal 2021, primarily due to increase in our revenue from operations from engineering business.

Other Income

Our other income increased by 487.85% to ₹ 175.18 million in Fiscal 2022 from ₹ 29.80 million in Fiscal 2021, primarily as a result of increase in earnings due to exchange rate gain.

Expenses

Our total expenses, which primarily included cost of materials consumed and changes in inventories of finished goods, employee benefit expenses and other expenses increased by 48.57% to ₹ 12,123.80 million for Fiscal 2022 from ₹ 8,160.12 million for Fiscal 2021.

Cost of Materials Consumed

Our cost of materials consumed accounted for 60.47% and 49.68% of our revenue from operations for Fiscal 2022 and 2021, respectively.

Our cost of materials increased by 84.11% to ₹ 7,991.64 million for Fiscal 2022 from ₹ 4,340.61 million for Fiscal 2021 primarily due to increase in commodity prices and changes in product mix

Changes in Inventories of Finished Goods and Work-In-Progress

Our change in inventories of finished goods and work-in-progress increased by 207.48% to ₹ (594.58) million for Fiscal 2022 from ₹ (193.37) million for Fiscal 2021, primarily due to increase in inventories of finished goods due to the difference between our opening and closing inventory.

Employee Benefit Expenses

Our employee benefit expenses represent costs related to on-roll employees and therefore are largely fixed in nature. Our employee benefit expenses marginally increased by 7.96% to ₹ 1,580.27 million for Fiscal 2022 from ₹ 1,463.78 million for Fiscal 2021 as a result of increase in our scale of operations.

Finance Costs

Our finance costs decreased by 18.12% to ₹ 245.59 million for Fiscal 2022 from ₹ 299.93 million for Fiscal 2021 due to comparative low cost long term fund utilisation and replacing higher cost with lower cost

Depreciation and Amortisation Expenses

Our depreciation and amortization expenses increased by 3.66% to ₹ 353.56 million for Fiscal 2022 from ₹ 341.09 million for Fiscal 2021 on account of increase in capital expenditure.

Other Expenses

Our other expenses accounted for 19.28% and 21.84% of our revenue from operations for Fiscal 2022 and 2021, respectively.

Our other expenses increased marginally by 33.50% to ₹ 2,547.32 million for Fiscal 2022 compared to ₹ 1,908.08 million for Fiscal 2021, in aggregate, primarily due to increase in stores and packing, power and fuel, operative expenses and freight and forwarding expense due to increase in scale of operations

Tax Expense

Our total tax expense increased by 126.89% to ₹ 346.75 million for Fiscal 2022 from ₹ 152.83 million for Fiscal 2021, primarily due to increase in profit.

Profit for the Year

As a result of the foregoing factors, our profit for the year for Fiscal 2022 increased by 102.35% to ₹ 919.44 million from a profit for the year of ₹ 454.39 million for Fiscal 2021.

Fiscal 2021 Compared to Fiscal 2020

Income

Our total income decreased by 2.53% to ₹ 8,767.34 million for Fiscal 2021 from ₹ 8,995.05 million for Fiscal 2020, primarily due to a decrease in our revenue from operations and other income as discussed below:

Revenue from operations

Our revenue from operations decreased by 1.37% to ₹ 8,737.54 million for Fiscal 2021 from ₹ 8,858.53 million for Fiscal 2020, primarily due to decrease in operational revenue due to the outbreak of the COVID-19 pandemic mainly during the first quarter of Fiscal 2021.

Other Income

Our other income decreased by 78.17% to ₹ 29.80 million in Fiscal 2021 from ₹ 136.52 million in Fiscal 2020, primarily as a result of loss arising out of foreign exchange rate fluctuations.

Expenses

Our total expenses, which primarily included cost of materials consumed and changes in inventories of finished goods, employee benefit expenses and other expenses decreased by 5.98% to ₹ 8,160.12 million for Fiscal 2021 from ₹ 8,679.20 million for Fiscal 2020.

Cost of Materials Consumed

Our cost of materials consumed accounted for 49.68% and 50.57% of our revenue from operations for Fiscal 2021 and 2020, respectively.

Our cost of materials decreased by 3.11% to ₹ 4,340.61 million for Fiscal 2021 from ₹ 4,480.10 million for Fiscal 2020 primarily due to reduction in revenue from operations and changes in product mix.

Changes in Inventories of Finished Goods and Work-In-Progress

Our change in inventories of finished goods and work-in-progress decreased by 291.51% to ₹ (193.37) million for Fiscal 2021 from ₹ 100.97 million for Fiscal 2020, primarily due to increase in inventories of finished goods due to the difference between our opening and closing inventory due to continuity of production at end of Fiscal 2021 compared to national lockdown in India towards end of Fiscal 2020.

Employee Benefit Expenses

Our employee benefit expenses represent costs related to on-roll employees and therefore are largely fixed in nature. Our employee benefit expenses marginally decreased by 1.78% to ₹ 1,463.78 million for Fiscal 2021 from ₹ 1,490.34 million for Fiscal 2020 as a result of improved productivity in engineering segment and optimisation of manpower in solar segment.

Finance Costs

Our finance costs decreased by 8.57% to ₹ 299.93 million for Fiscal 2021 from ₹ 328.03 million for Fiscal 2020 due to overall reduction in rate of interest and repayment of term loans in Solar segment out of realisation of old receivables.

Depreciation and Amortisation Expenses

Our depreciation and amortization expenses decreased by 3.22% to ₹ 341.09 million for Fiscal 2021 from ₹ 352.44 million for Fiscal 2020 due to the reduction in capital expenditure in Fiscal 2021 compared with assets completing their useful life.

Other Expenses

Our other expenses accounted for 21.84% and 21.76% of our revenue from operations for Fiscal 2021 and 2020, respectively.

Our other expenses decreased marginally by 1.0% to ₹ 1,908.08 million for Fiscal 2021 compared to ₹ 1,927.32 million for Fiscal 2020, in aggregate, primarily due to reduction in contractual labour expenses, freight, forwarding and clearing expenses and reduction in sundry balances write off/bad debts (net).

Tax Expense

Our total tax expense increased by 57.95% to ₹ 152.83 million for Fiscal 2021 from ₹ 96.76 million for Fiscal 2020, primarily due to increase in profit before tax for Fiscal 2021 as compared to Fiscal 2020.

Profit for the Year

As a result of the foregoing factors, our profit for the year for Fiscal 2021 increased by 107.4% to ₹ 454.39 million from a profit for the year of ₹ 219.09 million for Fiscal 2020.

Liquidity and Capital Resources

Historically, we have been able to finance our capital requirements and the expansion of our business and operations through a combination of funds generated from our operations, equity infusions from shareholders and debt financing, and we expect to continue to do so. Our primary capital requirements are working capital for our operations and capital expenditures.

We believe that after taking into account the expected cash to be generated from our business and operations, the Net Proceeds from the Fresh Issue and the proceeds from our existing bank loans, we will have sufficient capital to meet our anticipated capital requirements for our working capital and capital expenditure requirements for the 12 months following the date of this Prospectus.

For Fiscals 2022, 2021 and 2020, we had cash and cash equivalents (comprising of cash on hand and balances with banks) of ₹ 214.17 million, ₹ 330.47 million, and ₹ 242.78 million, respectively as per our Restated Consolidated Financial Statements.

Cash Flows Based on Our Restated Consolidated Financial Statements

The table below summarizes the statement of cash flows, as per our restated consolidated cash flow statements, for the periods indicated:

	Fiscal 2022	**Fiscal 2021**	**Fiscal 2020**
	(₹ in millions)		
Net cash generated from operating activities	364.74	1,211.57	1,129.07
Net cash (used in)/generated from investing activities	(518.30)	(199.60)	(645.74)
Net cash (used in)/generated from financing activities	37.26	(924.28)	(382.50)
Cash and cash equivalents at the end of the year	**214.17**	**330.47**	**242.78**

Net cash generated from operating activities

Our net cash generated from operating activities was ₹ 364.74 million during Fiscal 2022. This was primarily due to a profit before tax of ₹ 1,266.19 million, depreciation and amortization of ₹ 353.56 million and finance cost of ₹ 245.59 million. Our adjustments for changes in working capital comprised primarily inventories of ₹ (1,081.76) million, trade receivables of ₹ (692.35) million, other current and non-current assets of ₹ 39.21 million and other financial liabilities of ₹ (27.54) million.

Our net cash generated from operating activities was ₹ 1,211.57 million for Fiscal 2021. This was primarily due to a profit before tax of ₹ 607.22 million, depreciation and amortization of ₹ 341.09 million and finance cost of ₹ 299.93 million. Our adjustments for changes in working capital comprised primarily inventories of ₹ (356.15) million, trade receivables of ₹ 242.89 million, other current and non-current liabilities of ₹ (153.94) million and provisions of ₹ 83.81 million.

Our net cash generated from operating activities was ₹ 1,129.07 million for Fiscal 2020.This was primarily due to a profit before tax of ₹ 315.85 million, depreciation and amortization of ₹ 352.44 million and finance cost of ₹ 328.03 million. Our adjustments for changes in working capital comprised primarily trade receivables of ₹ 423.03 million, trade payables of ₹ (536.89) million, other current and non-current liabilities of ₹ 104.38 million other financial liabilities of ₹ 196.60 million.

Net cash (used in)/ generated from investing activities

Our net cash used in investing activities was ₹ (518.30) million during Fiscal 2022. This was primarily attributable to our net amount of purchase of fixed assets of ₹ (495.29) million, net amount of loans and advances of ₹ (8.30) million, and investment in fixed deposit with banks of ₹ (56.34) million, partially offset by proceeds from sale of other investments of ₹ 28.18 million and proceeds from interest income of ₹ 16.43 million.

Our net cash used in investing activities was ₹ (199.60) million for Fiscal 2021. This was primarily attributable to our net amount of purchase of fixed assets of ₹ (397.89) million and net amount of purchase of other investments of ₹ (26.62) million, partially offset by proceeds from net amount of investment in fixed deposits with banks of ₹ 205.99 million and proceeds from interest income of ₹ 22.77 million.

Our net cash used in investing activities was ₹ (645.74) million for Fiscal 2020. This was primarily attributable to our net amount of purchase of fixed assets of ₹ (733.21) million and net amount of purchase of other investments of ₹ (8.37) million, partially offset by proceeds from net amount of loans and advances ₹ 45.76 million and proceeds from interest income of ₹ 30.39 million.

Net cash used in financing activities

Our net cash used in financing activities was ₹ 37.26 million for Fiscal 2022. This was primarily attributed to finance cost of ₹ (245.59) million, partially offset by net amount of borrowings of ₹ 281.88 million.

Our net cash used in financing activities was ₹ (924.28) million for Fiscal 2021. This was primarily attributed to finance cost of ₹ (299.93) million and net amount of borrowings of ₹ (624.56) million.

Our net cash used in financing activities was ₹ (382.50) million for Fiscal 2020. This was primarily attributed to finance cost of ₹ (328.03) million, dividends paid of ₹ (84.29) million partially and corporate dividend distribution tax of ₹ (17.32) million, which was partially offset by net amount of borrowings of ₹ 44.34 million

Indebtedness

As of March 31, 2022, we had non-current borrowings (including lease liabilities) of ₹ 1,433.63 million, current borrowings (including lease liabilities) of ₹ 2,414.99 million and total debt (net off free cash and cash equivalent) is of ₹ 3,565.85 million, with a net debt to equity ratio of 0.68 as per our Restated Consolidated Financial Statements. Some of our financing agreements include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. We cannot assure you that we will be able to obtain these consents and any failure to obtain these consents could have significant adverse consequences for our business. For further information on our agreements governing our outstanding indebtedness, see "*Financial Indebtedness*" on page 261.

