



HEIL/SE-49/2025-26

November 6, 2025

To,  
The Manager (Listing),  
**The BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001  
Script Code No. : **543600**

To,  
The Manager (Listing),  
**National Stock Exchange of India Limited**  
"Exchange Plaza", C-1, Block - G,  
Bandra - Kurla Complex, Bandra (E)  
Mumbai – 400 051  
Symbol : **HARSHA**

Dear Sir/Madam,

**Sub : Monitoring Agency Report for the Quarter ended September 30, 2025**

**Ref : Regulation 32(6) of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015**

With reference to subject matter and pursuant to Regulation 32 (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 41(4) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, we are enclosing herewith Monitoring Agency Report for the quarter ended September 30, 2025 issued by CARE Ratings Limited, Monitoring Agency, in respect of utilization of proceeds of the IPO of the Company.

You are requested to take the same on your record.

Thanking You

Yours faithfully,  
**FOR HARSHA ENGINEERS INTERNATIONAL LIMITED**

**Kiran Mohanty**  
**Company Secretary and Chief Compliance Officer**  
MEM NO. : F9907

**Harsha Engineers International Limited**

**CIN : L29307GJ2010PLC063233**

Corporate & Registered Office: Sarkhej - Bavla Road, Changodar, Ahmedabad, Sanand - 382213, Gujarat, India.  
Tel.: +91-2717-618200 Fax: +91-2717-618259 E-mail: sec@harshaengineers.com URL: www.harshaengineers.com

No. CARE/ARO/GEN/2025-26/1202

The Board of Directors  
Harsha Engineers International Limited  
Sarkhej-Bavla Road  
P.O.-Changodar  
Gujarat – 382 213

November 06, 2025

Dear Sir/Ma'am,

**Monitoring Agency Report for the quarter ended September 30, 2025 - in relation to the IPO of Harsha Engineers International Limited ("the Company")**

We write in our capacity of Monitoring Agency for the IPO for the amount aggregating to Rs.455 crore of the Company and refer to our duties cast under 41 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended September 30, 2025 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated September 06, 2022.

Request you to kindly take the same on records.

Thanking you,  
Yours faithfully,



**Akshay Morbiya**

Assistant Director

[akshay.morbiya@careedge.in](mailto:akshay.morbiya@careedge.in)

**Report of the Monitoring Agency**

Name of the issuer: Harsha Engineers International Limited

For quarter ended: September 30, 2025

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

(b) Range of Deviation: Not applicable

**Declaration:**

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.



Signature:

Name and designation of the Authorized Signatory: Akshay Morbiya

Designation of Authorized person/Signing Authority: Assistant Director

**1) Issuer Details:**

Name of the issuer : Harsha Engineers International Limited  
Name of the promoter : Mr. Rajendra Shah, Mr. Harish Rangwala, Mr. Vishal Rangwala, Mr. Pilak Shah  
Industry/sector to which it belongs : Bearing cages

**2) Issue Details**

Issue Period : September 14, 2022 to September 16, 2022  
Type of issue (public/rights) : Initial Public Offering  
Type of specified securities : Equity shares  
IPO Grading, if any : Not applicable  
Issue size (in crore) : Rs. 455.00 crore (Note 1)

**Note 1:**

The company had offered 1,37,95,695 Equity Shares under the Initial public offer (considered only fresh issue) at ₹330 per share (including share premium of ₹320 per share) aggregating to ₹455 crore. The issue was oversubscribed by 74.65 times.

| Particulars                                                        | Remarks    |
|--------------------------------------------------------------------|------------|
| Total shares issued and subscribed as a part of Fresh issue        | 13,795,695 |
| Total proceeds received from fresh issue (Rs. In Crore)            | 455.00     |
| Details of expenses incurred related to fresh issue (Rs. In Crore) | 25.60      |
| Net proceeds available for utilisation (Rs. In Crore)              | 429.40     |

