



IPO INSIGHTS



Harsha Engineers International Ltd

Issue Dates - Opens: 14-09-2022 | Closes: 16-09-2022

IPO Note	<ol style="list-style-type: none"> 1. Gujarat-based largest manufacturer of Precision Bearing Cages in terms of revenue in organized sector in India 2. Business Segments : Engineering and Solar EPC 3. 50-60% market share in Indian Bearing Cages Market in CY2021 4. 6.5% market share globally 5. Good Fundamentals 6. Reasonable Valuation
Rating	★★★★ (VERY GOOD)

IPO SNAPSHOT

Issue Size	₹ 755 Crores
Issue Type	Fresh Issue & Offer for Sale
Fresh Issue	₹ 455 Crores
Offer for Sale	₹ 300 Crores
Face Value Per Share	₹ 10
Price Band Per Share	₹ 314 - ₹ 330
Minimum Lot Size	45 shares
Listing On	BSE & NSE

Registrar to the Issue

Link Intime Private Ltd

IPO SNAPSHOT – Harsha Engineers International Ltd

About the Company	<ul style="list-style-type: none"> ▪ Incorporated on December 11, 2010 ▪ Diversified product offerings across geographies and end-user industries ▪ Manufactures Brass, Steel, Polyamide Cages and Stamped Components ▪ Market Share estimated around 50-60% in Indian bearing cages market ▪ Largest manufacturer of Precision Bearing Cages in organized sector in India in terms of Revenue, also a leading manufacturer of precision bearing cages across the globe. ▪ Accounted for 6.5% of global organized bearing brass, steel and polyamide cages market in CY2021 ▪ Business Categories : Engineering and Solar EPC ▪ Engineering business comprise of manufacturing bearing cages, complex and specialized precision stamped components, welded assemblies and brass castings and cages as well as bronze bushings ▪ Solar EPC business comprise of providing complete comprehensive turnkey solutions to all photovoltaic requirements ▪ Offers wide range of bearing cages starting from 20 mm to 2000 mm in diameter which finds its application in automotive, railways, aviation, aerospace, construction, mining, agriculture, electrical, electronics renewables sectors etc. ▪ Wholly owned subsidiaries: <ol style="list-style-type: none"> 1. Harsha Precision Bearing Components (China) Co. Ltd 2. HASPL Americas Corporation 3. Harsha Engineers B.V. Netherlands 4. Stepdown subsidiary – Harsha Engineers Europe SRL in Romania ▪ 4 strategically located manufacturing facilities at <ol style="list-style-type: none"> 1. India : 1 at Changodar and 1 at Moraiya near Ahmedabad, Gujarat 2. China : Changshu in China 3. Romania: Ghimbav Brasov in Romania ▪ Supplies products to 25 countries across 5 continents – North America, Asia, Europe, South America & Africa 																														
Competitive Strengths	<ul style="list-style-type: none"> ▪ Long-standing relationship with leading clientele ▪ Strategically located domestic and international production facilities and warehouses ▪ Expertise in tooling, design, development & automation ▪ Consistent financial performance ▪ Strong, Experienced and dedicated senior management team and qualified workforce 																														
Financials (₹ in Millions)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">31-3-2020</th> <th style="text-align: center;">31-3-2021</th> <th style="text-align: center;">31-3-2022</th> <th style="text-align: center;">Y-o-Y</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Revenue from Operations</td> <td style="text-align: center;">8858.53</td> <td style="text-align: center;">8737.54</td> <td style="text-align: center;">13214.81</td> <td style="text-align: center;">51.24%</td> </tr> <tr> <td style="text-align: center;">EBITDA</td> <td style="text-align: center;">1000.55</td> <td style="text-align: center;">1249.62</td> <td style="text-align: center;">1865.77</td> <td style="text-align: center;">49.31%</td> </tr> <tr> <td style="text-align: center;">EBITDA Margin</td> <td style="text-align: center;">11.29%</td> <td style="text-align: center;">14.30%</td> <td style="text-align: center;">14.12%</td> <td></td> </tr> <tr> <td style="text-align: center;">Profit After Tax</td> <td style="text-align: center;">219.09</td> <td style="text-align: center;">454.39</td> <td style="text-align: center;">919.44</td> <td style="text-align: center;">102.33%</td> </tr> <tr> <td style="text-align: center;">Profit After Tax Margin</td> <td style="text-align: center;">2.44%</td> <td style="text-align: center;">5.18%</td> <td style="text-align: center;">6.87%</td> <td></td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Debt to Networth = 0.68 	Particulars	31-3-2020	31-3-2021	31-3-2022	Y-o-Y	Revenue from Operations	8858.53	8737.54	13214.81	51.24%	EBITDA	1000.55	1249.62	1865.77	49.31%	EBITDA Margin	11.29%	14.30%	14.12%		Profit After Tax	219.09	454.39	919.44	102.33%	Profit After Tax Margin	2.44%	5.18%	6.87%	
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Valuation	<ul style="list-style-type: none"> ▪ At Higher Price Band, the issue is valued at 27.7x of FY22 Earnings 																														
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Promoters	<ul style="list-style-type: none"> ▪ Rajendra Shah, Harish Rangwala, Vishal Rangwala & Pilak Shah 																														
Objects of the issue	<ul style="list-style-type: none"> ▪ Pre-payment/Scheduled repayment of a portion of existing borrowing ▪ Funding Capex towards purchase of machinery ▪ Infrastructure repairs and renovation of our existing production facilities including office premises in India ▪ General Corporate Purposes 																														

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