Contingent Liabilities, Contractual Obligations and Capital Commitments

The following table sets forth the principal components of our contractual obligations, contingent liabilities and capital commitments (net of advances, if any) as of March 31, 2022 as per our Restated Consolidated Financial Statements:

As of March 31, 2022, our Restated Consolidated Financial Statements disclosed and reflected the following contingent liabilities and capital commitments:

Sr. No.	Particulars	Amount* (in ₹ million)
Contingent liabilities not provided for		
1.	Letter of Credit/Corporate Guarantee/Stand By Letter of Credit (SBLC) & Bank Guarantee (Outstanding)	357.45
2.	Custom duty benefits towards duty free imports under EPCG license scheme in respect of which export obligation are yet to be discharged	14.29
3.	Claims against the company not acknowledged as debts:	
(a)	Income Tax Matters	237.93
(b)	Excise, Service Tax and GST Matters	10.56
4.	Other Matters including claims related to Customer, Vendor, ESIC, Electricity, Ex-Employee and others#	168.99

Sr. No.	Particulars	Amount* (in ₹ million)
Capital commitments		
5.	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	116.05

* *net of advances, if any*

\# *It includes ₹150.00 million of the City Civil Court, Bengaluru case filed by Orchestrate Systems Pvt .Ltd. (OSPL) against the Company. This matter was filed by OSPL after the winding up petition was filed by the Company against OSPL at Karnataka High Court. Later the Company had withdrawn the winding up petition at Karnataka High court against OSPL, with permission of court to pursue the matter under MSMED Act. Thereafter, the Company had filed MSME case against OSPL for recovery of ₹68.60 millions and on conciliation fail at MSMEFC the matter was refer to Arbitration. After completion of arbitration, arbitrator has passed necessary order in favour of the Company for recovery of ₹68.60 millions plus interest as per the said order dated May 4, 2019. The company has filed execution petition at commercial court Raipur for above arbitration order as assets of OSPL are located in Chhattisgarh. The same matter is pending with commercial court, Raipur. OSPL has challenged this arbitration at Gujarat High court and the same matter is also pending with Gujarat High court. Against, civil court case at Bengaluru by OSPL, Counter Claim Revival Application has been submitted by the Company. Hearing on revival application is in process.*

Note 1: All of the issue of litigation pertaining to income tax are based on interpretation of the income tax law & rules, management has been opined by its counsel that many of the issues raised by revenues will not be sustainable in law as they are covered by judgements of respective judicial authorities which supports its contention. As such no material impact on the financial of the Company is envisaged.

Note 2: Most of the issue of litigation pertaining to central excise/ service tax are based on interpretation of the tax law & rules, management has been opined by its counsel that many of the issues raised by revenues will not be sustainable in law as they are covered by judgements of respective judicial authorities which supports its contention. As such no material impact on the financial of the Company is envisaged.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties. See "*Restated Consolidated Financial Statements– Note 33*" on page 238.

Quantitative and Qualitative Analysis of Market Risks

We are exposed to various types of market risks during the course of our business. Market risk is the risk of loss arising out of adverse changes in market prices, including interest rate risk, commodity risk, credit risk, inflation risk and foreign currency exchange risk. Market risk is attributable to all market risk sensitive financial instruments including investments, foreign currency payables and debt. We are exposed to various types of market risks, in the normal course of business.

Commodity Price Risk

Commodity price risk is the possibility of impact from changes in the prices of raw materials. We are exposed to market risk with respect to the prices of certain raw materials used for our products, including different components or grades of brass, steel and polyamide which are a primary raw material for the products manufactured at our facilities. The costs for these materials are based on commodity prices and subject to fluctuations. The costs of components sourced from outside manufacturers may also fluctuate based on their availability from suppliers.

Interest Rate Risk

We are exposed to interest rate risk resulting from fluctuations in interest rates on our borrowings. Our long term borrowings from banks and financial institutions and our working capital borrowings primarily consist of floating rate obligations linked to the applicable benchmark rates, which may typically be adjusted at certain intervals in accordance with prevailing interest rates. Increases in interest rates would increase interest expenses relating to our outstanding floating rate borrowings and increase the cost of new debt. In addition, an increase in interest rates may adversely affect our ability to service long-term debt and to finance development of new projects, all of which in turn may adversely affect our results of operations.

Credit Risk

We are subject to the risk that our counterparties under various financial or customer agreements will not meet their obligations. If our customers do not pay us promptly, or at all, it may affect our working capital cycle and/or we may have to make provision for or write-off on such amounts.

Foreign Currency Fluctuations

Although our Company's reporting currency is in Indian Rupees, we transact a significant portion of our business in several other currencies. For Fiscals 2022, 2021 and 2020, 63.02%, 65.30%, and 62.68% of our revenue from operations and 33.15%, 36.16%, and 34.65% of our total expenses, as per our Restated Consolidated Financial Statements, were denominated in foreign currencies, respectively. Based on our geographical presence and business operations worldwide, we primarily deal in USD, Euro, RMB and RON. Our foreign currency exposures, exchange rate fluctuations between the Indian Rupee and foreign currencies, especially the USD, Euro, RMB and RON, may have a material impact on our results of operations, cash flows and financial condition.

We may suffer losses on account of foreign currency fluctuations for sale of our products to our international customers, since we may be able to revise the prices, for foreign currency fluctuations, only on a periodic basis and may not be able to pass on all losses on account of foreign currency fluctuations to our customers. Our net foreign exchange gain/(loss) for Fiscal 2022, 2021 and 2020, as per our Restated Consolidated Financial Statements was ₹ 150.65 million, ₹ (1.52) million, and ₹ 85.84 million, respectively and constituted 1.14%, (0.02)%, and 0.97% of our total consolidated revenue from operations for Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

Accordingly, our exchange rate risk primarily arises from our foreign currency revenues, costs and other foreign currency assets and liabilities to the extent that there is no natural hedge. We may be affected by significant fluctuations in the exchange rates between the Indian rupee and other currencies.

Inflation

In recent years, the locations where our facilities are located have experienced relatively high rates of inflation. Inflationary factors such as increases in the input costs and overhead costs may adversely affect our operating results. There may be time lag in recovering the inflation impact from our customer and we may not be able to recover the full impact of such inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

Capital Expenditures

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for purchase of plant and equipment. In Fiscals, 2022, 2021 and 2020 our capital expenditures (comprising of payments for acquisition of property, plant and equipment, intangibles and capital work in progress including capital advances) were ₹ 517.72 million, ₹ 381.03 million, and ₹ 989.59 million respectively as per our Restated Consolidated Financial Statements.

Significant Economic Changes

Other than as described above under the heading titled "*Principal Factors Affecting Our Financial Condition and Results of Operations*," and the section titled "*Our Business*" page 138 and to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Unusual or Infrequent Events of Transactions

Except as described in this Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "*Principal Factors Affecting Our Financial Condition and Results of Operations*" and the uncertainties described in the section titled "*Risk Factors*" beginning on page 27. To our knowledge, except as described or anticipated in this Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Future Relationship Between Cost and Income

Other than as described in this Prospectus, including disclosure regarding the impact of COVID-19 on our operations, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

New Products or Business Segments

Other than as described in "*Our Business*" on page 138 of this Prospectus, there are no new products or business segments in which we operate.

Significant Dependence on a Single or Few Customers

We have in the past derived a significant portion of our revenue from engineering business from a limited number of customer groups and we may continue to derive a significant portion of our revenue from such customer groups. For further details, see *"Risk Factors - 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."* on page 29.

Competitive Conditions

For details in relation to competitive conditions, please see "*Risk Factors*" and "*Our Business*" on pages 27 and 138, respectively.

Seasonality of Business

Our business is not subject to seasonal variations.

Qualification Included by Auditors

There are no qualifications, reservations and adverse remarks by our statutory auditors in our Restated Consolidated Financial Statements.

Significant Developments After March 31, 2022

To our knowledge, except as disclosed below and otherwise disclosed in this Prospectus, no circumstances have arisen since March 31, 2022, the date of the last financial statements contained in this Prospectus, to the date of filing of this Prospectus, which materially and adversely affects, or is likely to affect, our trading or profitability, or the value of our assets, or our ability to pay our liabilities within the next 12 months.

- Pursuant to the Composite Scheme of Amalgamation and Arrangement sanctioned by Hon'ble National Company Law Tribunal (NCLT) , Ahmedabad bench vide its order dated December 23, 2021, Aastha Tools Private Limited (ATPL), Harsha Engineers (India) Private Limited (HEIPL) has been merged with Harsha Engineers Limited (HEL) with effect from appointed date i.e. April 01, 2020 and effective from December 24, 2021, HEL and Helianthus Solar Power Private Limited (HSPPL) has been merged with Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited, "HASPL") effective from appointed date i.e. April 01, 2020.

  Pursuant to the scheme, the Company had made an application for adjudication of stamp duty order as required under Gujarat Stamp Act. Subsequently the Company has received demand notice from the office of the Superintendent of Stamps, Gujarat State, Gandhinagar vide its letter dated April 13, 2022 for the payment of stamp duty of Rs 91,91,100 and same was paid by the Company. The Company has received the stamp adjudication order on April 28, 2022 stating the payment has been made as per section 32 of Gujarat Stamp Act.

- The Company has also filed a Scheme of Amalgamation between Harsha Engineers B.V. and Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited, "HASPL", the Company) and their respective shareholders and creditors under section 234 read with sections 230 to 232 along with other applicable provisions of the Companies Act, 2013 other applicable rules and regulations made thereunder (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force), subject to necessary statutory approvals **("the Scheme of Amalgamation")** . The Scheme of Amalgamation has been approved by the NCLT and the order has been announced by the NCLT on August 25, 2022. Our Company has made an application to the NCLT to obtain a certified true copy of the NCLT order and will undertake the necessary corporate actions upon receipt of the certified true copy of the NCLT order. Upon undertaking the necessary corporate actions and the receipt of the necessary sanction and approvals as required under the applicable laws of Netherlands, the Scheme of Amalgamation shall be effective and the equity shares held by the Company in Harsha Engineers B.V. shall stand cancelled and extinguished, and hence no shares of the Company shall be issued and allotted.

- The Company is holding 100% of the equity shares of the Harsha Engineers BV. Accordingly, pursuant to amalgamation of Harsha Engineers B.V. with the Company on the Appointed Date, equity shares held by the Company in Harsha Engineers BV shall be cancelled and extinguished and hence, no shares of the Company shall be issued and allotted. On the Scheme of Amalgamation being effective, the assets and liabilities pertaining to the Harsha Engineers B.V. will be accounted for at their respective carrying values as appearing in their respective books as on the Appointed Date.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding (i) criminal proceedings involving our Company, its Subsidiaries, Directors, or Promoters ("**Relevant Parties**"); (ii) actions by statutory or regulatory authorities involving the Relevant Parties; (iii) outstanding claims relating to direct and indirect taxes involving the Relevant Parties; and (iv) other pending litigation as determined to be material by our Board pursuant to the Materiality Policy (as disclosed herein below); or (v) litigation involving our Group Companies which have a material impact on our Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action.*

*In relation to (iv) above, our Board in its meeting held on January 10, 2022 , has considered and adopted a policy of materiality for identification of material civil litigation ("**Materiality Policy**"). In terms of the Materiality Policy:*

(a) *any outstanding litigation/ arbitration proceedings (other than as covered under (i)-(iii) above) involving the Relevant Parties, where the monetary amount of claim exceeds 1% of the profit after tax of the Company, which is ₹ 9.19 million, as per the latest annual Restated Consolidated Financial Statements;*

(b) *where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed 1% of the profit after tax of the Company as per the latest annual Restated Consolidated Financial Statements; and*

(c) *all other outstanding proceeding which may not meet the specific threshold and parameters as set out in (a) or (b) above, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of the Company, has been considered material.*

Accordingly, disclosures of the following types of litigation involving the Relevant Parties have been considered material and accordingly disclosed, as applicable, (a) where the aggregate amount of claim involved in such litigation/arbitration proceeding exceeds the relevant monetary threshold disclosed above, or (b) where the monetary liability is not determinable or quantifiable, but where the outcome of such pending proceedings may have a material adverse effect on the business, operations, performance, prospects, position or reputation of our Company.

For the purposes of the above, pre-litigation notices received by the Relevant Parties or the Group Companies from third parties (excluding those notices issued by statutory or regulatory or taxation authorities or notices threatening criminal action) have not and shall not, be considered material until such time that any of the Relevant Parties or the Group Companies, as the case may be, is impleaded as a defendant in proceedings before any judicial or arbitral forum.

Further, in accordance with the Materiality Policy, our Company has considered such creditors 'material' to whom the amount due is in excess of 5% of the total outstanding dues (that is, trade payables) of our Company as on the date of the latest period covered in the Restated Consolidated Financial Statements. The consolidated trade payables of our Company as on March 31, 2022 was ₹ 1,827.88 million. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹ 91.39 million as on March 31, 2022.

Unless stated to the contrary, the information provided below is as of the date of this Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

Litigation involving our Company

Litigation against our Company

A. Outstanding criminal proceedings

Nil

B. Actions initiated by regulatory or statutory authorities

1. 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 (the "**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. Whereas, our Company has failed to make payment to the Supplier within 45 days from the day of acceptance or deemed acceptance as per section 15 of the Micro, Small and Medium Enterprises Development Act, 2006 ("**Act**"), there is a beneficial provision under the Act which empowers the Council to advise the parties to conciliate and settle the disputes before proceeding further. In pursuance of such provision, the MSEF Council has advised our Company to pay the amount due within 15 days from the receipt of the Notice, failing which

a case will be registered by the MSEF Council. The matter is currently pending. The Supplier has further filed a petition vide Arbitration Case no. DL/11/M/SWC/00789, 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, and currently the matter is pending before Arbitration Centre, New Delhi for final arguments and final award.

