



HEIL/SE-17 /2023-24

May 25, 2023

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 31<sup>st</sup> March, 2023**  
**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 & Disclosure Requirements) Regulations, 2015 read with Regulation 41(4) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and in continuation to our letter dated 12<sup>th</sup> May 2023, we are enclosing herewith Monitoring Agency Report for the quarter ended March 31, 2023 issued by CARE Ratings Limited, Monitoring Agency, in respect of utilization of proceeds of the IPO of the Company which has been duly reviewed by the Audit Committee and taken on record by Board of Directors at their respective meetings held on 25<sup>th</sup> May 2023.

You are requested to take the same on your record.

Thanking You

Yours faithfully,

**FOR HARSHA ENGINEERS INTERNATIONAL LIMITED** (Formerly Known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)

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

**Harsha Engineers International Limited**  
(formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)  
**CIN : U29307GJ2010PLC063233**

Corporate & Registered Office: NH-8A, Sarkhej - Bavla Highway, Changodar, Ahmedabad - 382213, Gujarat (INDIA)  
Tel.: +91-2717-618200 Fax: +91-2717-618259 E-mail: harsha@harshaengineers.com URL: www.harshaengineers.com

**CARE/ARO/GEN/2023-24/1039**

**Mr. Vishal Rangwala**  
**CEO**  
**Harsha Engineers International Limited**  
Sarkhej-Bavla Road  
P.O.-Changodar  
Gujarat – 382 213

May 25, 2023

Dear Sir,

**Monitoring Agency Report for the quarter ended March 31, 2023 - in relation to the IPO of Harsha Engineers International Limited ("the Company")**

We write in our capacity of Monitoring Agency for the Initial Public Offering (IPO) for the amount aggregating to Rs.455.00 crore of the Company and refer to our duties cast under 82 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 March 31, 2023 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,

*Krunal Modi*

**Krunal Modi**  
Associate Director  
[krunal.modi@careedge.in](mailto:krunal.modi@careedge.in)

CARE Ratings Limited

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CIN-L67190MH1993PLC071691

## Report of the Monitoring Agency

Name of the issuer: Harsha Engineer International Limited

For quarter ended: March 31, 2023

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

(b) Range of Deviation: The utilisation of proceeds is as per the offer document albeit there is a minor time-overrun.

### 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.

*Krunal Modi*

Signature:

Name and designation of the Authorized Signatory: Krunal Modi

Designation of Authorized person/Signing Authority: Associate Director

CARE Ratings Limited

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**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 : Initial Public Offering  
Type of specified securities : Equity shares  
IPO Grading, if any : Not applicable  
Issue size (in Rs. crore) : Rs.455.00 crore of fresh issue (Note 1)

Note 1:

Particulars	Remarks
Total shares issued and subscribed as 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	Chartered Accountant certificate*, Bank statement	None	No Comments
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable; there is no material deviation	Not applicable	Not applicable	No Comments
Whether the means of finance for the disclosed objects of the issue have changed?	Not applicable	Not applicable	Not applicable	No Comments

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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
Is there any major deviation observed over the earlier monitoring agency reports?	No	Monitoring agency report dated January 27, 2023	None	No Comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	No such approval needed	Not applicable	Not applicable	No Comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	There is no such arrangement	Not applicable	Not applicable	No Comments
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Not applicable	None	No Comments
Is there any other relevant information that may materially affect the decision making of the investors?	No	Not applicable	None	No Comments

\* Chartered Accountant certificate from M/s. Pankaj R. Shah & Associates dated April 19, 2023

# 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.

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#### 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	Chartered Accountant certificate*, Bank statements, Offer Document	270.00	270.00	No change in cost; Fully utilized till March 31, 2023 #	There are no comments from board of directors.		
2.	Funding capital expenditure requirements towards purchase of machinery	Not Applicable	77.95	77.95	No change in cost; Partially utilized till March 31, 2023 ^	There are no comments from board of directors.		
3	Infrastructure repairs and renovation of our existing production facilities including office premises in India.	Not Applicable	7.12	7.12	No change in cost; Partially utilized till March 31, 2023 ^	There are no comments from board of directors.		
4	General Corporate Purpose	Not Applicable	74.33	74.33	No change in cost; Fully utilized till March 31, 2023 #	There are no comments from board of directors.		
<b>Total</b>			<b>429.40</b>	<b>429.40</b>				

