

**IPO SnapShot - Harsha Engineers**

Issue Open Date	14-Sep-22
Issue Closing Date	16-Sep-22
Bid Lot	45
Price Band	314-330
Grading	-
Issue Size (Shares)	16863795
Face Value	10

**Promoters**

Harish Rangwala	17.45%
Rajendra Shah	19.95%

**Lead Managers to the Issue**

Axis Capital Limited  
Equirus Capital Private Limited  
JM Financial Limited

**Registered Office Address**

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Sarkhej- Bavla Highway, Changodar  
Ahmedabad, Gujarat,  
Phone : +91 2717 618200  
Fax : +91 2717 618259  
Website : [www.harshaengineers.com](http://www.harshaengineers.com)

**Contact Person - Kiran Mohanty**

Company Secretary and Compliance Officer  
Tel: +91-2717-618200  
Email: [sec@harshaengineers](mailto:sec@harshaengineers)

**Name & Address of Registrar**

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

**Contact Person - Shanti gopalkrishnan**

+(91) 22 4918 6200  
[harshaengineers.ipo@linkintime.co.in](mailto:harshaengineers.ipo@linkintime.co.in)

**Listing at**

BSE, NSE

Harsha engineer is a part of Harsha Group which was established in 1986 and has over 35 years of operating history in the engineering business. Harsha engineer is 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. They offer diversified suite of precision engineering products across geographies and end-user industries. Their 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. They 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. They are also an EPC service provider in the solar photovoltaic industry and also provides operations and maintenance services in the solar sector. With having over 10 years of operating history in the solar EPC business. They have an in-house design, engineering, procurement, project management and O&M team. Harsha engineer has 4 strategically located manufacturing facilities for their engineering business with one of their principal manufacturing facilities at Changodar and one at Moraiya, near Ahmedabad in Gujarat, and one manufacturing unit each at Changshu, China, and Ghimbav Brasov in Romania.

**RATIONALE TO SUBSCRIBE**

The bearings 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. Companies combined bearing cages capacity of all manufacturing units is 1,097.87 million pieces per annum as on March 31, 2022 with 50%-60% market share in the organized segment. The pace of commissioning of new solar 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. 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. They are dependent on suppliers from China for solar PV modules, which is a key component required for setting up of our solar power projects. They are dependent primarily on a limited number of suppliers in China, which cannot be replaced easily. The top five customer groups (excluding customers' contributing to revenue from scrap sales) contributed to revenue from operations from engineering business Rs. 9,323.39 million, Rs. 6,315.65 million and Rs. 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. 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 were denominated in foreign currencies, respectively. So a significant portion of our revenue is also denominated in foreign currencies. Harsha Engn. have low leverage, with a net debt-to-equity ratio of 0.68 as of March 31, 2022. For Fiscal 2022, 2021 and 2020, they achieved an EBITDA margin of 14.12%, 14.30%, and 11.29%, RoAE of 19.13%, 11.20%, and 6.10%, and RoACE of 24.92%, 17.24%, and 18.05% respectively.

Data Source : [www.nseindia.com](http://www.nseindia.com)

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## SEBI REGISTRATION NO- INH100003274

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**Note: Please refer our Derivative Report for recommendation on OPTION STRATEGIES.**

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