



(Please scan this QR Code to view the RHP)

This is an abridged prospectus containing salient features of the Red Herring Prospectus of KRN Heat Exchanger and Refrigeration ("the Company") dated September 14, 2024 filed with the Registrar of Companies, Jaipur at Rajasthan (the "RHP" or "Red Herring Prospectus"). You are encouraged to read greater details available in the RHP, which is available at [www.sebi.gov.in](http://www.sebi.gov.in), [www.krnheatexchanger.com](http://www.krnheatexchanger.com), [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com) and [www.holaniconsultants.co.in](http://www.holaniconsultants.co.in)

THIS ABRIDGED PROSPECTUS CONSISTS OF FOUR PAGES OF BID CUM APPLICATION FORM ALONG WITH INSTRUCTIONS AND EIGHT PAGES OF ABRIDGED PROSPECTUS. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

Please ensure that you have read the RHP, this abridged prospectus ("Abridged Prospectus") and the general information document for investing in public Issue ("GID") undertaken through the Book Building Process before applying in the Issue (as defined below). The investors are advised to retain a copy of the RHP/Abridged Prospectus for their future reference. You may obtain a physical copy of the Bid cum Application Form and the RHP from the Stock Exchanges (defined below), Syndicate Member (defined below), Registrar to the Issue, Registrar and Share Transfer Agents ("RTAs"), Collecting Depository Participants ("CDPs"), Registered Brokers, Bankers to the Issue, Investors' Associations or Self Certified Syndicate Banks ("SCSBs")



### KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

Corporate Identity Number: U29309RJ2017PLC058905, Date of Incorporation: August 25, 2017

Registered and Corporate Office	Contact Person	Email and Telephone	Website
Plot No. F - 46, 47, 48, 49 EPIP, RIICO Industrial Area, Neemrana, Alwar Rajasthan- 301705, India	Praveen Kumar, Company Secretary and Compliance Officer	<a href="mailto:cs@krnheatexchanger.com">cs@krnheatexchanger.com</a> Tel No: +91 – 9257025440	<a href="http://www.krnheatexchanger.com">www.krnheatexchanger.com</a>

### NAMES OF PROMOTER(S) OF THE COMPANY

SANTOSH KUMAR YADAV, ANJU DEVI AND MANOHAR LAL

### Details of the Issue to the Public

Type of Issue	Fresh Issue Size (No. of shares)	Offer for Sale	Total Issue Size (No. of shares)	Eligibility and Reservation	Shares Reservation among QIBs, NIIs, RIIs		
					QIB	NII	RII
Fresh Issue	Up to 1,55,23,000 Equity Shares of face value of Rs.10/- each aggregating up to Rs. [●] lakhs	NIL	Up to 1,55,23,000 Equity Shares of face value of Rs.10/- each aggregating up to Rs. [●] lakhs	The Issue is being made pursuant to Regulation 6(1) of Securities and Exchange Board of India (Issue of Capital and Statutory Disclosures – Eligibility for the Issue on page 384-385 of the RHP. For details in relation to share reservation among Qualified Institutional Buyers, Non-Institutional Investors, Retail Individual Investors see "Issue Structure" on page 406 of the RHP.	Not more than 76,57,455 Equity Shares	Not less than 23,87,215 Equity Shares	Not less than 54,78,330 Equity Shares

These equity shares are proposed to be listed on BSE Limited ("Designated Stock Exchange") and National Stock Exchange of India Limited

DETAILS OF OFS BY PROMOTER(S)/ PROMOTER GROUP/ OTHER SELLING SHAREHOLDER: NIL

### PRICE BAND, MINIMUM BID LOT & INDICATIVE TIMELINES

Price Band*	Rs. 209/- to Rs. 220/- Per Equity Shares of Face Value of Rs 10/- Each
Minimum Bid Lot Size*	65 Equity shares and in multiples of 65 Equity shares thereafter
Bid/Issue Open On**	On or about Wednesday, September 25, 2024
Bid/Closes Open On***	On or about Friday, September 27, 2024
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about Monday, September 30, 2024
Initiation of Refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about Tuesday, October 01, 2024
Credit of Equity Shares to Demat accounts of Allottees	On or about Tuesday, October 01, 2024
Commencement of trading of Equity Shares on the Stock Exchanges	On or about Thursday, October 03, 2024

\* For details of price band and basis of Issue price, please refer to price band advertisement and page 140 of RHP.