2. 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. The matter is currently pending.

3. 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 has submitted an application to NHAI for permission of the access road in this regard. This matter is currently pending.

C. Outstanding material civil litigation

1. Ganges International Private Limited ("**Operational Creditor**") filed a company petition bearing no. C.P. (I.B.) No. 156 of 2021 ("**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 parties had entered into a Letter of Award dated November 16, 2017; and our Company had issued a purchase order dated November 11, 2017, for the supply of certain materials by the Operational Creditor. The Operational Creditor has alleged that our Company has not made payment to it for outstanding dues of ₹ 25,600,364. The Operational Creditor has raised a demand notice against our Company under Section 8 of the IBC read with Rule 5 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. Our Company in its affidavit-in-reply to the Petition has inter alia denied any such liability and brought attention to the failure by Ganges International, to abide by the terms and conditions of a Letter of Award dated November 16, 2017 in pursuance to which the invoices had been raised. There had been a gross and inordinate delay in delivery of materials and the materials supplied by the Operational Creditor were of sub-standard quality, forcing our Company to short close the order with them and buy the remaining material from other vendors at high prices. This had resulted in our Company having to bear huge expenses at the project site and caused delay in our projects. Our Company has averred that since the Petition has been filed after more than three years after the alleged invoices were raised, it was barred by limitation and ought to be dismissed. Subsequently, the Operational Creditor has filed a rejoinder application vide Company Petition (IB) No. 156 (AHM)/2021 dated July 8, 2022 against the reply provided by the Company in relation to the Petition. Our Company will reply to the rejoinder application in due course of time. The matter is currently pending.

   Separately, Operational Creditor had also vide a company application filed an objection to the composite scheme of amalgamation and arrangement between Aastha Tools Private Limited and Harsha Engineers (India) Private Limited) and Harsha Engineers Limited and Helianthus Solar Power Private Limited and our Company ("**Scheme**") filed under Company Petition (CAA) No. 33 of 2021 for approval of the Scheme, claiming an order had been passed while sanctioning such Scheme, to hold a meeting of the unsecured creditors of our Company and that the Operational Creditor, being an unsecured creditor, had not received notice of any such meeting and that its rights were seriously prejudiced as a result of sanction of such Scheme and had accordingly, prayed that the Company Petition (CAA) No. 33 of 2021 be rejected on grounds that it had violated provisions of applicable law. The application has been disposed of vide NCLT order dated November 18, 2021.

2. Orchestrate Systems Private Limited ("**Orchestrate Systems**"/ "**Plaintiff**") had filed an Original Suit bearing No. 1279 of 2016 ("**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 vis-à-vis the implementation schedule of the Project. Further, the Plaintiff has alleged that our Company had misrepresented the economies and modalities of the Project, including the agreements related to the Project, and 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 filed a written statement and counter claim dated June 10, 2016 averring that the Plaintiff was guilty of supressing material facts and that the Suit was liable to be dismissed. The Plaintiff had approached our Company for setting up a solar power plant at Tohda, Chhattisgarh. For the work done, our Company issued invoices for the amount of ₹ 140,785,002 but only part of the amount had been paid by the Plaintiff, despite repeated requests being made by our Company to pay the balance amount of ₹ 68,593,282.43, along with interest thereon. On account of failure to make payment by the Plaintiff, our Company filed a winding up petition bearing No. 118 of 2015 before the High Court of Karnataka to wind up the Plaintiff. Our Company averred that these facts had not been disclosed in the Suit and the Plaintiff had filed the Suit with the intention of harassing our Company. Our Company with its written statement also has filed a counter claim of ₹ 68,593,282.43 plus interest at 14% per annum till the date of actual payment against the Plaintiff. Thereafter, on February 5, 2018, our Company filed an application before the City Civil and Sessions Judge at Bengaluru ("**Sessions Court**") to withdraw the said counter claim without prejudice to its statutory rights so that it could pursue proceedings against the Plaintiff under the Micro, Small and Medium Enterprises Development Act, 2006, which was allowed by the Sessions Court on March 6, 2018. Subsequently, the Plaintiff filed an application before the Sessions Court to reopen the stage of filing objections and recall the order dated March 6, 2018, however, the Sessions Court dismissed the reopen and recall application. Our Company has filed a revival application dated August 16, 2021 (**"Revival Application"**) to recall the order dated March 6, 2018 and permit our Company to revive its counter claim dated June 10, 2016 owing to the pendency of the execution of the arbitration award pursuant to the Plaintiff's Special Civil Application bearing No, 12325 of 2018 (*details given below*). The matter is currently pending.

Litigation by our Company

A. Outstanding criminal proceedings

Nil

B. Outstanding material civil litigation

1. Our Company had filed an application bearing D.P. No. 457 for delayed payment against Orchestrate Systems Private Limited (the "**Respondent**") before the Micro and Small Enterprises Facilitation Council, Gandhi Nagar, Gujarat (the "**Council**"). The Council vide its order dated April 17, 2018 directed that the matter be referred to arbitration. Pursuant to the arbitration proceedings, an award was passed in favour of our Company directing the Respondent to pay both the principal and interest amounts due to our Company, as well as costs associated with the arbitration proceedings. The Respondent filed a Special Civil Application bearing No, 12325 of 2018 (the **"Special Civil Application"**) before the Gujarat High Court challenging the Arbitral Award and the jurisdiction of the Micro and Small Enterprises Facilitation Council to refer the matter for arbitration during the pendency of the Original Suit bearing No. 1279 of 2016 before the Court of the Principal City Civil Judge at Bengaluru. The Gujarat High Court passed an order dated September 3, 2021 to maintain status quo pursuant to the Special Civil Application. Thereafter, the Respondent filed an amendment to the Special Civil Application praying to set aside the Arbitral Award. Subsequently, our Company has filed an objection to the amendment, affidavit-in-reply and further affidavit to respond to the frivolous claims of the Respondent. Our Company has also filed an Execution Petition bearing case No. Execution-09 of 2020 (the "**Execution Petition**") before the Commercial Court at Raipur, for execution of the order by the State Level Industry Facilitation Council, Gandhinagar, Gujarat on July 1, 2019 based on an arbitral award dated May 4, 2019 passed in favour of our Company, to recover the principal amount due worth ₹ 68,593,282 along with interest. Thereafter, the Respondent has filed a reply on March 1, 2021 inter alia praying that the Execution Petition be rejected, as the arbitral award dated May 4, 2019 was perverse and void. Our Company has filed a further reply on July 5, 2021 stating that the Respondent is raising false and frivolous grounds for challenging the execution of the arbitral award dated May 4, 2019 passed in favour of our Company. The matter is currently pending.

2. Our Company has filed a Form B for proof of claim by operational creditors dated December 10, 2021 (**"Proof"**) to the Resolution Professional in relation to the corporate insolvency resolution process in the case of IIC Limited. Our Company was awarded a contract by IIC Limited for setting up of the solar PV roof top project. Upon successful completion of the project, several invoices for the supply of materials and services were raised by our Company. While IIC Limited made periodical payments to the extent of ₹ 40,059,861, there is outstanding debt arising out of the project. Therefore, our Company has claimed ₹ 34,922,841 (including interest) from IIC Limited. The matter is currently pending.

Litigation involving our Subsidiaries

Litigation against our Subsidiaries

A. Outstanding criminal proceedings

1. Termination of criminal pursuit against Minea Constantin Ion, an employee of our subsidiary, Harsha Engineers Europe SRL, regarding a labor accident:

   A general criminal pursuit (file number 13483/197/2022) in rem was initiated by the Prosecutor Office next to the Brașov First Grade Court for the deeds of non observance of the labor security measures, involuntary injury and failure to take the labor security preemptive measures under the articles 349, 350 and 196 of the Romanian Criminal Code. For the former two charges, the cases were closed. For the first charge against the employees of the company for non-observance of the labor security measures, order of the court is pending.

2. Termination of criminal pursuit against Jac Gheorghe and Ciobanu Gheorghe, employees of our subsidiary, Harsha Engineers Europe SRL, regarding a labor accident:

   A general criminal pursuit (file number 13172/197/2022) in rem was initiated by the Prosecutor Office next to the Brașov First Grade Court for the deeds of non observance of the labor security measures, involuntary injury and failure to take the labor security preemptive measures under the articles 349, 350 and 196 of the Romanian Criminal Code. For the former two charges, the cases were closed. For the first charge against the employees of the company for non-observance of the labor security measures, order of the court is pending.

B. Actions initiated by regulatory or statutory authorities

1. Our Subsidiary, Harsha Precision Bearing Components (China) Co. Ltd, China, received a notice dated May 24, 2022, from the Guohao Law Firm (Suzhou), a perennial legal adviser of Changshu Economic and Technological Development Zone Management Committee ("**Committee**") stating that our Subsidiary had failed to fully perform certain provisions of the contract for State–owned Construction Land Use Right Assignment. According to the provision, the land transfer contract agreement, total fixed asset investment, total investment intensity and development did not meet contract provisions and building an index to plot ratio, building density are less than the minimum standard of this contract. Therefore, as per this letter, our Subsidiary's liquidated damages under the contract of the land transfer is ₹ 117.02 million[*]. Pursuant to the receipt of such letter, our Subsidiary vide its written reply to the Committee dated June 21, 2022, made explanation to withdraw the liquidation damage on the basis of various grounds submitted. Our Subsidiary is currently awaiting response from the Committee.

   [*] 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.

C. Outstanding material civil litigation

Nil

Litigation by our Subsidiaries

A. Outstanding criminal proceedings

Nil

B. Actions initiated by regulatory or statutory authorities

Nil

C. Outstanding material civil litigation

Nil

Litigation involving our Promoters

Litigation against our Promoters

A. Outstanding criminal proceedings

Nil

B. *Actions initiated by regulatory or statutory authorities*

Nil

C. *Outstanding material civil litigation*

Nil

Litigation by our Promoters

D. *Outstanding criminal proceedings*

Nil

E. *Actions initiated by regulatory or statutory authorities*

Nil

F. *Outstanding material civil litigation*

Nil

Litigation involving our Directors

Litigation against our Directors

A. *Outstanding criminal proceedings*

Nil

B. *Actions initiated by regulatory or statutory authorities*

Nil

C. *Outstanding material civil litigation*

Nil

Litigation by our Directors

A. *Outstanding criminal proceedings*

Nil

B. *Actions initiated by regulatory or statutory authorities*

Nil

C. *Outstanding material civil litigation*

Nil

Outstanding litigation involving our Group Companies which may have a material impact on our Company

As on the date of this Prospectus, there are no outstanding material litigations involving our Group Companies which may have a material impact on our Company.

Tax Proceedings

Except as disclosed below, there are no outstanding tax proceedings involving our Company, Subsidiaries, Directors or Promoters:

(in ₹ million)

Nature of cases	Number of cases	Amount involved*
Company		
Direct Tax	6	236.35
Indirect Tax	4	9.90

Nature of cases	Number of cases	Amount involved*
Subsidiaries		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Directors		
Direct Tax	1	4.72
Indirect Tax	Nil	Nil
Promoters (excluding cases involving our Directors)		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	**11**	250.97

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

Outstanding dues to Creditors

As per the Materiality Policy, creditors to whom an amount exceeding ₹ 91.39 million, which is 5% of the total consolidated trade payables of our Company as of the end of the latest period covered in the Restated Consolidated Financial Statements, i.e. as of March 31, 2022, were considered 'material' creditors.

Based on the above, there are four material creditors of our Company as on March 31, 2022. Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at March 31, 2022 by our Company, are set out below:

Type of creditors	Number of creditors	Amount involved (in ₹ million)
Micro, small and medium enterprises	84	95.29
Material creditors	4	803.72
Other creditors	1,010	928.87
Total	**1,098**	**1,827.88**

The details pertaining to net outstanding dues towards our material creditors are available on the website of our Company, at https://harshaengineers.com/InvestorRelations/materialcreditors.php.

