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Chartered Accountants

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INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION IN CONNECTION WITH PROPOSED INITIAL PUBLIC OFFERING OF HARSHA ENGINEERS INTERNATIONAL LIMITED (FORMERLY KNOWN AS HARSHA ENGINEERS INTERNATIONAL PRIVATE LIMITED AND HARSHA ABAKUS SOLAR PRIVATE LIMITED)

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 Sirs,

1. We have completed our assurance engagement to report on the compilation of proforma consolidated financial information of Harsha Engineers International Limited (Formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited) and its subsidiaries, associates, and joint venture (referred to as 'the Group'). The Proforma Consolidated Financial Information consists of the proforma consolidated balance sheet as at 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019, the proforma consolidated information of profit and loss for the period/years ended 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019 and selected notes thereon (hereinafter referred as 'Proforma Consolidated Financial Information'). The applicable criteria on the basis of which the management has compiled the Proforma Consolidated Financial Information are specified in the "Basis of preparation paragraph" as described in Note 2 to the Proforma Consolidated Financial Information.
2. The Proforma Consolidated Financial Information has been compiled by Management to illustrate the impact of acquisition of Harsha Engineers Limited (HEL) and Helianthus Solar Power Private Limited (HSPPL) made with appointed date as April 01, 2020 as set out in Note 2, on the Group's financial position as at March 31, 2019 and its financial performance for the year ended 2018-19 as if the acquisition had taken place at the beginning of the earliest reported year presented i.e., April 01, 2018.
3. As part of this process, information about the Company's financial position, and financial performance has been extracted by the management from the Company's special purpose financial statements prepared as per Ind AS for the period ended March 31, 2019, on which an audit report has been issued by us dated January 10, 2022.

Information about the Group's financial position and financial performance is compiled from:



- (i) The Restated Consolidated Statement of Assets and Liabilities as at September 30, 2021, March 31, 2021, March 31, 2020, and March 31, 2019 and Restated Consolidated Statement of Profit and Loss for the year ended September 30, 2021, March 31, 2021, March 31, 2020, and March 31, 2019 on Ind AS basis of the Company its subsidiaries, associates, and joint venture; and
- (ii) The audited Consolidated Financial Statements of Harsha Engineers Limited as at and for the year ended March 31, 2019 prepared as per Ind AS which contains the consolidation of Aastha Tools Private Limited (ATPL) and Harsha Engineers (India) Private Limited (HEIPL) into Harsha Engineers Limited (HEL).

Management's Responsibility for the Proforma Consolidated Financial Information

- 4. The Management is responsible for compiling the Proforma Consolidated Financial Information on the basis stated in Note 2 to the Proforma Consolidated Financial Information and the same has been approved by the Board of Directors of the Company. The Management's responsibility includes the responsibility for designing, implementing and maintaining internal control relevant for compiling the Proforma Consolidated Financial Information on the basis stated in Note 2 to the Proforma Consolidated Financial Information that is free from material misstatement, whether due to fraud or error. The Management is also responsible for identifying and ensuring that the Group complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of Proforma Consolidated Financial Information.

Auditor's Responsibilities

- 5. Our responsibility is to express an opinion, about whether the Proforma Consolidated Financial Information of the Group has been compiled, in all material respects, by the Management on the basis stated in Note 2 to the Proforma Consolidated Financial Information.
- 6. We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Proforma Financial Information Included in a Prospectus, issued by the Institute of Chartered Accountants of India. This Standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the Proforma Consolidated Financial Information on the basis stated in Note 2 to the Proforma Consolidated Financial Information.
- 7. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Proforma Consolidated Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Proforma Consolidated Financial Information.
- 8. The purpose of Proforma Consolidated Financial Information included in the offer documents is solely to illustrate the impact of combining the financial information of the Group as at March 31, 2019, as if these entities had been undertaken at an earlier date selected for the purpose of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at April 01, 2018 with consequential impact during the year ended March 31, 2019 would have been as presented.
- 9. For our assurance engagement, we have placed reliance on the following:
 - a. Independent practitioners' examination report issued by the us, dated January 10, 2022 on the restated consolidated statement of assets and liabilities as at September 30, 2021, March 31, 2021, March 31, 2020, and March 31, 2019 and restated consolidated statement of profit and loss for the year ended September 30, 2021, March 31, 2021, March 31, 2020, and March 31, 2019 on Ind AS basis of the Company, its subsidiaries, associates and joint venture;
 - b. Auditor's report issued by us, on the Consolidated Financial Statements of Harsha Engineers Limited dated May 16, 2019 as at for the year ended March 31, 2019 as per Ind AS.



10. A reasonable assurance engagement to report on whether the Proforma Consolidated Financial Information has been compiled, in all material respects, on the basis stated in Note 2 to the Proforma Consolidated Financial Information, involves performing procedures to assess whether the applicable criteria used by the Management in the compilation of the Proforma Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related proforma adjustments give appropriate effect to those criteria; and
- The Proforma Consolidated Financial Information reflects the proper application of those adjustments to the financial information.

The procedures selected depend on the Auditor's judgment, having regard to the Auditor's understanding of the nature of the group, the event or transaction in respect of which the proforma financial information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the Proforma Consolidated Financial Information. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

11. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

12. In our opinion, the Proforma Consolidated Financial Information has been compiled, in all material respects, on the basis stated in Note 2 to the Proforma Consolidated Financial Information.

Restrictions on Use

13. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report issued by us.
14. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
15. Our report is intended solely for use of the Board of Directors for inclusion in the offer documents to be filed with the Securities Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and the Registrar of Companies, Gujarat at Ahmedabad in connection with the proposed initial public offering of the Company. 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 without our prior consent in writing.

For, Pankaj R. Shah & Associates

Chartered Accountants

Firm Reg. No: 107361W



Chintan Shah

Managing Partner

Membership No: 110142

UDIN: 22110142AAAAAF6162

Date: 10/01/2022

Place: Ahmedabad