\*\* Our Company may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

\*\*\* The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day i.e., Friday, September 27, 2024

Disclaimer: The Equity Shares offered in the Issue have not been and will not be registered under the United States Securities Act of 1933 ("U.S. Securities Act") or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S.

**IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS**

Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States (a) only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in the Red Herring Prospectus as “U.S. QIBs”), (b) Qualified Persons, as defined in Section 2(a)(51) of the U.S. Investment Company Act (persons who are both a U.S. QIB and a QP are referred to as “Entitled QPs”); in transactions exempt from the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in the Red Herring Prospectus as “QIBs”.

<b>The weighted average cost of acquisition at which the Equity Shares were transacted in the preceding 1 year, 18 months and 3 years preceding the date of the Red Herring Prospectus</b>				
<b>Period</b>	<b>Weighted Average Cost of Acquisition (In Rs)</b>	<b>Upper End of the Price Band is ‘X’ times the WACA</b>	<b>Lower End of the Price Band is ‘X’ times the WACA</b>	<b>Range of acquisition price Lowest Price- Highest Price (in Rs.)</b>
Last 1 Years	160.76	1.37	1.30	152-200
Last 18 Months	160.76	1.37	1.30	152-200
Last 3 Year	160.76	1.37	1.30	152-200

As certified by the Statutory Auditor, pursuant to the certificate dated September 12, 2024

\*The Pre-IPO Placement also happened at ₹ 200/- for 4,77,000 Equity Shares on August 14, 2024.

**RISKS IN RELATION TO THE FIRST ISSUE**

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹10/-. The Floor Price, Cap Price and Issue Price (determined by our Company in consultation with the Book Running Lead Manager, in accordance with the SEBI ICDR Regulations, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in “Basis for Issue Price” on page 140 of the RHP should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investor should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have neither been recommended, nor approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the Bidders is invited to “Risk Factors” on page 33 of the RHP and on page 9 of this Abridged Prospectus.

**PROCEDURE**

You may obtain a physical copy of the Bid-cum- Application Form and the RHP from the Stock Exchange, Syndicate Members, Registrar to the Issue, Share Transfer Agents (“RTSs”), Collecting Depository Participants (“CDPs”), Stock Brokers, Underwriters, Bankers to the Issue, Investors’ Associations or Self Certified Syndicate Banks (“SCSBs”).

If you wish to know about processes and procedures applicable to this Issue, you may request for a copy of the RHP and/or the General Information Document (GID) from the BRLM or download it from the websites of the Stock Exchanges i.e., [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com) or from the websites of the BRLM at [www.holaniconsultants.co.in](http://www.holaniconsultants.co.in).

**PRICE INFORMATION OF BRLM**

<b>S. No.</b>	<b>Issuer Name</b>	<b>Name of Merchant Banker</b>	<b>+/- % change in closing price, [+/- % change in closing benchmark] - 30<sup>th</sup> calendar days from listing</b>	<b>+/- % change in closing price, [+/- % change in closing benchmark] - 90<sup>th</sup> calendar days from listing</b>	<b>+/- % change in closing price, [+/- % change in closing benchmark] - 180<sup>th</sup> calendar days from listing</b>
<b>SME ISSUES</b>					
1.	Insolation Energy Limited	Holani Consultants Private Limited	77.20% [5.25%]	40.00% [3.29%]	246.00% [3.18%]
2.	Shera Energy Limited	Holani Consultants Private Limited	-9.81% [-4.70%]	69.39% [1.32%]	65.08% [8.48%]
3.	Infollion Research Services Limited	Holani Consultants Private Limited	-6.25% [3.74%]	-2.64% [5.24%]	43.97% [11.92%]
4.	Goyal Salt Limited	Holani Consultants Private Limited	24.21% [1.95%]	26.67% [8.75%]	34.68% [19.46%]
5.	Purv Flexipack Limited	Holani Consultants Private Limited	-10.93% [0.71%]	-24.09% [4.06%]	-37.41% [12.79%]
6.	Signoria Creation Limited	Holani Consultants Private Limited	23.59% [0.82%]	-9.12% [7.55%]	N.A.
7.	Rajputana Industries Limited	Holani Consultants Private Limited	11.28% [4.80%]	N.A.	N.A.
8.	Brace Port Logistics limited	Holani Consultants Private Limited	N.A.	N.A.	N.A.