Material Developments

Except as otherwise disclosed in "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*", no circumstances have arisen since since the date of the last financial statements disclosed in this Prospectus, that could materially and adversely affect or are likely to affect, our trading, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Set out below is a list of all material approvals, consents, licenses, registrations and permits obtained by our Company and Material Subsidiaries, which are necessary for undertaking our business. Further, we have obtained all material consents, licenses, permissions, registrations, permits and approvals, from various governmental statutory and regulatory authorities, which are necessary for undertaking the current business activities and operations of our Company and Material Subsidiaries. We have also disclosed below (i) the material approvals applied for, including renewal applications made, but not received; (ii) the material approvals which have expired and renewal for which are yet to be applied for; and (iii) the material approvals which are required but not obtained or applied for. For further details in connection with the regulatory and legal framework within which we operate, see "Key Regulations and Policies" on page 161. For incorporation details of our Company, see "History and Certain Corporate Matters" on page 166.

In view of the key approvals listed below, our Company can undertake this Offer, current business activities and operations.

I. Material approvals in relation to the Offer

For the approvals and authorizations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 302.

II. Material approvals in relation to our Company

Our Company has received the following material approvals, licenses, consents, registrations, and permits pertaining to our business:

A. Tax related approvals

1. Permanent Account Number AACCH5549Q issued by the Income Tax Department, Government of India, under the Income Tax Act, 1961.

2. Tax Deduction and Collection Account Number AHMH03612A issued by the Income Tax Department under Income Tax Act, 1961.

3. Our Company has obtained goods and services tax identification numbers under the applicable provisions of the goods and services tax legislations applicable in the states and union territories where we operate.

4. Letter of Undertaking approval for export of goods and services without payment of integrated tax issued under the Goods and Service Tax, 2017.

5. Import-export code, issued by the Directorate General of Foreign Trade, Ahmedabad under the Foreign Trade (Development and Regulation) Act, 1992.

B. Material approvals in relation to our business operations

1. Consent to operate issued by the respective pollution control board under the Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974 and Environmental Clearances wherever applicable.

2. Authorisation for generation, storage and disposal of hazardous wastes issued by the respective pollution control boards, wherever applicable, under the Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016.

3. License to work a factory issued by the relevant State Government under the Factories Act, 1948.

4. No objection certificate issued by the Central Ground Water Authority for our manufacturing facilities.

5. Registration cum membership certificate as a manufacturer exporter issued by the EEPC India (formerly known as Engineering Export Promotion Council).

6. License to import and store petroleum by the Joint Chief Controller of Explosives under the Petroleum Act, 1934 and Petroleum Rules, 2002.

7. Registrations/ approvals under the Legal Metrology Act for our manufacturing facilities.

8. Certifications from Electrical Inspector under the Electricity Act, 2003.

9. Registration for HT Connection under the Electricity Act, 2003.

10. Industrial License issued by Secretariat for Industrial Assistance, DIPP, Ministry of Commerce and Industry, Government of India for generation of solar power and manufacture of bearings, auto components and sheet metal components.

11. Registrations under the Central Excise Rules, 2002 to manufacture excisable goods.

12. Letter of approval for continued operations as 100% export-oriented unit issued by the Office of Development Commissioner, Ministry of Commerce and Industry for our manufacturing facilities.

13. Import-export code, issued by the Directorate General of Foreign Trade, Ahmedabad under the Foreign Trade (Development and Regulation) Act, 1992.

14. No Objection for Ground Water Abstraction.

15. Certifications from Electrical Inspector under the Electricity Act, 2003.

16. HT Power supply for all our manufacturing facilities

C. Labour and commercial approvals

1. Certificate of registration issued by the Employees' Provident Fund Organisation, India under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

2. Certificate of registration issued by Employees State Insurance Corporation, India under the Employees State Insurance Act, 1948.

3. Certificate of registration issued by the Contract Labour Regulation Department under the Contract Labour (Regulation and Abolition) Act, 1970.

4. Registration under Tax on Profession, Trades, Callings and Employment Act, 1976.

III. Material approvals applied for by our Company but not received

Except for the application for certificate of registration for contract labour to be obtained from the Labour and Employment Department, Tamil Nadu in relation to our Solar EPC business, there are no other material approvals applied for by our Company but not received.

IV. Material approvals required by our Company but not applied for

Nil

V. Material Approvals in relation to our Material Subsidiaries

i. Harsha Precision Bearing Components (China) Co. Ltd

No.	Certificate Name	Certificate No.	Date of Issue	Status of the Certificate
1	Automobile industry quality management system certification（IATF16949）	CHN-22059/TS	3rd March, 2020	VALID
2	Quality management system certification（ISO9000）	CNBJ313578-UK	5th March, 2020	VALID
3	Custom Registration Certificate	3205241541	7th August, 2017	VALID
4	Entry-exit Inspection and Quarantine Registration Certificate	3206603518	20th August, 2017	VALID
5	Environmental Impact Assessment	CHJ [2017] 343	8th December, 2017	VALID

ii. Harsha Engineers B.V.

i. VAT registration number (NL 855866986B01) *iii.* *Harsha Engineers Europe SRL*

i. Authorisation 45/23.03.2020 issued by the River Olt Water Basin Administration, for water management authorisation, valid through 23.03.2025.

ii. Decision BV 3 /18.06.2021 issued by the Brasov Environmental Protection Agency (integrated environmental authorization), valid for an indefinite period of time, with the condition of obtaining the annual visa.

iii. Decision 613/19/SU/BV/PSI dated 8.01.2020 issued by the Inspectorate for Emergency Situations "Tara Barsei" for fire prevention authorisation, valid as long as the building maintains its features that were considered when the decision was issued.

VI. Other pending approvals:

Pursuant to the Scheme and the consequent change of name of our Company to "Harsha Engineers International Limited", the following applications have been made before the relevant authorities to take on record and transfer the name of the approvals received from them in the current name of the Company:

- Application made to Gujarat Pollution Control Board to take on record the change of name;

- Application for electrical layout and Electrical Installation for Changodar and Moraiya Unit to take on record the change of name

- Application for name change with Employee Provident Fund Organisation

- Application for name change with Employee State Insurance Corporation

- Application made to Central Ground Water Authority in respect of the certificate of exemption for ground water withdrawal to take on record the change of name; and

- Application made before the Trademark Registry for post registration changes in the trademarks registered under the Trade Marks Act, 1999 pursuant to the Scheme.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at its meeting held on January 10, 2022 and our Shareholders have approved the Fresh Issue pursuant to a resolution dated January 11, 2022 in terms of Section 62(1)(c) of the Companies Act, 2013.

Further, the IPO Committee has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated January 28, 2022.

Our IPO Committee has approved the Employee Reservation Portion by their resolution dated August 30, 2022.

Our Board has approved the Red Herring Prospectus pursuant to their resolution dated September 7, 2022. Our Board has approved this Prospectus pursuant to their resolution dated September 19, 2022.

The Selling Shareholders have confirmed and approved their participation in the Offer for Sale in relation to their respective portion of Offered Shares. For details, see "*The Offer*" on page 59.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated February 25, 2022 and February 24, 2022, respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoters, members of the Promoter Group, Directors, persons in control of our Company and the persons in control of our Promoters are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Except for Mr. Ambar Patel, our Independent Director, who is associated, as a director of an entity, namely, C D Commodities Broking Limited, that is engaged in securities market related business and is registered with SEBI, none of our Directors are associated with securities market related business, in any manner and there has been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Prospectus.

Our Company, Promoters or Directors have not been declared as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI.

Our Promoters or Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

The Selling Shareholders confirm that they have not been prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other governmental authority in India.

Confirmation under Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters, members of the Promoter Group, and the Selling Shareholders confirm that they are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable, as on the date of this Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, which states as follows:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% of the net tangible assets are held as monetary assets.

- Our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years.

- Our Company has a net worth of at least ₹ 10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and

- Our Company has changed its name in the immediately preceding year and at least fifty per cent of the revenue, calculated on a restated and consolidated basis, for the preceding one full year has been earned by it from the activity indicated by its new name..

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profit and net worth derived from the Restated Consolidated Financial Statement included in this Prospectus as at, and for the three immediately preceding Financial Years are disclosed below.

Derived from the Restated Consolidated Financial Statement

(₹ in million unless stated otherwise)

Particulars	Fiscal		
	2022	2021	2020
Restated net tangible assets (A)[(1)]	4,513.31	3,555.14	2,819.82
Pre-tax operating profit (B)[(2)]	1,336.60	877.35	507.36
Net worth (C)[(3)]	5,279.01	4,332.18	3,780.21
Restated monetary assets (D)[(4)]	393.03	452.99	571.29
Restated monetary assets as a percentage of the restated net tangible assets (D)/(A)	8.71%	12.74%	20.26%

(1) "Net Tangible Assets" means net block of fixed assets, capital work in progress for fixed assets (including capital advances), current assets, loans and advances and excludes loan funds (secured loans and unsecured loans) and current liabilities and provisions.

(2) Pre-tax operating profit" means the profit before finance costs, other income and tax expenses.

(3) "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation

(4) "Monetary Assets" means cash in hand, balance with bank in current and deposit account (net of bank deposits not considered as cash and cash equivalent

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, our Promoters, members of the Promoter Group, the Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoters or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoters, or Directors is a Wilful Defaulter or Fraudulent Borrower (as defined in the SEBI ICDR Regulations);

(iv) None of our Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

(v) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Prospectus;

(vi) Our Company has entered into tripartite agreements dated November 26, 2021 and December 2, 2021 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;

(vii) The Equity Shares of our Company held by the Promoters are in the dematerialised form;

(viii) Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith; and

(ix) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Prospectus.

(x) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance.

(xi) The Selling Shareholders confirm that the Equity Shares offered as part of the Offer for Sale have been held in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING AXIS CAPITAL LIMITED, EQUIRUS CAPITAL PRIVATE LIMITED AND JM FINANCIAL LIMITED ("BRLMs"), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 3, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Offer have been complied with at the time of filing of this Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Directors, the Promoters, the Selling Shareholders and BRLMs

Our Company, the Promoters, the Selling Shareholders, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our instance.

All information shall be made available by our Company, Selling Shareholders and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoters, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Promoters, the Selling Shareholders, their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoters, the Selling Shareholders, and their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable laws) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. The

Red Herring Prospectus and this Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus and this Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only. The Red Herring Prospectus and this Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus and this Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

Neither the delivery of the Red Herring Prospectus and this Prospectus nor the offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date of the Red Herring Prospectus and this Prospectus or that the information contained herein is correct as of any time subsequent to this date.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus was filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be issued, directly or indirectly, and the Red Herring Prospectus and this Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Red Herring Prospectus nor this Prospectus nor any issue hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, the Subsidiaries, the Selling Shareholder, the Promoters, members of our Promoter Group or our Group Companies since the date of the Red Herring Prospectus and this Prospectus or that the information contained herein is correct as at any time subsequent to this date.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

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 Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013, which is reproduced below:

"*Any person who –*

(a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*

(b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscription of its securities; or*

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447*."

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus was submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of the Draft Red Herring Prospectus, is as follows:

"BSE Limited ("the Exchange") has given vide its letter dated February 25, 2022, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner: -

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever".

Disclaimer Clause of NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of the Draft Red Herring Prospectus, is as follows:

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/1522 dated February 24, 2022, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Listing

The Equity Shares proposed to be issued through the Red Herring Prospectus and this Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus and this Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within such time prescribed by the SEBI. If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI. The Selling Shareholders undertakes to provide such reasonable assistance as may be requested by our Company, to the extent such assistance is required from the Selling Shareholders in relation to their portion of the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI.

For the avoidance of doubt, all refunds made, interest borne, and expenses incurred (with regard to delayed payment of refunds), by the Company on behalf of the Selling Shareholders to the extent of the Equity Shares offered by the Selling Shareholders in the Offer, will be adjusted or reimbursed by the Selling Shareholders to the Company, in accordance with Applicable Law, provided that the Selling Shareholders shall be liable or responsible to pay any interest or expenses unless such delay is caused solely by, and is directly attributable to, an act or omission of such Selling Shareholder.

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Chief Compliance Officer, legal counsels appointed for the Offer, CFO, Bankers to our Company, the BRLMs, Registrar to the Offer have been obtained; and consents in writing of the Syndicate Members, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account/ Sponsor Banks and the Monitoring Agency to act in their respective capacities, will be obtained as required under the Companies Act, 2013. All such consents have not been withdrawn as of the date of this Prospectus.

Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated August 30, 2022 from M/s. Pankaj R. Shah & Associates , Chartered Accountants, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated August 30, 2022 on our Restated Consolidated Financial Statements; and(ii) report dated August 30, 2022 on the statement of tax benefits in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated August 29, 2022 from the independent chartered engineer, namely Vitthal & Associates, Chartered Engineer, to include his name in this Prospectus, as an "expert" as defined under section 2(38) and section 26(5) of the Companies Act, 2013 to the extent and in his capacity as a chartered engineer, certifying the installed production capacities and capacity utilisation of the manufacturing facility of our Company and certifying the capital expenditure towards purchase of machinery proposed as part of the Objects of the Offer and such consent has not been withdrawn as on the date of this Prospectus.

