



INDEPENDENT AUDITOR'S REPORT

To
The Members of
KRN Heat Exchanger and Refrigeration Limited,
(Formerly Known as KRN Heat Exchanger and Refrigeration Private Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **KRN Heat Exchanger And Refrigeration Limited** (Formerly Known as KRN Heat Exchanger And Refrigeration Private Limited) (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiaries together referred to as "the Group"), which comprises of the Consolidated Balance sheet as at 31st March, '24, the Consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and Consolidated Statement of Cash flows for the year ended, and Notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our knowledge and according to the explanations given to us, the aforesaid Consolidated Financial Statements gives the information required by the Companies Act, 2013, in the manner so required, and gives true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, '24, their Consolidated Profit (including other comprehensive income), consolidated statement of changes in equity and their Consolidated Statement of Cash flows for the year ended 31st March, '24.

Basis for Opinion

We have conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India, the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on financial statement.



are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are Independent Auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.



We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended 31st March, '24 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements / financial information of subsidiary, whose financial statements / financial information reflect total assets of Rs. 6,957.55 Lakhs as at 31st March, '24, revenue from operations of Rs. 23.62 Lakhs, and net cash inflow of Rs. 14.73 Lakhs for the year ended 31st March, '24 as considered in the consolidated financial statements. These annual financial statements of the subsidiary have been audited by its respective independent auditor. The independent auditor's report on the financial statements of the aforesaid subsidiary have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiary, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.



- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statement have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the consolidated financial statement.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rule, 2015 as amended.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, '24 taken on record by the Board of Directors of the Holding Company and subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, '24 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to these consolidated financial statements of the holding company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer note 34 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its Subsidiary companies incorporated in India.
 - iv.
 - a) The respective management of the holding company and its subsidiary company which is incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in note 45 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or such subsidiary



company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the respective Holding Company or such subsidiary company ("Ultimate Beneficiaries") or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- b) The respective management of the holding company and its subsidiary company which is incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in note 45 to the consolidated financial statements, no funds have been received by the Holding Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - Provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatements.
- v. The dividend has not been declared or paid during the year by the Group. Hence, compliance of the Section 123 of the Act is not applicable.
- (h) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.
- (i) Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries, associates and joint ventures/joint operations which are companies incorporated in India whose financial statements have been audited under the Act,



the company, subsidiaries, associates and joint ventures/joint operations have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries, associates and joint ventures/joint operations did not come across any instance of audit trail feature being tampered with.

For Keyur Shah & Co.
Chartered Accountants
FRN.: 141173W



Keyur Shah
Proprietor
Membership No.: 153774
UDIN:- 24153774BKBOAC7043

Date: 03rd August, '24
Place: Ahmedabad

With reference to the "Annexure A" referred to in the Independent Auditors' Report on Consolidated Financial Statements of KRN Heat Exchanger And Refrigeration Limited (Formerly Known as KRN Heat Exchanger And Refrigeration Private Limited) for the year ended 31st March, '24.

According to the information and explanations given to us, companies incorporated in India and included in the Consolidated Financial Statements, there have been no remarks included in their reports under Companies (Auditor's Report) Order, 2020 ("CARO"), which have been reproduced as per the requirements of the Guidance Note on CARO 2020, issued by Institute of Chartered Accountants of India.

"Annexure B" to the Independent Auditor's Report on Consolidated Financial Statements of KRN Heat Exchanger And Refrigeration Limited (Formerly Known as KRN Heat Exchanger And Refrigeration Private Limited) for the year ended 31st March, '24.

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of KRN Heat Exchanger and Refrigeration Limited (Formerly Known as KRN Heat Exchanger And Refrigeration Private Limited) as of and for the period ended 31st March, '24, we have audited the internal financial controls over financial reporting of KRN Heat Exchanger and Refrigeration Limited (hereinafter referred to as the "Holding Company") and its subsidiary, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company, its subsidiaries, which are companies incorporated in India, internal financial controls over financial reporting with reference to these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both, issued by ICAI, and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with



ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these Consolidated Financial Statements.