MAIN BOARD ISSUES				
1.	Motisons Jewellers Limited	Holani Consultants Private Limited	91.41% [-1.30%]	33.17% [1.50%]
				64.98% [7.95%]

Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable.

GENERAL INFORMATION	
<b>Name of Book Running Lead Manager</b>	<b>Holani Consultants Private Limited</b> 401-405 & 416-418, 4th Floor, Soni Paris Point, Jai Singh Highway, Bani Park, Jaipur-302016 <b>Tel. No.:</b> +91-141-2203996 <b>Email:</b> ipo@holaniconsultants.co.in <b>Investor grievance email:</b> complaints.redressal@holaniconsultants.co.in. <b>Website:</b> <a href="http://www.holaniconsultants.co.in">www.holaniconsultants.co.in</a> <b>Contact Person:</b> Mrs. Payal Jain
<b>Name of Syndicate Member</b>	<b>Holani Consultants Private Limited</b> <b>Nikunj Stock Broker Limited</b>
<b>Name of Registrar to the Issue</b>	<b>Bigshare Services Private Limited</b> Office No, S6-2, 6th Floor, Pinnacle Business Park Next to Ahura Centre, Mahakali Caves Road Andheri (East), Mumbai – 400093 <b>Investor Grievance ID-</b> investor@bigshareonline.com
<b>Name of Statutory Auditor</b>	<b>M/s. Keyur Shah &amp; Co.</b>
<b>Name of Credit Rating Agency and the rating or grading obtained, if any</b>	Not Applicable
<b>Name of Debenture trustee, if any.</b>	Not Applicable
<b>Self Certified Syndicate Banks</b>	The list of SCSBs notified by SEBI for the ASBA process is available at <a href="http://www.sebi.gov.in/sebiweb/">http://www.sebi.gov.in/sebiweb/</a> other, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidders using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at <a href="https://www.sebi.gov">https://www.sebi.gov</a> or at such other websites as may be prescribed by SEBI from time to time.
<b>Registered Brokers</b>	Bidders can submit ASBA Forms in the Issue using the stock broker network of the Stock Exchanges, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <a href="https://www.bseindia.com/">https://www.bseindia.com/</a> and <a href="https://www.nseindia.com">https://www.nseindia.com</a> , as updated from time to time. For further details, see " <b>Issue Procedure</b> " at page 410 of the RHP
<b>SCSBs and mobile applications enabled for UPI Mechanism</b>	In accordance with SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, the UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;int_mId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;int_mId=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> ) respectively, as updated from time to time.
<b>Details regarding website address(es)/ link(s) from which the investor can obtain a list of Registrar to issue and share transfer agents, depository participants and stock brokers who can accept applications from investors, (as applicable)</b>	The list of the RTAs eligible to accept Application forms at the designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> , as updated from time to time. The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of Application Forms from the Designated Intermediaries will be available on the website of the SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> , and updated from time to time. For further details, see " <b>Issue Procedure</b> " at page 410 of the RHP.

PROMOTERS OF OUR COMPANY			
S. No.	Name	Individual/Corporate/HUF	Details of the Promoters
1.	Santosh Kumar Yadav	Individual	He is the Promoter, Chairman and Managing Director of our Company. He holds a diploma in Business Management from Institute of Management Technology, Centre for Distance Learning, Ghaziabad and a Diploma in Mechanical Engineering from the Board of Technical Education, Rajasthan. He has gathered great experience by working as the head of operations department with LLOYD Electric and Engineering Limited. He has more than 19 years of experience in the business of manufacturing heat exchangers and refrigeration

**PROMOTERS OF OUR COMPANY**

S. No.	Name	Individual/Corporate/HUF	Details of the Promoters
			units.
2.	Anju Devi	Individual	She is the Promoter and Whole Time Director of our Company. She has cleared secondary examination conducted by Board of Secondary Education, Rajasthan in the year 2001. She provided consultancy services in Lloyd Electric and Engineering Limited for 2 years from April 2012 to March 2014 as resident consultant. Later she joined our Company in 2017 and has been associated with us since inception. She looks after the Human Resource Management department of our Company since last 6 years.
3.	Manohar Lal	Individual	He is the Promoter and Non-Executive Director of our Company. He passed his Secondary examination, administered by the Board of Secondary Education, Rajasthan in 1995. He has served in the Indian Army for more than 21 years. He has effective leadership skills and motivation skills, and he is enthusiastic with a very futuristic approach towards our company. He joined our Company as a Non-Executive Director in the year 2023.