Our Company has received written consent dated August 29, 2022 from the independent chartered engineer, namely Hitesh Parekh, Chartered Engineer, to include his name in this Prospectus, as an "expert" as defined under section 2(38) and section 26(5) of the Companies Act, 2013 to the extent and in his capacity as a chartered engineer, certifying the costs for infrastructure repairs and renovation proposed as part of the Objects of the Offer and such consent has not been withdrawn as on the date of this Prospectus.

Further, our Company has received written consent dated August 29, 2022 from CARE Advisory as required under section 2(38) and section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, to include their name in this Prospectus, and as an "expert" to the extent and in their capacity as an industry vendor in respect of their report titled "*Industry Research Report on Bearings, Bearings cages & Stampings Market*" dated August, 2022.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entities during the last three years

Other than as disclosed in "*Capital Structure*" on page 77, our Company has not made any capital issues during the three years preceding the date of this Prospectus.

Our Company does not have any listed group company or any listed subsidiary or a listed associate entity.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares for last five years by our Company.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public issues during the last five years. Other than as disclosed in "*Capital Structure*" on page 77 our Company has not undertaken any rights issue in the last five years

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company

We do not have a corporate promoter and our Subsidiaries are not listed on any stock exchange.

Price information of past issues handled by the BRLMs

A. Axis Capital Limited

1. *Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited*

Sr. No.	Issue name	Issue size (₹ millions)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Tamilnad Mercantile Bank Limited(1)	8,078.40	510.00	15-Sep-22	510.00	-	-	-
2	Paradeep Phosphates Limited(1)	15,017.31	42.00	27-May-22	43.55	-10.24%, [-3.93%]	+27.50%, [+7.65%]	-
3	Prudent Corporate Advisory Services Limited^(1)	4,282.84	630.00	20-May-22	660.00	-20.71%, [-5.46%]	-2.10%, [+10.92%]	-
4	Life Insurance Corporation Of India@(1)	205,572.31	949.00	17-May-22	867.20	-27.24%, [-3.27%]	-28.12%, [+9.47%]	-
5	Vedant Fashions Limited(2)	31,491.95	866.00	16-Feb-22	935.00	+3.99%, [-0.20%]	+14.53%, [-8.54%]	+37.67%, [+2.17%]
6	CMS Info Systems Limited(1)	11,000.00	216.00	31-Dec-21	218.50	+21.99%, [-1.81%]	+25.35%, [+0.74%]	+3.75%, [-8.71%]
7	Supriya Lifescience Limited(1)	7,000.00	274.00	28-Dec-21	425.00	+78.61%, [-0.07%]	+72.12%, [-0.92%]	+20.36%, [-8.93%]
8	Medplus Health Services Limited*(1)	13,982.95	796.00	23-Dec-21	1,015.00	+53.22%, [+3.00%]	+23.06%, [+1.18%]	-6.55%, [-9.98%]
9	Metro Brands Limited(1)	13,675.05	500.00	22-Dec-21	436.00	+21.77%, [+4.45%]	+14.57%, [+0.64%]	+7.93%, [-9.78%]
10	C.E. Info Systems Limited(1)	10,396.06	1,033.00	21-Dec-21	1,581.00	+70.21%, [+6.71%]	+48.48%, [+2.74%]	+21.40%, [-8.80%]

Source: www.nseindia.com and www.bseindia.com
(1)BSE as Designated Stock Exchange
(2)NSE as Designated Stock Exchange
^Offer Price was ₹ 571.00 per equity share to Eligible Employees
@Offer Price was ₹` 904.00 per equity share to Retail Individual Bidders and Eligible Employees and ` 889.00 per equity share to Eligible Policyholders
** Offer Price was ₹ 718.00 per equity share to Eligible Employees*
Notes:
a. Issue Size derived from Prospectus/final post issue reports, as available.
b. 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.
c. 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.
d. In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.
e. 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.

2. *Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited*

Financial Year	Total no. of IPOs	Total funds raised (` in Millions)	Nos. of IPOs trading at discount as on 30th calendar days from listing date			Nos. of IPOs trading at premium as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-2023*	4	2,32,950.86	-	1	2	-	-	-	-	-	-	-	-	-
2021-2022	25	609,514.77	-	2	6	6	5	6	3	4	3	5	3	7
2020-2021	11	93,028.90	-	-	6	2	1	2	-	1	1	4	3	2

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 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.

Website for track record -

Axis	http://www.axiscapital.co.in

B. Equirus Capital Private Limited

Price information of past issues handled by Equirus Capital Private Limited (during the current Fiscal and two Fiscals preceding the current financial year):

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Antony Waste Handling Cell Limited#	2,999.85	315.00	January 01,2021	430.00	-10.14% [-3.31%]	-22.57% [+3.43%]	+2.22% [+9.78%]
2.	G R Infraprojects Limited#	9,623.34	837.00[1]	July 19, 2021	1700.00	+90.61% [+6.16%]	+138.67% [+16.65%]	+132.16% [+16.50%]
3.	Rolex Rings Limited$	7,310.00	900.00	August 9, 2021	1,250.00	+22.28% [+6.79%]	+31.50% [+10.20%]	+45.24% [+7.74%]
4.	Krsnaa Diagnostics Limited$	12,133.35	954.00[2]	August 16, 2021	1,005.55	-9.42% [+4.93%]	-27.73% [+9.30%]	-32.63% [+4.90%]
5.	Anand Rathi Wealth Limited#	6,593.75	550.00[3]	December 14, 2021	602.05	+12.38% [+5.22%]	+4.46% [-4.42%]	+19.55% [-6.56%]
6.	Metro Brands Limited#	13,675.05	500.00	December 22, 2021	436.00	+21.77% [+4.45%]	+14.57% [+0.64%]	+7.93% [-9.78%]
7.	Prudent Corporate Advisory Services Limited#	4,282.84	630.00[4]	May 20, 2022	660.00	-20.71% [-5.46%]	-2.10% [+10.92%]	N.A.
8.	Dreamfolks Services Limited#	5,621.01	326.00	September 06, 2022	505.00	N.A.	N.A.	N.A.

***Source**: www.bseindia.com and www.nseindia.com for price information and prospectus/basis of allotment for issue details.*

Notes:

1. *A discount of ₹ 42 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of G R Infraprojects Limited IPO*
2. *A discount of ₹ 93 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Krsnaa Diagnostics Limited IPO*
3. *A discount of ₹ 25 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Anand Rathi Wealth Limited IPO*
4. *A discount of ₹59 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Prudent Corporate Advisory Services Limited IPO*
5. *Price on Designated Stock Exchange of the respective Issuer is considered for all of the above calculations.*
6. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
7. *N.A. (Not Applicable) – Period not completed.*

\# *The S&P BSE SENSEX is considered as the Benchmark Index*

$ *The S&P CNX NIFTY is considered as the Benchmark Index*

Summary statement of price information of past public issues handled by Equirus Capital Private Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ million)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-2023*	2	9,903.85	-	-	1	-	-	-	-	-	-	-	-	-
2021-2022	5	49,335.49	-	-	1	1	-	3	-	1	-	1	1	2
2020 -2021	1	2,999.85	-	-	1	-	-	-	-	-	-	-	-	1

* *The information is as on the date of this Offer Document.*

The information for each of the financial years is based on issues listed during such financial year.

C. JM Financial Limited

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited.

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	Paredeep Phosphates Limited#	15,017.31	42.00	May 27, 2022	43.55	-10.24% [-3.93%]	27.50% [7.65%]	Not Applicable
2.	Life Insurance Corporation of India#8	205,572.31	949.00	May 17, 2022	867.20	-27.24% [-3.27%]	-28.12% [9.47%]	Not Applicable

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
3.	Campus Activewear Limited*[7]	13,997.70	292.00	May 05, 2022	360.00	11.92% [0.70%]	41.71% [6.72%]	Not Applicable
4.	AGS Transact Technologies Limited#	6,800.00	175.00	January 31, 2022	176.00	-42.97% [-3.05%]	-28.63% [-1.64%]	-52.69% [-0.77%]
5.	CMS Info Systems Limited#	11,000.00	216.00	December 31, 2021	218.50	21.99% [-1.81%]	25.35% [0.74%]	3.75%[-8.71%]
6.	Data Patterns (India) Limited*	5,882.24	585.00	December 24, 2021	856.05	29.70% [3.61%]	13.56% [1.42%]	14.16%[-8.03%]
7.	C.E. Info Systems Limited#	10,396.06	1,033.00	December 21, 2021	1,581.00	70.21% [6.71%]	48.48% [2.74%]	21.40%[-8.80%]
8.	Tega Industries Limited*	6,192.27	453.00	December 13, 2021	760.00	30.70% [3.96%]	1.02% [-4.25%]	3.39% [-6.66%]
9.	Go Fashion (India) Limited*	10,136.09	690.00	November 30, 2021	1,310.00	59.75% [1.36%]	32.91% [-1.91%]	48.90% [-3.71%]
10.	Sapphire Foods India Limited*	20,732.53	1,180.00	November 18, 2021	1,350.00	3.69% [-4.39%]	20.78% [-2.32%]	-7.85% [-10.82%]

Source: www.nseindia.com and www.bseindia.com
 # BSE as Designated Stock Exchange
** NSE as Designated Stock Exchange*

Notes:
1. *Opening price information as disclosed on the website of the Designated Stock Exchange.*
2. *Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.*
3. *For change in closing price over the closing price as on the listing date, 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.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of ₹ 27 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
8. *A discount of ₹ 45 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion and Retail Individual Investors. A discount of ₹ 60 per Equity Share was offered to Policy holders.*
9. *Not Applicable – Period not completed*

Summary statement of price information of past issues handled by JM Financial Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-2023	3	2,34,587.32	-	1	1	-	-	1	-	-	-	-	-	-
2021-2022	17	2,89,814.06	-	1	2	5	5	4	1	2	3	4	3	4
2020-2021	8	62,102.09	-	-	3	2	1	2	-	-	-	5	2	1

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in the SEBI circular dated January 10, 2012, bearing reference number CIR/MIRSD/1/2012, please see the websites of the BRLMs, as provided in the table below:

S. No.	Name of BRLM	Website
1.	Axis Capital Limited	www.axiscapital.co.in
2.	JM Financial Limited	www.jmfl.com
3.	Equirus Capital Private Limited	www.equirus.com

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 4 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 4 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLMs shall compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount for the period of such delay.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Chief Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 4 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 4 days. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned herein.

Our Company has not received investor complaints in relation to the Equity Shares for the three years prior to the filing of the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

Disposal of Investor Grievances by our Company

Our Company has obtained authentication on the SCORES in terms of the SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 and the SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be four Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has also appointed Kiran Mohanty, Company Secretary and Chief Compliance Officer of our Company, as the Compliance Officer for the Offer. For details, see "*General Information*" on page 67.

Our Company has constituted a Stakeholders' Relationship Committee comprising of three directors as members. For details, see "*Our Management – Stakeholders' Relationship Committee*" on page 189.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, Listing Regulations, the terms of the Red Herring Prospectus, this Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that may be executed in respect of the Offer. The Equity Shares are also subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Equity Shares being offered pursuant to the Offer are subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of voting and the right to receive dividend. In addition, the Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 340.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For details, in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of Articles of Association*" beginning on pages 203 and 340, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 10 and the Offer Price at the lower end of the Price Band is ₹ 314 per Equity Share and at the higher end of the Price Band is ₹ 330 per Equity Share. The Anchor Investor Offer Price is ₹ 330 per Equity Share.

The Price Band, Employee Discount (if any) and the minimum Bid Lot size for the Offer was decided by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, and advertised in all editions of Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper and Ahmedabad editions of Financial Express (a widely circulated Gujarati newspaper, Gujarati also being the regional language of Gujarat, where our Registered and Corporate Office is located), each with wide circulation, and were made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, was pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price was determined by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process.

At any given point of time, there shall be only one denomination for the Equity Shares.