**3) Details of the arrangement made to ensure the monitoring of issue proceeds:**

| Particulars                                                                                                                       | Reply                   | Source of information / certifications considered by Monitoring Agency for preparation of report | Comments of the Monitoring Agency                             | Comments of the Board of Directors |
|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------|
| Whether all utilization is as per the disclosures in the Offer Document?                                                          | Yes                     | CA certificate*, Offer document, Bank statements, Management certificate                         | Rs. 429.40 crore have been utilized as per the offer document | No comments received               |
| Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document? | Not applicable          | Not applicable                                                                                   | Not applicable                                                | No comments received               |
| Whether the means of finance for the disclosed objects of the issue have changed?                                                 | No                      | Management certificate                                                                           | No comments                                                   | No comments received               |
| Is there any major deviation observed over the earlier monitoring agency reports?                                                 | No                      | Monitoring agency report dated August 06, 2025                                                   | No deviation observed from the last monitoring agency report  | No comments received               |
| Whether all Government/statutory approvals related to the object(s) have been obtained?                                           | No such approval needed | Management certificate                                                                           | Not applicable                                                | No comments received               |

| Particulars                                                                                              | Reply                        | Source of information / certifications considered by Monitoring Agency for preparation of report | Comments of the Monitoring Agency | Comments of the Board of Directors |
|----------------------------------------------------------------------------------------------------------|------------------------------|--------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------|
| Whether all arrangements pertaining to technical assistance/collaboration are in operation?              | There is no such arrangement | Management certificate                                                                           | No comments                       | No comments received               |
| Are there any favorable/unfavorable events affecting the viability of these object(s)?                   | No                           | Management certificate                                                                           | No comments                       | No comments received               |
| Is there any other relevant information that may materially affect the decision making of the investors? | No                           | Refer note 1                                                                                     | No comments                       | No comments received               |

\* CA certificate from Pankaj R Shah & Associates dated October 08, 2025

Note 1: Please note that, the company has transferred the issue proceeds from public account to monitoring account (Yes Bank) which were then partly transferred to Fixed Deposits and partly to Cash Credit (CC) accounts (Maintained with Citi Bank and State Bank of India) for utilization of proceeds rather than utilizing the issue proceeds directly from monitoring account. Accordingly, there are numerous other debits and credits in the said CC accounts resulting in comingling of funds, and we have relied on management declarations and CA certificate to ascertain utilization of funds apart from examination of documents. Further, it is to be noted that the company has made certain payments directly from monitoring account which largely includes prepayments of borrowings as stipulated in offer document.

#Where material deviation may be defined to mean:

- Deviation in the objects or purposes for which the funds have been raised
- Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

#### 4) Details of objects to be monitored:

(i) Cost of objects –

| Sr. No. | Item Head                                                                                                       | Source of information / certifications considered by Monitoring Agency for preparation of report | Original cost (as per the Offer Document) in Rs. Crore | Revised Cost in Rs. Crore | Comments of the Monitoring Agency | Comments of the Board of Directors |                           |                                        |
|---------|-----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------------------|-----------------------------------|------------------------------------|---------------------------|----------------------------------------|
|         |                                                                                                                 |                                                                                                  |                                                        |                           |                                   | Reason for cost revision           | Proposed financing option | Particulars of -firm arrangements made |
| 1       | Pre-payment or scheduled repayment of a portion of the existing borrowing availed by the Company                | CA certificate, Offer document, Bank statements, Management certificate                          | 270.00                                                 | Not applicable            | None for quarter under review     | No comments received               |                           |                                        |
| 2       | Funding capital expenditure requirements towards purchase of machinery                                          |                                                                                                  | 77.95                                                  |                           |                                   | No comments received               |                           |                                        |
| 3       | Infrastructure repairs and renovation of our existing production facilities including office premises in India. |                                                                                                  | 7.12                                                   |                           |                                   | No comments received               |                           |                                        |
| 4       | General Corporate Purpose                                                                                       |                                                                                                  | 74.33                                                  |                           |                                   | No comments received               |                           |                                        |
| Total   |                                                                                                                 |                                                                                                  | 429.40                                                 |                           |                                   |                                    |                           |                                        |