Meaning of Internal Financial Controls with Reference to these Consolidated Financial Statements

A Company's internal financial control over financial reporting with reference to these Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

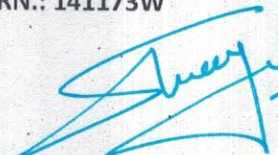


Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph below, the Holding Company, its subsidiary, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements and such internal financial controls over financial reporting with reference to these Consolidated Financial Statements were operating effectively as at 31st March, '24, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Keyur Shah & Co.
Chartered Accountants
FRN.: 141173W




Keyur Shah
Proprietor
Membership No.: 153774
UDIN:- 24153774BKBOAC7043

Date: 03rd August, '24
Place: Ahmedabad

KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
(Formerly Known as KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED)
Consolidated Balance Sheet as at 31st March, 2024

			(Rs. in Lakhs)
Sr. No.	Particulars	Note No.	As at 31st March, 2024
I	ASSETS		
A	Non-Current Assets		
	a) Property Plant & Equipments and Intangible asset	2A	5,182.46
	b) Right of Use Assets	2B	2,987.63
	c) Capital Work-in-progress	2C	444.76
	d) Financial Assets		
	- Other Financial Assets	3	149.33
	Total Non-Current Assets		<u>8,764.18</u>
B	Current Assets		
	a) Inventories	4	8,440.52
	b) Financial Assets		
	- Trade receivables	5	5,243.87
	- Cash and Cash Equivalents	6	1,030.81
	- Other Bank Balances	7	568.69
	- Loans	8	53.47
	- Other Financial Assets	9	13.72
	c) Other Current Assets	10	1,626.99
	Total Current Assets		<u>16,978.07</u>
	TOTAL ASSETS		<u>25,742.25</u>
II	EQUITY AND LIABILITIES		
1	EQUITY		
	a) Equity Share capital	11	4,613.66
	b) Other Equity - attributable to owners of the company	12	8,414.81
	Total Equity		<u>13,028.47</u>
2	Minority Interest		0.05
3	LIABILITIES		
A	Non-Current Liabilities		
	a) Financial Liabilities		
	- Long Term Borrowings	13	1,296.94
	- Long Term Lease Liabilities	14	1,636.05
	b) Long Term Provisions	15	69.15
	c) Deferred Tax Liabilities (Net)	16	13.00
	Total Non-Current Liabilities		<u>3,015.14</u>
B	Current Liabilities		
	a) Financial Liabilities		
	- Short Term Borrowings	17	4,672.25
	- Short Term Lease Liabilities	18	1,090.72
	- Trade payables	19	
	(i) Total outstanding dues of other than Micro Enterprise and Small Enterprises		3,090.39
	(ii) Total outstanding dues of Micro Enterprise and Small Enterprises		570.01
	b) Short-Term Provisions	20	125.26
	c) Other Current Liabilities	21	110.54
	d) Current Tax Liabilities (Net)	22	39.42
	Total Current Liabilities		<u>9,698.59</u>
	Total Liabilities		<u>12,713.73</u>
	TOTAL EQUITY & LIABILITIES		<u>25,742.25</u>
	The accompanying notes are integral part of these Consolidated financial statements	1-45	

As per report of even date
For, Keyur Shah & Co.
F.R. No: 141173W
Chartered Accountants

Keyur Shah
Proprietor
M.No. 153774



For and on the behalf of Board of Directors
For KRN Heat Exchanger and Refrigeration Limited

Santosh Kumar Yadav
Chairman & Managing Director
(DIN: 07789940)

Praveen Kumar
Company Secretary
(PAN:- CJKPK0140E)

Anju devi
Whole Time Director
(DIN: 06858442)

Sonu Gupta
Chief Financial Officer
(Pan: ANIPG2743D)

Date :- 03rd August, 2024
Place :- Ahmedabad

Date :- 03rd August, 2024
Place :- Neemrana

KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

(Formerly Known as KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED)

Consolidated Statement of Profit & Loss for the Year ended 31st March, 2024

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	Year ended 31st March, 2024
I	Income		
	a) Revenue from operations	23	30,828.31
	b) Other income	24	545.78
	Total Income		31,374.09
II	Expenses		
	a) Cost of materials consumed	25	22,683.35
	b) Changes in Inventories of Finished Goods, Work-In Progress and Stock-In-Trade	26	(457.77)
	c) Employee Benefit Expenses	27	1,310.41
	d) Finance costs	28	398.58
	e) Depreciation and amortization expense	29	399.05
	f) Other Expenses	30	1,447.08
	Total Expenses		25,780.70
III	Profit Before Exceptional Prior Period Item Tax (I-II)		5,593.39
IV	Prior Period Item		-
V	Profit Before Tax (III-IV)		5,593.39
VI	Tax Expense		
	a) Current tax	31	1,688.80
	b) Deferred tax (Liability) / Assets	31	(16.48)
	c) Income Tax (Prior Period)	31	(17.92)
	Total Tax Expenses		1,654.40
VII	Profit After Tax (PAT) (V-VI)		3,938.99
VIII	Other Comprehensive (Income) / Expense		
	a) Items that will not be reclassified to Profit & Loss		5.92
	Income tax in respect of above		(1.72)
	b) Items that may be reclassified to Profit & Loss		-
	Income tax in respect of above		-
	Total Other Comprehensive Income		4.20
IX	Total Comprehensive Income for the Year (VII-VIII)		3,934.79
X	Earnings per equity share of Rs. 10/- each (in Rs.)		
	a) Basic/ Diluted	32	8.76
	b) Adjusted	32	8.76
	Notes to Account	1-45	