# Chartered Accountant certificate from M/s. Pankaj R. Shah & Associates dated January 16, 2023

^ Chartered Accountant certificate from M/s. Pankaj R. Shah & Associates dated April 19, 2023

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## (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 (Rs. Crore)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter (i.e., January 01, 2023) in Rs. Crore	During the Quarter (Q4FY23) in Rs. Crore	At the end of the quarter (i.e., March 31, 2023) in Rs. Crore			Reason for idle funds	Proposed course of action
1	Pre-payment or scheduled repayment of a portion of the existing borrowing availed by the Company	Chartered Accountant certificate*, Bank statements, Offer Document	270.00	270.00	-	270.00	0.00	Fully Utilised #	No Comments	
2	Funding capital expenditure requirements towards purchase of machinery	-	77.95	4.73	12.35	17.08	60.87	Unutilised amount of Rs.60.87 crore as on March 31, 2023 ^	No Comments	
3	Infrastructure repairs and renovation of our existing production facilities including office premises in India.	-	7.12	1.53	2.72	4.25	2.87	Unutilised amount of Rs.2.87 crore as on March 31, 2023 ^	No Comments	
4	General corporate purposes	-	74.33	74.33	-	74.33	0.00	Fully Utilised #	No Comments	
<b>Total</b>			<b>429.40</b>	<b>350.59</b>	<b>15.07</b>	<b>365.66</b>	<b>64.74</b>			

# Chartered Accountant certificate from M/s. Pankaj R. Shah &amp; Associates dated January 16, 2023

^ Chartered Accountant certificate from M/s. Pankaj R. Shah &amp; Associates dated April 19, 2023

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(iii) Deployment of unutilised IPO proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (Rs. In Crore)	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter*
1	FD-RBL Bank Limited	25.00	April 05, 2023	Not applicable	7.35%	Not applicable
2	FD-State Bank of India	25.00	April 05, 2023	Not applicable	6.85%	Not applicable
3	FD-YES Bank Limited	15.00	June 30, 2023	Not applicable	7.65%	Not applicable
	<b>Total</b>	<b>65.00</b>				

\* Where the market value is not feasible, provide NAV/NRV/Book Value of the same

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## (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
Pre-payment or scheduled repayment of a portion of the existing borrowing availed by the Company	FY23	Fully Utilised till March 31, 2023	NA	No Comments	No Comments
Funding capital expenditure requirements towards purchase of machinery	FY23 & FY24	Largely on Schedule with minor time-overrun in execution of capex in FY23	NA	No Comments	No Comments
Infrastructure repairs and renovation of our existing production facilities including office premises in India	FY23	FY23 & FY24	As per the offer document, the company is expected to incur a cost of Rs.7.12 crore by end of FY23 towards repair and renovation of existing facilities and infrastructure. However, there are certain work still under progress which is likely to be completed by Sep. 30, 2023.	No Comments	No Comments
General corporate purposes	FY23	Fully Utilised till March 31, 2023	NA	No Comments	No Comments

\*In case of continuing object(s), please specify latest/revised estimate of the completion date.

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

<b>Sr. No.</b>	<b>Item Head</b>	<b>Amount in Rs. Crore</b>	<b>Source of information / certifications considered by Monitoring Agency for preparation of report</b>	<b>Comments of Monitoring Agency</b>	<b>Comments of the Board of Directors</b>
1	Vendor Payment pertaining to Raw Material	71.22	Chartered Accountant certificate*, Bank statement	Verified with bank statements	No Comments
2	Vendor Payment pertaining to Electricity	3.11	Chartered Accountant certificate*, Bank statement	Verified with bank statements	No Comments
	<b>Total</b>	<b>74.33</b>			

\* Chartered Accountant certificate from M/s. Pankaj R. Shah & Associates dated January 16, 2023

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