## (ii) Progress in the objects –

| Sr. No | Item Head                                                                                                       | Source of information / certifications considered by Monitoring Agency for preparation of report | Amount as proposed in the Offer Document in Rs. Crore | Amount utilised in Rs. Crore                |                                 |                                        | Total unutilised amount in Rs. crore | Comments of the Monitoring Agency                                                                         | Comments of the Board of Directors |                           |
|--------|-----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------|---------------------------------|----------------------------------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------|------------------------------------|---------------------------|
|        |                                                                                                                 |                                                                                                  |                                                       | As at beginning of the quarter in Rs. Crore | During the quarter in Rs. Crore | At the end of the quarter in Rs. Crore |                                      |                                                                                                           | Reasons for idle funds             | Proposed course of action |
| 1      | Pre-payment or scheduled repayment of a portion of the existing borrowing availed by the Company                | CA certificate, Offer document, Bank statements, Management certificate                          | 270.00                                                | 270.00                                      | -                               | 270.00                                 | -                                    | Fully utilized                                                                                            | No comments received               |                           |
| 2      | Funding capital expenditure requirements towards purchase of machinery                                          |                                                                                                  | 77.95                                                 | 73.51                                       | 4.44                            | 77.95                                  | -                                    | Incurred Rs.4.44 crore in Q2FY26 towards purchase of CNC Milling machines, furnace machines among others. | No comments received               |                           |
| 3      | Infrastructure repairs and renovation of our existing production facilities including office premises in India. |                                                                                                  | 7.12                                                  | 7.12                                        | -                               | 7.12                                   | -                                    | Fully utilized                                                                                            | No comments received               |                           |
| 4      | General Corporate Purpose                                                                                       |                                                                                                  | 74.33                                                 | 74.33                                       | -                               | 74.33                                  | -                                    | Fully utilized                                                                                            | No comments received               |                           |
| Total  |                                                                                                                 |                                                                                                  | 429.40                                                | 424.96                                      | 4.44                            | 429.40                                 | -                                    |                                                                                                           |                                    |                           |

## (iii) Deployment of unutilized proceeds:

| Sr. No. | Type of instrument and name of the entity invested in | Amount invested | Maturity date | Earning | Return on Investment (%) | Market Value as at the end of quarter |
|---------|-------------------------------------------------------|-----------------|---------------|---------|--------------------------|---------------------------------------|
| 1       | Not applicable since funds are fully utilized         | -               | -             | -       | -                        | -                                     |

## (iv) Delay in implementation of the object(s) –

| Objects                                                                | Completion Date           |                | Delay (no. of days/ months) ^ | Comments of the Board of Directors |                           |
|------------------------------------------------------------------------|---------------------------|----------------|-------------------------------|------------------------------------|---------------------------|
|                                                                        | As per the offer document | Actual         |                               | Reason of delay                    | Proposed course of action |
| Funding capital expenditure requirements towards purchase of machinery | FY23 and FY24             | September 2025 | 18 months                     | No comments received               |                           |

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| Objects                                                                                                        | Completion Date           |                | Delay (no. of days/ months) ^ | Comments of the Board of Directors |                           |
|----------------------------------------------------------------------------------------------------------------|---------------------------|----------------|-------------------------------|------------------------------------|---------------------------|
|                                                                                                                | As per the offer document | Actual         |                               | Reason of delay                    | Proposed course of action |
| Infrastructure repairs and renovation of our existing production facilities including office premises in India | FY23                      | September 2024 | 18 months                     | No comments received               |                           |

^ Board of directors in its meeting held on February 08, 2024, has extended the deployment period towards these objects up to FY26.

**5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:**

| Sr. No. | Item Head^                 | Amount in Rs. Crore | Source of information / certifications considered by Monitoring Agency for preparation of report | Comments of Monitoring Agency | Comments of the Board of Directors |
|---------|----------------------------|---------------------|--------------------------------------------------------------------------------------------------|-------------------------------|------------------------------------|
| 1       | General corporate purposes | Nil                 | Nil                                                                                              | Fully utilized by March 2023  | No comments received               |
|         | <b>Total</b>               |                     |                                                                                                  |                               |                                    |

^ Section from the offer document related to GCP:

“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.”

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**Disclaimers to MA report:**

- a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as “**Monitoring Agency/MA**”). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.
- b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditor/ peer reviewed audit firm appointed by the Issuer believed by it to be accurate and reliable.
- c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.
- d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from statutory auditors/ peer reviewed audit firm (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.
- e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