As per report of even date
For, Keyur Shah & Co.
F.R. No: 141173W
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For and on the behalf of Board of Directors
For KRN Heat Exchanger and Refrigeration Limited

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Sonu Gupta
Chief Financial Officer
(Pan: ANIPG2743D)

Date :- 03rd August, 2024
Place :- Ahmedabad

Date :- 03rd August, 2024
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KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
(Formerly Known as KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED)

Consolidated Cashflow Statement for the Year ended on 31st March, 2024

Particulars	(Rs. in Lakhs) As at 31st March, 2024
CASH FLOW FROM OPERATING ACTIVITIES	
Net profit Before Tax and Extraordinary Items	5,593.39
Adjustments For:	
Depreciation	399.05
Adjustment Related to OCI	(5.92)
Interest Received	(61.41)
Adjustment to Free Reserves & Surplus	249.03
Interest and Finance Charges	398.58
Operating Profit before working capital changes	6,572.72
Adjustment For:	
Changes in Inventories	(2,932.09)
Changes in Trade receivables	(1,378.55)
Changes in Other Financial Asset	3.94
Changes in Other Current Asset	(550.96)
Change in Other Bank Balance	236.31
Changes in Trade Payables	(1,280.57)
Changes in Short Term Provisions	8.09
Changes in Current Tax Liabilities/Asset (Net)	185.18
Changes in Long Term Provisions	33.69
Changes in Other Current Liabilities	2,685.05
Cash Generated from Operations	3,582.81
Taxes Paid	(1,670.88)
Net Cash From / (Used In) Operating Activities (A)	1,911.93
Cash Flow From Investing Activities	
(Purchase) / Sale of Fixed Assets/ Capital Work In Progress	(5,799.25)
Advance for capital Goods	(832.99)
Changes in Other Financial Asset	(76.50)
Interest Received	61.41
Changes in Other Non-Current Asset	11.00
Net Cash From / (Used In) Investing Activities (B)	(6,636.33)
Cash Flow From Financing Activities	
Interest and Finance Charges	(398.58)
Proceeds / (Repayments) from Fresh Issue of Share	3,056.07
Changes in Short Term Borrowing	2,661.68
Changes in Short-term loans and advances	47.26
Changes in Long Term Borrowing	(356.92)
Net Cash From Financing Activities (c)	5,009.51
Net Increase / (Decrease) in Cash (A)+(B)+(C)	285.11
Cash and Cash equivalents at the beginning of the year	745.70
Cash and Cash equivalents at the end of the year	1,030.81

NOTE: The above cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 - statement of cash flows.

As per report of even date
For, Keyur Shah & Co.
F.R. No: 141173W
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For and on the behalf of Board of Directors
For KRN Heat Exchanger and Refrigeration Limited

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Date :- 03rd August, 2024
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Date :- 03rd August, 2024
Place :- Neemrana

KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

(Formerly Known as KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED)

Consolidated statement of changes in equity for the Year ended on 31st March, 2024

A. Equity Share Capital

(Rs. in Lakhs)

Particulars	Amount
As at 1 April 2023	4,400.00
Changes in Equity Share Capital due to prior period errors	-
Changes in Equity Share Capital during the year	213.66
As at 31 March 2024	4,613.66

B. Other Equity

(Rs. in Lakhs)

Particulars	Reserves & Surplus		Deferred Revenue Grant Income	Other Comprehensive Income	Total
	Retained earnings	Securities premium			
Balance as at 1 April, 2023	768.92	-	619.87	(0.16)	1,388.63
Changes in accounting policy or prior period errors	-	-	-	-	-
Net Profit/ (Loss) during the Year	3,938.99	-	-	-	3,938.99
Bonus Issue	-	-	-	-	-
Deferred Revenue Subsidy Income	-	-	-	-	-
Changes during the year	-	2,842.36	249.03	-	3,091.39
Remeasurement Gain/(Loss) on defined benefit plan (net of tax)	-	-	-	(4.20)	(4.20)
Total Comprehensive Income/ (Expense)	3,938.99	2,842.36	249.03	(4.20)	7,026.19
Balance as at 31 March, 2024	4,707.92	2,842.36	868.90	(4.36)	8,414.82

Nature and Purpose of Reserves

(a) Securities Premium: The amount received in excess of face value of the equity shares is recognised in securities premium reserve.