For Further details on “**Our Promoters and Promoter Group**” refer Page No. 262 of RHP.

**BUSINESS OVERVIEW AND STRATEGY**

**Company Overview:** Our Company manufactures fin and tube type Heat Exchangers for the Heat Ventilation Air Conditioning and Refrigeration Industry (“HVAC&R”). Heat Exchangers manufactured by us are made of non-ferrous metals primarily Copper and Aluminium. Our product range includes condenser coils, evaporator units, evaporator coils, header/copper parts, fluid and steam coils and sheet metal parts.

We manufacture heat exchangers of various shapes and sizes as per the requirement of the customers and / or demand in the market. The sizes of heat exchanger tubes diameter manufactured by us ranges from 5MM to 15.88 MM.

**Products Offered:** We are in the business of manufacturing aluminium and copper fin – copper tube condenser and evaporator coils used by OEMs in heating, ventilation, air conditioning, and refrigeration (HVAC&R) industry. Our coils are used in heating equipment, ventilation equipment, and cooling or air-conditioning equipment used in domestic, commercial, and industrial HVAC systems to control the temperature, humidity, and purity of the air.

Our product portfolio includes evaporator coils, condenser coils, fluid and steam coils, condensing units, copper headers parts, sheet metal parts.

The details of the gross revenue derived from the sale of the major products by our company for the Financial Years ended on March 31, 2024, 2023 and 2022 is as under:

(Amount in lakhs)

S. No	Product	FY 23-24 (Consolidated)		FY 23-22 (Standalone)		FY 22-21 (Standalone)	
		Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue
1	Evaporator Coils	11,558.70	37.49%	7,153.35	28.90%	5,144.01	32.95%
2	Condenser Coils	17,029.57	55.24%	15,226.80	61.53%	9,946.54	63.71%
3	Headers/ Copper Parts	467.81	1.52%	181.69	0.73%	57.19	0.37%
4	Sheet Metal Parts	14.10	0.05%	16.50	0.07%	5.72	0.04%
5	Other Operating Revenue*	1,758.13	5.70%	2,169.74	8.77%	458.00	2.93%
<b>Total Revenue</b>		<b>30,828.31</b>	<b>100.00%</b>	<b>24,748.08</b>	<b>100%</b>	<b>15,611.46</b>	<b>100%</b>

\*Other Operating revenue includes sale of other HVAC parts like Tubing, Copper Pipes, rework of coils and HVAC parts etc Pursuant to the certificate dated August 10, 2024, from our Statutory and Peer Review Auditor M/s Keyur Shah and Co., Chartered Accountants.

**Geographies Served:** UAE, USA, Italy, Saudi Arabia, Norway, France and Germany.

**Key Performance Indicators:** For details, see financial KPIs of our company on page 144 of the RHP.

**Industries Served:** Heat Ventilation Air Conditioning and Refrigeration Industry. For further details, please see “**Industry Overview**” beginning on page 156 of the RHP.

**Intellectual Property:** Our Company has 2 trademark registrations under class 11 of the Trade Marks Act, 1999, as amended. For details, see “**Our Business – Intellectual Property**” beginning on page 228 of the RHP.

**Market Share:** Not ascertainable

**Manufacturing Plant:** We have our Manufacturing plant located at Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area Neemrana, Neemrana, Alwar, Rajasthan 301705.

**Employee Strength:** As on July 31, 2024, we had 553 employees, including 170 full time employees and 383 contractual employees, which are divided into several departments like Design, Finance, Human Resource, Legal Department, Production department, Quality Management team etc. For further information, see “**Our Business – Human Resources**” on page 226 of the RHP.