The Offer

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

Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in "*Objects of the Offer – Offer related Expenses*" on page 100.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of Articles of Association*" on page 340.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Link Intime India Private Limited:

- Tripartite agreement dated November 26, 2021 amongst our Company, NSDL and Link Intime India Private Limited.
- Tripartite agreement dated December 2, 2021 amongst our Company, CDSL and Link Intime India Private Limited.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be in multiples of one Equity Share subject to a minimum Allotment of 45 Equity Shares. For further details, see "*Offer Procedure"* on page 322.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/Offer Programme

BID/OFFER OPENED ON	Wednesday, September 14, 2022[(1)]
BID/OFFER CLOSED ON	Friday, September 16, 2022

[(1)] *The Anchor Investor Bid/ Offer Period was one Working Day prior to the Bid/ Offer Opening Date, i.e. Tuesday, September 13, 2022.*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
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

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 above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, our Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirms that it shall extend such reasonable support and co-operation required by our Company and the BRLMs for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date*	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by UPI Bidders.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders and Bids by Eligible Employees bidding in the Employee Reservation Portion, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Working Days. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids were not accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders were uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges were taken as the final data for the purpose of Allotment.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer for Sale in accordance with the SEBI ICDR Regulations. In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Offer Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, the Selling Shareholders, to the extent applicable, and our Company shall forthwith refund the entire subscription amount received. In terms of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, our Company shall within four days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. If there is a delay beyond the prescribed time, the Selling Shareholders, to the extent applicable, and our Company shall pay interest prescribed under the applicable law.

Further, the Selling Shareholders and our Company and shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of the SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders, and subscription money will be refunded, as applicable. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Selling Shareholders and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 77 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Description of Equity Shares and Terms of Articles of Association*" beginning on page 340.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the Offer after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks, in case of UPI Bidders using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders and the BRLMs shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the filing of this Prospectus with RoC. If our Company withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

OFFER STRUCTURE

Offer of 22,886,595*# Equity Shares for cash at a price of ₹ 330 per Equity Share (including a premium of ₹ 320 per Equity Share) aggregating up to ₹ 7,550.00 million comprising of a Fresh Issue of 13,795,695* Equity Shares aggregating up to ₹ 4,550.00 million by our Company and an Offer for Sale of 9,090,900* Equity Shares aggregating up to ₹ 3,000.00 million by the Selling Shareholders. The Offer constitutes 25.14 % of the post-Offer paid-up Equity Share capital of our Company.

The Offer comprises of a Net Offer of 22,802,985* Equity Shares and Employee Reservation Portion of 83,610*# Equity Shares. The Employee Reservation Portion did not exceed 5% of our post-Offer paid-up Equity Share capital. The Offer and the Net Offer constituted 25.14% and 25.05%, respectively of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

* *Subject to finalization of the Basis of Allotment*

\# *A discount of 9.39% to the Offer Price (equivalent of ₹31 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion in accordance with the SEBI ICDR Regulations and details of which were announced on, September 9, 2022.*

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for allocation *(2)	83,610* Equity Shares	Not more than 11,401,470* Equity Shares	Not less than 3,420,450* Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and RIBs	Not less than 7,981,065* Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non Institutional Bidders
Percentage of Offer size available for Allotment/ allocation	The Employee Reservation Portion constituted not more than 5% of the post-Offer paid-up Equity Share capital of our Company	Not more than 50% of the Net Offer shall be Allotted to QIB Bidders. However, up to 5% of the QIB Portion (excluding Anchor Investor Portion) was made available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion were also eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion was available for allocation to QIBs	Not less than 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and RIBs was available for allocation, subject to the following: (a) one – third portion available to Non-Institutional Bidders was reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (b) two-third of the portion available to Non-Institutional Bidders was	Not less than 35% of the Net Offer or Net Offer less allocation to QIB Bidders and Non- Institutional Bidders

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
			reserved for applicants with an application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories was allocated to applicants in the other sub-category of Non-Institutional Bidders.	
Basis of Allotment/ allocation if respective category is oversubscribed *	Proportionate, unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of under – subscription in the Employee Reservation Portion, the unsubscribed portion will be allocated on a proportionate basis, to Eligible Employees for value exceeding ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000.	Proportionate as follows (excluding the Anchor Investor Portion): (a) 228,031* Equity Shares were made available for allocation on a proportionate basis to Mutual Funds only; and (b) 4,332,584* Equity Shares were made available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. 6,840,855* Equity Shares has been allocated on a discretionary basis to Anchor Investors of which one-third was available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.	The allotment to each Non-Institutional Bidder was not less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares if any, were be allotted on a proportionate basis. For details, see "*Offer Procedure*" beginning on page 322.	Allotment to each Retail Individual Bidder was not less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares were be allotted on a proportionate basis. For details see, "*Offer Procedure*" on page 322.
Minimum Bid	45 Equity Shares	Such number of Equity Shares and in multiples of 45 Equity Shares so that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of 45 Equity Shares so that the Bid Amount exceeds ₹200,000	45 Equity Shares

Particulars	Eligible Employees#	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
Maximum Bid	Such number of Equity Shares and in multiples of 45 Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹500,000.	Such number of Equity Shares in multiples of 45 Equity Shares so that the Bid does not exceed the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of 45 Equity Shares so that the Bid does not exceed the size of the Offer (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of 45 Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialized form			
Bid Lot	45 Equity Shares and in multiples of 45 Equity Shares thereafter			
Allotment Lot	A minimum of 45 Equity Shares and thereafter in multiples of one Equity Share			
Trading Lot	One Equity Share			
Who can apply[(3)]	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and any individuals, corporate bodies and family offices including FPIs which are individuals, corporate bodies and family offices which are re-categorised as Category II FPIs and registered with SEBI.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount was payable by the Anchor Investors at the time of submission of their Bids[(4)] **In case of all other Bidders**: Full Bid Amount was blocked in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Banks through the UPI Mechanism (for RIBs using the UPI Mechanism) that is specified in the ASBA Form at the time of submission of the ASBA Form			
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).			

* *Subject to finalization of Basis of Allotment*

\# *Eligible Employees Bidding in the Employee Reservation portion could Bid up to a Bid Amount of ₹500,000 (net of Employee Discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion was considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under – subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion could also Bid in the Net Offer and such Bids were not treated as multiple Bids subject to applicable limits.*

(1) *Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors at the price at which allocation was made to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For further details, see "Offer Procedure" on page 322.*

(2) *Subject to valid Bids being received at or above the Offer Price. The Offer was made in accordance with Rule 19(2)(b) of the SCRR and under Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer was available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the Net QIB Portion were available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion was available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion was added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Offer was available for allocation to Non-Institutional Bidders and not less than 35% of the Offer was available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, was subject to the following: (i) one-third of the portion available to Non-Institutional was reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders was reserved for applicants with an application size of more than ₹ 1.00 million.*

(3) *If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

(4) *Full Bid Amount was payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price was payable by the Anchor Investor Pay-In Date as indicated in the CAN. Bidders were required to confirm and were deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

Allotment to an Eligible Employee in the Employee Reservation Portion may not exceed ₹200,000 in value. Only in the event of under – subscription in the Employee Reservation Portion, post the initial Allotment, such unsubscribed portion will be Alloted on a proportionate basis to Eligible Employees who have Bid in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000. Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band could make payment based on Bid Amount net of Employee Discount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price had to ensure payment at the Cap Price, less Employee Discount, if any, at the time of making a Bid.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Offer, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be.

If our Company withdraws the Offer at any stage and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the filing of the Prospectus with the RoC. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v)Issuance of CAN and allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) interest in case of delay in allotment or refund; and (xiii) disposal of applications.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for UPI Bidders applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by UPI Bidders through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its 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 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on or after May 1, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹0.5 million shall use the UPI Mechanism. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).*

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Bidders were advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and this Prospectus.

Further, our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

This Offer was made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer was made available for allocation on a proportionate basis to QIBs, provided that our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, allocated up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third was reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion was available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion was available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer was available for allocation to Non-Institutional Bidders and not less than 35% of the Net Offer was available for allocation to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Furthermore, 83,610 Equity Shares, aggregating up to ₹ 25.00 million was made available for allocation on a proportionate basis only to Eligible Employees bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, were subject to the following: (i) one-third of the portion available to Non-Institutional Bidders was reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders was reserved for applicants with an application size of more than ₹ 1.00 million.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which did not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for UPI Bidders using the UPI Mechanism, were required to be treated as incomplete and will be rejected. Bidders do not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, in compliance with applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by UPI Bidders through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019, until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019, and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by UPI Bidders through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days.

The Offer was made under UPI Phase II of the UPI Circular.

Pursuant to the UPI Streamlining Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

All SCSBs offering the facility of making applications in public issues were required to provide the facility to make application using UPI. The Company will be required to appoint certain of the SCSBs as a Sponsor Banks to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Electronic registration of Bids

a) The Designated Intermediary could register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries could also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries were required to upload the Bids till such time as was permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c) Only Bids that were uploaded on the Stock Exchanges Platform will be considered for allocation/Allotment. The Designated Intermediaries were required to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus was available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form was also available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form was available with the BRLMs.

All Bidders (other than Anchor Investors) were required to mandatorily participate in the Offer only through the ASBA process. Anchor Investors were not permitted to participate in the Offer through the ASBA process.

UPI Bidders bidding using the UPI Mechanism were required to provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021.

ASBA Bidders (other than those using UPI Mechanism) were required to provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that did not contain such details or the UPI ID, as applicable, in the relevant space provided in the ASBA Form, were liable to be rejected.

ASBA Bidders were required to ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms and bids using UPI mechanism) and the ASBA Forms not bearing such specified stamp were liable to be rejected. UPI Bidders using UPI Mechanism, could submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. UPI Bidders authorising an SCSB to block the Bid Amount in the ASBA Account could also submit their ASBA Forms with the SCSBs (except UPI Bidders using the UPI Mechanism). ASBA Bidders were required to ensure that the ASBA Account had sufficient credit balance such that an amount equivalent to the full Bid Amount could be blocked by the SCSB or the Sponsor Banks, as applicable at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs were required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked. For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of investors viz. Retail, QIB and NIB and also for all modes through which the applications are processed.

Non Institutional Bidders bidding through UPI Mechanism were required to provide the UPI ID in the relevant space provided in the Bid cum Application Form. UPI Bidders Bidding using the UPI Mechanism could also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

The Sponsor Banks hosted a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The prescribed colour of the Bid cum Application Form for the various categories was as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	Blue
Anchor Investors	White
Eligible Employees bidding in the Employee Reservation Portion	Pink

* *Excluding electronic Bid cum Application Forms Notes:*

(1) *Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)*

(2) *Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs*

In case of ASBA forms, the relevant Designated Intermediaries uploaded the relevant bid details in the electronic bidding system of the Stock Exchanges. For UPI Bidders using UPI Mechanism, the Stock Exchanges shared the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) submitted/ delivered the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and did not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Sponsor Banks initiated request for blocking of funds through NPCI to UPI Bidders, who accepted the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI is required to maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Banks, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI was required to share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Issue were required to provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs were required to send SMS alerts for mandate block and unblock including details specified in 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,SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

For all pending UPI Mandate Requests, the Sponsor Banks were required to initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders could accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Banks were required to undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and were also required to ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Banks were required to undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

Participation by Promoters and members of the Promoter Group of the Company, the BRLMs and the Syndicate Members and persons related to Promoters/Promoters Group/ the BRLMs

The BRLMs and the Syndicate Members were not allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate

Members could Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as could be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription could be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, were treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) nor (ii) any "person related to the Promoters/ Promoter Group" could apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters/ Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor could be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

The Promoters and members of the Promoter Group were not allowed to participate in the Offer, except to the extent of participation by our Selling Shareholders in the Offer for Sale.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate was required to be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserved the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds were required to specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid could be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicated the scheme concerned for which the Bid has been made.

No Mutual Fund scheme could invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes could own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs could obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms were required to authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non- Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms were required to authorize their respective SCSB to block their Non-Resident Ordinary ("**NRO**") accounts or accept the UPI mandate request (in case of UPI Bidders using the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism were advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis were advised to use the Bid cum Application Form for residents (White in colour). Eligible NRIs Bidding on a repatriation basis were advised to use the Bid cum Application Form meant for Non-Residents (Blue in colour).

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 339. Participation of Eligible NRIs shall be subject to the FEMA Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, were required to be made in the individual name of the *Karta*. The Bidder/Applicant was required to specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through

XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs were considered at par with Bids/Applications from individuals.

Bids by FPIs

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations was required to be attached to the Bid cum Application Form, failing which our Company reserved the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments.

FPIs were permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, *inter alia*, the following conditions:

(a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who participated in the Offer were advised to use the Bid cum Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN were treated as multiple Bids and were liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "**MIM Structure**") provided such Bids had been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who did not utilize the MIM Structure, and bear the same PAN, were liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids were liable to be rejected.