## BOARD OF DIRECTORS

S. No.	Name	Designation	Experience & Educational Qualification	Other Directorships
1.	<b>Santosh Kumar Yadav</b>	Chairman & Managing Director	He is the Promoter, Chairman and Managing Director of our Company. He holds a diploma in Business Management from Institute of Management Technology, Centre for Distance Learning, Ghaziabad and a Diploma in Mechanical Engineering from the Board of Technical Education, Rajasthan. He has gathered great experience by working as the head of operations department with LLOYD Electric and Engineering Limited. He has more than 19 years of experience in the business of manufacturing heat exchangers and refrigeration units.	<b>Indian companies:</b> 1. KRNCOILS Private Limited 2. KRN HVAC Products Private Limited  <b>Foreign companies:</b> None  <b>LLP:</b> None
2.	<b>Anju Devi</b>	Whole-Time Director	She is the Promoter and Whole Time Director of our Company. She has cleared secondary examination conducted by Board of Secondary Education, Rajasthan in the year 2001. She provided consultancy services in Lloyd Electric and Engineering Limited for 2 years from April 2012 to March 2014 as resident consultant. Later she joined our Company in 2017 and has been associated with us since inception. She looks after the Human Resource Management department of our Company since last 6 years.	<b>Indian companies:</b> 1. KRNCOILS Private Limited 2. KRN HVAC Products Private Limited  <b>Foreign companies:</b> None  <b>LLP:</b> None
3.	<b>Manohar Lal</b>	Non- Executive Director	He is the Promoter and Non-Executive Director of our Company. He passed his Secondary examination, administered by the Board of Secondary Education, Rajasthan in 1995. He has served in the Indian Army for more than 21 years. He has effective leadership skills and motivation skills, and he is enthusiastic with a very futuristic approach towards our company. He joined our Company as a Non-Executive Director in the year 2023.	<b>Indian companies:</b> None  <b>Foreign companies:</b> None  <b>LLP:</b> None
4.	<b>CS Srinivasa Rao Anasingaraju</b>	Independent Director	He is the Independent Director of our Company. He has completed his bachelor's in commerce and master's in commerce from Nagarjuna University. He has also completed his Bachelor's in Laws from Osmania University. He is Cost Accountant (ICWAI) and Company Secretary (ICSI) by qualification. He is a professional member of ICSI Institute of Insolvency Professionals. He is a registered Insolvency Professional under Insolvency and Bankruptcy Board of India, New Delhi. He holds a postgraduate diploma in Personnel Management Industrial Relations and Labour Welfare from Andhra Pradesh Productivity Council, Hyderabad. Earlier he has worked with R.R Bio Energies Limited and PTC Software (India) Pvt Ltd. He has also served as an Assistant Manager-Finance in E2E SerWiz Solutions Limited and with Quick Heal Technologies Limited as Company Secretary and head of legal department. He has an overall experience of 22 years. He joined our Company in 2024.	<b>Indian companies:</b> None  <b>Foreign companies:</b> None  <b>LLP:</b> None
5.	<b>CA Ketan Sharma</b>	Independent Director	He is the Independent Director of our Company. He has completed bachelor's in computer science from Pondicherry University. He is a Chartered Accountant by qualification and carrying the profession of Chartered Accountancy and runs a partnership firm namely Deepti Jain & Co. The firm is providing Audit and Assurance services, Tax Advisory and Compliance Services, Business and Business Advisory Services to its clients. The firm head office is based at Ambala with branches	<b>Indian companies:</b> None  <b>Foreign companies:</b> None  <b>LLP:</b> None



## BOARD OF DIRECTORS

S. No.	Name	Designation	Experience & Educational Qualification	Other Directorships
			at Delhi and Bhiwadi Rajasthan. He has an experience of 10 years. He joined our Company in 2024.	
6.	CA Deepak Batheja	Independent Director	He is the Independent Director of our Company. He has completed Bachelor of Commerce from Mohan Lal Sukhadia University, Udaipur and LLB from University of Rajasthan. He is a Chartered Accountant by qualification and is the founder of M/s Batheja and Company Chartered Accountants, having varied experience in the field of auditing, company law matters and direct taxation as well as indirect tax matters since 2014. He is having an experience of 10 years. He joined our Company in 2024.	Indian companies: None Foreign companies: None LLP: None

For Further details in relation to Our Board of Directors, see “Our Management” beginning on Page No. 244 of RHP.

## OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds of the Fresh Issue towards funding of the following objects, and to achieve the benefits of listing the Equity Shares on Stock Exchanges:

- Investment in our wholly owned subsidiary KRN HVAC Products Private Limited in the form of equity, for setting up a new manufacturing facility at Neemrana, Alwar, Rajasthan (“Proposed Project”)
- General Corporate Purposes.

## Details of means of finance

The fund requirements for each of the objects of the Issue are stated as follows:

(Amount in Lakhs)

S. No.	Particulars	Total estimated cost	Amount already deployed	Amount proposed to be funded from the Net Proceeds <sup>(1)</sup>	Estimated deployment in FY 2024-25
1	Investment in our wholly owned subsidiary, KRN HVAC Products Private Limited in the form of equity for setting up a new manufacturing facility at Neemrana, Alwar, Rajasthan (“Proposed Project”).	27,890.57 <sup>(1)</sup>	3,644.47 <sup>(2)</sup>	24,246.10	24,246.10
2	General Corporate Purposes	[●]	[●]	[●]	[●]
<b>Total</b>		[●]	[●]	[●]	[●]

<sup>(1)</sup> Total estimated cost, as per Detailed Project Report (“DPR”) dated August 20, 2024 prepared and issued by Q-Serv Consultants Private Limited and verified by M/s Keyur Shah & Co. Chartered Accountants in respect of the Proposed Project on August 21, 2024.

<sup>(2)</sup> As of July 15, 2024, the amount deployed towards the proposed project was ₹ 3,644.47 Lakhs, Pursuant to certification by M/s. Keyur Shah & Co., Chartered Accountants, by way of their certificate dated August 16, 2024

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues / rights issues, if any, of the Company in the preceding 10 years - Not Applicable**

**Name of Monitoring Agency – CRISIL Ratings Limited**

**Terms of Issuance of Convertible Security, if any - Not Applicable**

## PRE-ISSUE SHAREHOLDING PATTERN

Particulars	Pre-Issue number of shares	% Holding of Pre-Issue
Promoter and Promoter Group	4,39,99,980	94.39%
Public	26,13,620	5.61%
<b>Total</b>	<b>4,66,13,600</b>	<b>100.00%</b>

**Number/ amount of equity shares proposed to be sold by the selling shareholder, if any – Not Applicable**

## RESTATED AUDITED FINANCIAL STATEMENTS

(Amount in Lakhs)

Particulars	For the Fiscal year ended on March 31		
	2024 (Consolidated)	2023 (Standalone)	2022 (Standalone)
Total Income	31354.12	24988.51	15822.53
Net Profit/ (Loss) before tax and extraordinary items	5573.42	4549.67	1496.72
Net Profit/ (Loss) after tax and extraordinary items	3906.86	3231.35	1059.04

Particulars	For the Fiscal year ended on March 31		
	2024 (Consolidated)	2023 (Standalone)	2022 (Standalone)
Equity share capital	4613.66	4400.00	4400.00
Reserves and Surplus	8551.05	1557.01	2113.15
Net Worth	13164.71	5957.01	2553.15
Basic earnings per share (Rs.)	8.69	7.34	2.41
Diluted earnings per share (Rs.)	8.69	7.34	2.41
Return on Net Worth (%)	29.68%	54.24%	41.48%
Net Asset Value per Share (Rs.)	28.53	13.54	5.80

## INTERNAL RISK FACTORS

The below mentioned risks are the top 5 risk factors as per the RHP:

1. Our revenue from operations has significantly increased from ₹ 15,611.46 Lakhs in FY 2021-22 to ₹ 24,748.08 Lakhs in FY 2022-23 resulting in growth of over 58% (YOY). Similarly, our revenue from operations has further increased from ₹ 24,748.08 Lakhs in FY 2022-23 to ₹ 30,828.31 Lakhs in FY 2023-24 leading to growth of 24% (YOY). Our revenue from operations from last three Financial Years are increasing by Compounded Annual Growth Rate (CAGR) of 25.46%. If we are unable to sustain or manage our growth rate our business operations and results of operations may be adversely affected, and this rate of growth may not be achievable in the future.
2. Our Profit after Tax ("PAT") has significantly increased from ₹ 1,059.04 Lakhs in FY 2021-22 to ₹ 3,231.35 Lakhs in FY 2022-23 resulting in growth of over 205.12% (YOY). Similarly, our PAT has further increased from ₹ 3,231.35 Lakhs in FY 2022-23 to ₹ 3,906.86 Lakhs in FY 2023-24 leading to growth of 20.90% (YOY). Our PAT from the last three financial years is increasing by CAGR of 54.52%. If we are unable to maintain these profit margins in future, our financial condition may be adversely affected.
3. We are dependent on and derive 33.34%, 32.85% and 32.28% of our revenue for the Financial Year 2024, 2023 and 2022 from our single customer namely Daikin Airconditioning India Private Limited and further we derive 72.31%, 70.87% and 75.82% of our revenue from our top 10 key customers for the Financial Year 2024, 2023 and 2022 respectively. Delay or Cancellation of orders by any one or all of our top customers could have a material and adverse effect on our business, results of operations and financial condition.
4. We do not have any long-term agreements with any of our customers. If our customers choose not to source their requirements from us, it would lead to financial instability and operational uncertainty and our business and financial conditions may be adversely affected.
5. We rely on limited number of suppliers and procure 14.94%, 17.29% and 17.46% of our raw materials for the Financial Year 2024, 2023 and 2022 from our largest supplier and further we procure 57.73%, 57.98% and 52.38% of our raw materials from our Top 5 suppliers and 77.99%, 78.48% and 70.07% of our raw material from our top 10 key suppliers for the Financial Year 2024, 2023 and 2022 respectively. Any delay in the supply of our raw materials by these suppliers may adversely affect the results of operations and financial condition.

## SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

## A. Total number of outstanding litigations against the Company and amount involved:

(Amount in Lakhs)

Name of Entity	Criminal Proceedings	Tax Proceedings		Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigation* *	Aggregate amount involved*
		Direct Tax	Indirect Tax				
Company							
By the Company	-	-	-	-	-	1 <sup>#</sup>	13.70 <sup>#</sup>
Against the Company	-	2*	1***	-	-	-	8.57**
Directors, other than Promoters							
By our directors	-	-	-	-	-	-	-
Against the Directors	-	2 <sup>##</sup>	-	-	-	-	0.30
Promoters							
By Promoters	-	-	-	-	-	-	-
Against Promoters	-	-	-	-	-	3^^	Not Quantifiable

\*To the extent quantifiable and ascertainable.

\*\*Amount does not include unquantifiable demand with respect to proposed adjustment in income of ₹ 6,194/- for the A.Y. 2023-24 under Section 143(1) of the Income Tax Act, 1961.

\*\*\*Our Company is in receipt of intimation in the Form GST DRC-01C with respect to difference in input tax credit availed in GSTR-3B and available as per GSTR-2B for the period September 2023 amounting to ₹ 1,46,83,606.30/-. Our Company has furnished reply against such intimation. However, no show cause notice has been issued in respect of said matter under the provisions of the CGST Act.

^^ It consists of: (1) a case filed against our Promoters Anju Devi and Santosh Kumar Yadav and the amount involved is Rs. 14,00,000/- along with interest @15% p.a., (2) an appeal filed by Micro Coils Refrigeration Pvt. Ltd against our Promoter Santosh Kumar Yadav under Section 37 of the Arbitration and Conciliation Act, 1996, (3) a claim has been made before DIAC by Mr. Manoj Kapoor and others, against our Promoter Mr. Santosh Kumar Yadav and the amount involved is Rs. 2,50,00,000/- together with interest at the rate of 18% per annum.

## The Director has paid demand of tax amounting to Rs. 39,760/- in both the cases vide challans dated 03.07.2024, however, interest amounting to Rs. 30,133/- on such demand of tax is pending for payment.

**B. Brief details of top 5 material outstanding litigations against the Company and amount involved: NIL**

**Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any: NIL**

**C. Brief details of outstanding criminal proceedings against Promoters: NIL**

<b>ANY OTHER IMPORTANT INFORMATION AS PER BRLM / COMPANY – NIL</b>
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<b>DECLARATION BY THE COMPANY</b>
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<p>We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Red Herring Prospectus are true and correct.</p>
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