Bids by SEBI registered VCFs, AIFs and FVCIs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 ("**SEBI VCF Regulations**") as amended, *inter alia* prescribe the investment restrictions on VCFs, registered with SEBI. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended ("**SEBI FVCI Regulations**") prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by Eligible Employees

Bids under Employee Reservation Portion by Eligible Employees was:

(a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. Pink colour form).

(b) The Bid was a minimum of 45 Equity Shares and in multiples of 45 Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000 (net of Employee Discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion was considered for allocation, in the first instance, for a Bid amounting up to ₹200,000. In the event of any under – subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, provided however that the maximum Bid in this category by an Eligible Employee cannot exceed ₹ 500,000.

(c) The Bidder was an Eligible Employee as defined above. In case of joint bids, the first Bidder was an Eligible Employee.

(d) Only Eligible Employees were eligible to apply in this Offer under the Employee Reservation Portion.

(e) Only those Bids, which were received at or above the Offer Price, were considered for allocation under this category.

(f) Eligible Employees could apply at Cut-off Price.

(g) Bids by Eligible Employees were made in the "Net Offer to the Public" and such Bids were not treated as multiple Bids.

(h) If the aggregate demand in this category is less than or equal to 83,610 Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(i) Eligible Employees bidding in the Employee Reservation Portion could Bid either through the UPI Mechanism or ASBA (including syndicate ASBA).

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, was required be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserved the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee were required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLMs reserved the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "**Banking Regulation Act**"), and the Master Directions – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank was required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer were required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs were required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI was required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

* *The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of 72,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of 7500,000 million or more but less than 72,500,000 million.*

Insurance companies participating in this Offer were required to comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund was required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserved the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws were required to be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs in their absolute discretion, reserved the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company in consultation with the BRLMs may deem fit.

Bids by Systematically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs, were required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs, reserved the right to reject any Bid without assigning any reason thereof. Systematically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

(a) Anchor Investor Application Forms were made available for the Anchor Investor Portion at the offices of the BRLMs.

(b) The Bid were required to be made for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid could not be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund were aggregated to determine the minimum application size of ₹ 100 million.

(c) One-third of the Anchor Investor Portion were reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors opened one Working Day before the Bid/Offer Opening Date.

(e) Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs finalised the allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion is not less than:

- maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;
- minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and
- in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.

(f) Allocation to Anchor Investors was required to be completed on the Anchor Investor Bid/Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation were made, was made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

(g) Anchor Investors could not withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

(i) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) could apply in the Offer under the Anchor Investor Portion.

(j) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion were not considered multiple Bids

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders were advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

General Instructions

Please note that QIBs and Non-Institutional Bidders were not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. UPI Bidders could revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors were not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

4. Ensure that you have mentioned the correct ASBA Account number if you are not an UPI Bidder using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

5. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle) in the Bid cum Application Form;

6. UPI Bidders using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

8. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;

9. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

11. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

12. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

13. UPI Bidders Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for UPI Bidders using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

14. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

15. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

17. Ensure that the Demographic Details are updated, true and correct in all respects;

18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

19. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

21. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

22. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

23. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

24. UPI Bidders who wish to Bid using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;

25. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

26. The ASBA bidders shall ensure that bids above ₹ 500,000, are uploaded only by the SCSBs;

27. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

28. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, were required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which were submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids were rejected;

29. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Banks to block the Bid Amount mentioned in the Bid Cum Application Form; and

30. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

31. UPI Bidders using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019; and

32. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

Bids by Eligible NRIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer.

The Bid cum Application Form was liable to be rejected if the above instructions, as applicable, were not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);

4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

6. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

8. Do not submit the Bid for an amount more than funds available in your ASBA account.

9. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;

10. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;

11. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;

12. Anchor Investors should not Bid through the ASBA process;

13. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

14. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

15. Do not submit the General Index Register (GIR) number instead of the PAN;

16. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

17. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

18. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

19. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

20. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

21. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

22. Do not Bid for Equity Shares in excess of what is specified for each category;

23. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹ 500,000;

24. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of this Prospectus;

25. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

26. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;

27. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;

28. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidder using the UPI Mechanism;

29. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism;

30. Do not submit a Bid cum Application Form with a third-party UPI ID or using a third party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism);

31. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid / Offer Closing Date;

32. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned in the list provided on the SEBI website is liable to be rejected; and

33. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders were requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Banks);

6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bids submitted without the signature of the First Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. ASBA Form by the UPI Bidders by using third party bank accounts or using third party linked bank account UPI IDs;

10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

11. GIR number furnished instead of PAN;

12. Bids by UPI Bidders with Bid Amount of a value of more than ₹200,000;

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

14. Bids accompanied by stock invest, money order, postal order or cash; and

15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by UPI Bidders and Employees bidding under the Employee Reservation portion uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Chief Compliance Officer. For details of our Company Secretary and Chief Compliance Officer, see "*General Information*" on page 67.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the 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.

Further, for helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information – Book Running Lead Managers*" on page 69.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Red Herring Prospectus and this Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders, Non Institutional Bidders and Anchor Investors has been on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders has not been less than the minimum bid lot, subject to the availability of Equity Shares in Retail Individual Bidders Portion, and the remaining available Equity Shares, if any, were allotted on a proportionate basis. Not less than 15% of the Offer was available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, were subject to the following: (i) one-third of the portion available to Non-Institutional Bidders was reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders was reserved for applicants with an application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories could be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares.

Payment into Escrow Account(s) for Anchor Investors

Our Company and the Promoter Selling Shareholders in consultation with the BRLMs, in their absolute discretion, have decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names were notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) were required to be drawn in favour of:

(a) In case of resident Anchor Investors: "HARSHA ENGINEERS INTERNATIONAL LIMITED -IPO - ANCHOR ESCROW ACCOUNT-R"

(b) In case of Non-Resident Anchor Investors: "HARSHA ENGINEERS INTERNATIONAL LIMITED – IPO - ANCHOR ESCROW ACCOUNT-NR"

Anchor Investors were advised to note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company has, after filing the Red Herring Prospectus with the RoC, published a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of Financial Express, (a widely circulated English daily national newspaper) (ii) all editions of Jansatta, (a widely circulated Hindi national daily newspaper); and (iii) Ahmedabad edition of Financial Express, a Gujarati newspaper (Gujarati being the regional language of Gujarat, where our Registered and Corporate Office is located), each with wide circulation

In the pre-Offer advertisement, we had stated the Bid/Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, was in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Underwriters have entered into an Underwriting Agreement.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus is being filed with the RoC in accordance with applicable law, which is termed as the 'Prospectus'. The Prospectus contains details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI;

- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;

- the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- No further issue of the Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under- subscription, etc

- Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Offer, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed.

- That if the Offer is withdrawn after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently;

- That our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received;

- If our Company and the Promoter Selling Shareholders, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

- Promoter’s contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;

- No further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

- It shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;

Undertakings by the Selling Shareholders

The Selling Shareholders, severally and not jointly, undertake in respect of itself as a ‘selling shareholder’ and its portion of the Equity Shares offered by it in the Offer for Sale that:

- it is the legal and beneficial owner of, and has clear and marketable title to, the Equity Shares which are offered by it pursuant to the Offer for Sale;

- the Offered Shares have been held by it for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI

- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;

- the Equity Shares being offered for sale by the Selling Shareholders pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer;

- it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;

- that it shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;

- it shall provide such reasonable cooperation to our Company in relation to the Equity Shares offered by it in the Offer for Sale for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges; and

- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The decisions with respect to the Price Band, Employee Discount (if any), the minimum Bid lot, revision of Price Band, Offer Price, will be taken by our Company and the Promoter Selling Shareholders in consultation with the BRLMs.

Utilisation of Offer Proceeds

Our Board of Directors certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

The Company and the Promoter Selling Shareholders, specifically confirm and declare that all monies received out of the Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section 3 of Section 40 of the Companies Act, 2013.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURTIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 1991 unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as Department of Industrial Policy and Promotion) ("**DPIIT**"), issued the FDI Policy, which is effective from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. For further details, see "*Key Regulations and Policies*" on page 161.

Under the current FDI Policy, 100% foreign direct investment is permitted in manufacturing sector, under the automatic route, subject to compliance with certain prescribed conditions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. For further details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Offer Procedure – Bids by Eligible NRIs*" and "*Offer Procedure – Bids by FPIs*" on pages 326 and 327, respectively.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, see "*Offer Procedure*" on page 322.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules.

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 Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

II. Share capital and variation of rights

1. The authorised share capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in clause V of Memorandum with power to reclassify, subdivide, consolidate and increase and with power from time to time, to issue any shares of the original capital or any new capital and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.

   Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the directors who may issue, allot or otherwise dispose of the same or any of them to such person. In such proportion and such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 79 of the Act) at a discount and at such time as they· may from time to time thing fit and with sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors thinks fit. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,

   (a) one certificate for all his shares without payment of any charges; or

   (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

   * Adopt a new set of Article of Association by passing Special Resolution at Extra-Ordinary General Meeting held on 11th January, 2022

   (ii) Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be.

   Every certificates of shares shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and

   (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

   (ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.

4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except

only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Lien

9. (i) The company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the company's lien If any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions or this clause.

The fully paid up shares shall be free from all lien and in the case of partly paid up shares the Company's lien, if any, shall be restricted to moneys called or payable at a fixed time in respect of such shares.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made-

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Calls on shares

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

14. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

18. The Board-

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Transfer of shares

19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

(iii) The Company shall also use a common form of transfer.

20. The Board may, subject to the right of appeal conferred by section 58 decline to register-

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

21. The instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

The Board may decline to recognise any instrument of transfer unless-

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1)of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Subject to the provisions of sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Applicable Laws for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or any other Applicable Laws to register the transfer of, or the transmission by operation of Applicable Laws of the right to, any shares or interest of a member in or debentures of the Company. The Company shall within one (1) month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, or such other period as may be prescribed, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that, subject to provisions of Article 32, the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever. Transfer of shares/debentures in whatever lot shall not be refused.

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares. The Company shall also use a common form of transfer.

Transmission of shares

23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Forfeiture of shares

27. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

28. The notice aforesaid shall-

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

31. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

32. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

(iii) The transferee shall thereupon be registered as the holder of the share.

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

33. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

35. Subject to the provisions of section 61, the company may, by ordinary resolution,-

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

36. Where shares are converted into stock,

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

37. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —

(a) its share capital; and/or

(b) any capital redemption reserve account; and/or

(c) any securities premium account; and/or

(d) any other reserve in the nature of share capital.

Capitalisation of profits

38. (i) The company in general meeting may, upon the recommendation of the Board, resolve-

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards-

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall-

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power-

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

General meetings

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.

42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

43. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

Adjournment of meeting

47. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares,

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

50. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

54. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section105.

57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

58. Unless otherwise determined by General Meeting, the number of Directors shall not be less than three (3) and not more than fifteen (15), and atleast one (1) Director shall be resident of India in the previous year

Provided that the Company may appoint more than fifteen (15) directors after passing a Special Resolution.

The following are the Existing Directors of the Company-

1. Rajendra Shantilal Shah

2. Harish Rangwala

3. Pilak Rajendra Shah

4. Hetal Brijesh Ukani

5. Vishal Harish Rangwala

6. Ambar Jayantilal Patel

7. Neharika Vohra

8. Kunal Dilipbhai Shah

9. Bhushan Chelaram Punani

10. Ramakrishnan Kasinathan

59. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

60. The Board may pay all expenses incurred in getting up and registering the company.

61. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

62. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

63. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

64. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

Proceedings of the Board

65. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

66. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

67. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

68. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

69. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

70. (i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

71. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

72. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

73. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

74. Subject to the provisions of the Act,-

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

Dividends and Reserve

76. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

77. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

78. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

79. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof

the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

80. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

81. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

82. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share

83. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

84. No dividend shall bear interest against the company.

Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account of Harsha Engineers International Limited".

Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under the Act. There shall be no forfeiture of unclaimed dividends by the Board before the claim becomes barred by law.

Accounts

85. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

Winding up

86. Subject to the provisions of Chapter XX of the Act and rules made thereunder-

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

87. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

Sub-division, consolidation and cancellation of share certificate

88. Subject to the provisions of the Act, the Company in its general meetings may, by an ordinary resolution, from time to time:

(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

(b) divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;

(c) cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

(d) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals under the Act; and

(e) convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination.

Further issue of Shares

(1) Where at any time the Board or the Company, as the case may be, proposes to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:

(i) to the persons who at the date of the offer are holders of the Equity Shares, in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares at that date, by sending a letter of offer subject to the conditions mentioned in (ii) to (iv) below;

(ii) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days, or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer, within which the offer, if not accepted, shall be deemed to have been declined.

Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue;

(iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (ii) shall contain a statement of this right;

(iv) After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Members and the Company;

(v) to employees under any scheme of employees' stock option subject to Special Resolution passed by the shareholders of the Company and subject to the Rules and such other conditions, as may be prescribed under applicable law; or

(vi) to any person(s), if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Act and the rules made thereunder;

(2) Nothing in sub-clause (iii) of Clause (1)(A) shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares compromised in the renunciation.

(3) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company or to subscribe for shares of the Company:

Provided that the terms of issue of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of such loans by a Special Resolution passed by the shareholders in a General Meeting.

(4) Notwithstanding anything contained in Article 12(3) hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to National Company Law Tribunal which shall after hearing the Company and the government pass such order as it deems fit.

A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the rules made thereunder.

No fee on transfer or transmission

89. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

Payment in anticipation of call may carry interest

90. The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount or the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid In advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

Term of issue of Debenture

91. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

General Powers

92. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material which were attached to the copy of the Red Herring Prospectus and will be attached to the copy of this Prospectus which will be filed with the RoC. Copies of the contracts and also the documents for inspection referred to hereunder, could have been inspected at our Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Offer Closing Date. These documents and contracts were also available on our website at https://harshaengineers.com/InvestorRelations/materialcontractsanddocuments.php

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Offer Agreement dated February 3, 2022, entered amongst our Company, the Selling Shareholders and the Book Running Lead Managers.

2. Registrar Agreement dated January 28, 2022, entered amongst our Company, the Selling Shareholders and the Registrar to the Offer.

3. Cash escrow and sponsor bank agreement dated September 6, 2022 entered amongst our Company, the Selling Shareholders, the Registrar to the Offer, the Book Running Lead Managers, Syndicate Members and the Banker(s) to the Offer.

4. Share escrow agreement dated September 6, 2022 entered amongst the Selling Shareholders, our Company and the Share Escrow Agent.

5. Syndicate agreement dated September 6, 2022 entered amongst our Company, the Selling Shareholders, the Book Running Lead Managers, Registrar to the Offer and the Syndicate Members.

6. Monitoring Agency Agreement dated September 6, 2022 between our Company and the Monitoring Agency.

7. Underwriting agreement dated September 19, 2022 entered amongst our Company, the Selling Shareholders, and the Underwriters.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association as amended from time to time.

2. Certificate of incorporation dated December 11, 2010 as ‘Harsha Abakus Solar Private Limited’.

3. Fresh certificate of incorporation dated December 31, 2021, issued by the RoC pursuant to change in the name of our Company from ‘Harsha Abakus Solar Private Limited’ to ‘Harsha Engineers International Private Limited’.

4. Fresh certificate of incorporation dated January 01, 2022 issued by the RoC consequent to the change of name from ‘Harsha Engineers International Private Limited’ to ‘Harsha Engineers International Limited’, pursuant to conversion into a public limited company.

5. Resolutions of the Board of Directors dated January 10, 2022 approving the Offer and other related matters.

6. Resolution of the Shareholders dated January 11, 2022 in relation to the Fresh Issue and other related matters.

7. Resolutions of the IPO Committee dated January 28, 2022 taking note of the Offer for Sale and other related matters.

8. Consent letters from the Selling Shareholders, each dated January 27, 2022, authorising their participation in the Offer.

9. Resolutions of the Board of Directors of our Company dated January 29, 2022, and IPO Committee dated February 3, 2022, approving the Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

10. Resolutions of the Board of Directors of our Company dated September 7, 2022, approving the Red Herring Propsectus.

11. Resolutions of the Board of Directors of our Company dated September 19, 2022, approving this Propsectus.

12. Consent dated August 29, 2022 from CARE Advisory to rely on and reproduce part or whole of the Report titled "Industry Research Report on Bearings, Bearings cages & Stampings Market" and include their name in this Prospectus as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the industry report provided, and in respect of the CARE Advisory Report.

13. Letter of agreement dated October 20, 2021 and dated August 17, 2022 pursuant to which the Company appointed CARE Advisory.

14. Written consent dated August 30, 2022 from M/s. Pankaj R. Shah & Associates, Chartered Accountants, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated August 30, 2022, on our Restated Consolidated Financial Statements; and (ii) report dated August 30, 2022, on the Statement of Special Tax Benefits in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

15. Copies of the audited financial statements of our Company for the Financial Years 2022, 2021 and 2020

16. The examination report dated August 30, 2022 of the Statutory Auditors on our Restated Consolidated Financial Statements

17. The report on the statement of special tax benefits dated August 30, 2022 available to the Company, its shareholders and its Material Subsidiaries from the Statutory Auditors.

18. Composite scheme of amalgamation and arrangement between our Company, Aastha Tools Private Limited; Harsha Engineers (India) Private Limited; Harsha Engineers Limited; Helianthus Solar Power Private Limited and their respective shareholders and creditors, approved and sanctioned by the National Company Law Tribunal, Ahmedabad bench by way of its order dated December 23, 2021.

19. Scheme of Amalgamation between our Company and Harsha Engineers B.V. and their respective shareholders filed before the National Company Law Tribunal, Ahmedabad bench.

20. Merger Agreement between the Harsha Precision Bearing Components (China) Co. Ltd and Harsha Components (Changshu) Co. Ltd.

21. The court decision number 820/C issued on November 2, 2016 in the file 4796/62/2016 of the Brașov Tribunal approving the merger between Harsha Engineers SRL and Harsha Engineers Europe SRL.

22. Share purchase agreement dated January 20, 2016, executed by and among, Harsha Engineers B.V. and Johnson Metall AB and Johnson Mettal AS.

23. Equity transfer agreement dated December 27, 2013, executed by and among, Harsha Engineers Limited and Johnson Metall AB

24. Transfer and assignment agreement dated February 22, 2016 executed by and among, Harsha Engineers B.V. and Harsh Engineers SRL

25. Collaboration agreement entered by and among our Company, Sunstream Green Energy Private Limited and Sunstream Green Energy One Private Limited (formerly known as Eirene Naval Systems Private Limited) on November 3, 2021.

26. LLP Agreement dated December 2, 2015 entered into between our Company and Clean Max Enviro Energy Solutions Private Limited.

27. Resolutions dated December 25, 2021 and December 27, 2021, each passed by the Board and Shareholders, respectively, approving the terms of appointment and remuneration of our Managing Director and Whole-Time Directors.

28. Personal guarantees given by our Promoter Selling Shareholders, namely, Rajendra Shah and Harish Rangwala for securing the various working capital facilities availed by our Company.

29. Copies of annual reports of our Company for the Fiscals 2022, 2021 and 2020.

30. Consent of each of the Directors, the Book Running Lead Managers, the Syndicate Members, the legal counsel to our Company and the Selling Shareholders as to Indian law, the legal counsel to the Book Running Lead Managers as to Indian Law, the special purpose international legal counsel to the Book Running Lead Managers, Registrar to the Offer, Banker(s) to the Offer, Bankers to our Company, Company Secretary and Chief Compliance Officer, as referred to in their specific capacities.

31. Consent and certificate dated August 29, 2022 from the independent chartered engineer, namely Vitthal & Associates, Chartered Engineer, to include his name in this Prospectus, as an "expert" as defined under section 2(38) and section 26(5) of the Companies Act, 2013 to the extent and in his capacity as a chartered engineer, certifying the installed production capacities and capacity utilisation of the manufacturing facility of our Company and certifying the capital expenditure towards purchase of machinery proposed as part of the Objects of the Offer.

32. Consent dated August 29, 2022 from the independent chartered engineer, namely Hitesh Parekh, Chartered Engineer, to include his name in this Prospectus, as an "expert" as defined under section 2(38) and section 26(5) of the Companies Act, 2013 to the extent and in his capacity as a chartered engineer, certifying the costs for infrastructure repairs and renovation proposed as part of the Objects of the Offer.

33. Tripartite agreement dated November 26, 2021, among our Company, NSDL and the Registrar to the Offer.

34. Tripartite agreement dated December 2, 2021, among our Company, CDSL and the Registrar to the Offer.

35. Industry report titled "Industry Research Report on Bearings, Bearings cages & Stampings Market" dated August, 2022 issued by CARE Advisory, commissioned by our Company, which is available on the website of our Company at https://harshaengineers.com/InvestorRelations/industryreport.php

36. Due diligence certificate dated February 3, 2022 addressed to SEBI from the Book Running Lead Managers.

37. In-principle listing approvals dated February 25, 2022 and February 24, 2022 issued by BSE and NSE, respectively.

38. SEBI final observation letter bearing reference number SEBI/HO/CFD/DIL-1/P/OW/2022/0000018474/1 dated April 30, 2022.

DECLARATION

I 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 this 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. I further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Rajendra Shah
Designation: Chairman and Whole-Time Director

Place: Ahmedabad
Date: September 19, 2022

DECLARATION

I 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 this 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. I further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Harish Rangwala
Designation: Managing Director

Place: Ahmedabad
Date: September 19, 2022

DECLARATION

I 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 this 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. I further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Vishal Rangwala
Designation: Chief Executive Officer and Whole-time Director

Place: Ahmedabad
Date: September 19, 2022

DECLARATION

I 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 this 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. I further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Hetal Ukani
Designation: Whole-time Director

Place: Ahmedabad
Date: September 19, 2022

DECLARATION

I 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 this 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. I further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Pilak Shah
Designation: Chief Operating Officer and Whole-time Director

Place: Ahmedabad
Date: September 19, 2022

DECLARATION

I 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 this 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. I further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ambar Patel
Designation: Independent Director

Place: Ahmedabad
Date: September 19, 2022

DECLARATION

I 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 this 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. I further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Neharika Vohra
Designation: Independent Director

Place: New Delhi
Date: September 19, 2022

DECLARATION

I 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 this 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. I further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Kunal Shah
Designation: Independent Director

Place: Ahmedabad
Date: September 19, 2022

DECLARATION

I 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 this 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. I further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Bhushan Punani
Designation: Independent Director

Place: Ahmedabad
Date: September 19, 2022

DECLARATION

I 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 this 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. I further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ramakrishnan Kasinathan
Designation: Independent Director

Place: Udaipur
Date: September 19, 2022

DECLARATION

I 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 this 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. I further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE CFO OF OUR COMPANY

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Maulik Jasani

Place: Ahmedabad
Date: September 19, 2022

DECLARATION BY PROMOTER SELLING SHAREHOLDER

I, Harish Rangwala, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by me in this Prospectus about or in relation to myself, as a Promoter Selling Shareholder, and my portion of the Offered Shares, are true and correct. I assume no responsibility as a Promoter 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 this Prospectus.

SIGNED BY THE PROMOTER SELLING SHAREHOLDER

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Harish Rangwala

Place: Ahmedabad
Date: September 19, 2022

DECLARATION BY PROMOTER SELLING SHAREHOLDER

I, Rajendra Shah, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by me in this Prospectus about or in relation to myself, as a Promoter Selling Shareholder, and my portion of the Offered Shares, are true and correct. I assume no responsibility as a Promoter 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 this Prospectus.

SIGNED BY THE PROMOTER SELLING SHAREHOLDER

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Rajendra Shah

Place: Ahmedabad
Date: September 19, 2022

DECLARATION BY PROMOTER SELLING SHAREHOLDER

I, Pilak Shah, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by me in this Prospectus about or in relation to myself, as a Promoter Selling Shareholder, and my portion of the Offered Shares, are true and correct. I assume no responsibility as a Promoter 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 this Prospectus.

SIGNED BY THE PROMOTER SELLING SHAREHOLDER

Pilak Shah

Place: Ahmedabad
Date: September 19, 2022

DECLARATION BY THE PROMOTER GROUP SELLING SHAREHOLDER

I, Charusheela Rangwala, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by me in this Prospectus about or in relation to myself, as the Promoter Group Selling Shareholder, and my portion of the Offered Shares, are true and correct. I assume no responsibility as a Promoter Group 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 this Prospectus.

SIGNED BY THE PROMOTER GROUP SELLING SHAREHOLDER

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Charusheela Rangwala

Place: Ahmedabad
Date: September 19, 2022

DECLARATION BY THE PROMOTER GROUP SELLING SHAREHOLDER

I, Nirmala Shah, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by me in this Prospectus about or in relation to myself, as the Promoter Group Selling Shareholder, and my portion of the Offered Shares, are true and correct. I assume no responsibility as a Promoter Group 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 this Prospectus.

SIGNED BY THE PROMOTER GROUP SELLING SHAREHOLDER

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Nirmala Shah

Place: Ahmedabad
Date: September 19, 2022