(b) Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions to shareholders.

The accompanying notes are integral part of these Consolidated financial statements

As per report of even date

For, Keyur Shah & Co.

F.R. No: 141173W

Chartered Accountants

Keyur Shah
Proprietor
M.No. 153774**For and on the behalf of Board of Directors**

For KRN Heat Exchanger and Refrigeration Limited

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(DIN: 06858442)Sonu Gupta
Chief Financial Officer
(Pan: ANIPG2743D)

Date :- 03rd August, 2024

Place :- Ahmedabad

Date :- 03rd August, 2024

Place :- Neemrana

KRN heat Exchanger And Refrigeration Limited

(Formerly Known as KRN heat Exchanger And Refrigeration Private Limited)

(Consolidated Financial Statements as at 31st March '24)

NOTE - 1 - Notes to the Consolidated Financial Statements for the year ended on 31st March '24

1.1 Group Overview:

KRN heat Exchanger And Refrigeration Limited ('the holding Group'/'Group') is a limited Group (Formerly known as KRN heat Exchanger And Refrigeration Private Limited) domiciled and incorporated in India. The registered office of the Group is located at Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area Neemranan RJ 301705, Rajasthan, India.

The Group is engaged in the activity of manufacturing and sale of Heating Ventilation & Air conditioning (HVAC) parts & accessories.

Following are the details of the subsidiaries consolidated in these financial statements:

Name of the entity	Country of Incorporation	% Equity interest 31 st March '24
KRN HVAC PRODUCTS PRIVATE LIMITED	India	99.99%

Principal of Consolidation :-

The Consolidated financials statements related to KRN Heat Exchanger and Refrigeration Limited ("the company") and its WOS (wholly owned subsidiary) subsidiary entity viz KRN HVAC Products Private Limited (Together would be called as "Group"). The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the company and its subsidiary entity, used in the consolidation are drawn up to the same date as that of the company i.e 31st March '24.
- The financial statements of the Company and its subsidiary entity have been combined on line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealized profit or losses, unless cost cannot be recovered.
- The excess of cost to the company of its investment in the subsidiary entity over its share of equity of the subsidiary entity, at the date on which the investment in the subsidiary entity were made, is recognized as 'Goodwill' being an asset in the consolidated financial statement and is tested for impairment on annual basis.
- Goodwill arising on consolidation is not amortized but tested for impairment.
- The consolidated financial statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements.



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1.2 General Information & Statement of Compliance with Ind AS:

These financial statements are the separate financial statements of the Group (also called as consolidated financial statements) prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

1.3 Significant Accounting Policies:

1.3.1 Basis of Preparation and Presentation

The Consolidated Financial Statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- (a) Certain Financial Assets and Liabilities (including derivative instruments if any), and
- (b) Defined Benefit Plans – Plan Assets
- (c) Certain Property Plant And Equipment Which are Revalued (if any).

The financial statements of the Group have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

The Group's Consolidated Financial Statements are presented in Indian Rupees, which is also its functional currency.

1.3.2 Basis of consolidation

The consolidated financial statements have comprised financial statements of the Holding Group and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable. The Group combines the financial statements of the Holding Group and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intergroup transactions, balances and unrealized gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group i.e. its subsidiaries. It also includes the Group's share of profits, net assets and retained post-acquisition reserves of subsidiaries that are consolidated using the equity or proportionate method of consolidation, as applicable.



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Control is achieved when the Group is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power to direct the relevant activities of the entity.

Wherever necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

Intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-Controlling interest in net profits or losses of consolidated subsidiaries for the Period is identified and adjusted against the income or loss in order to arrive at the net income or loss attributable to the shareholders of the Company. Non-Controlling interest in the net assets of the consolidated financial statements consists of the amount of equity attributable to the Non-Controlling shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of initial investments as stated above.

The difference between the cost to the group of investment in subsidiaries and the proportionate share in the equity of the investee Company as at the date of acquisition of stake is recognized in the consolidated financial statements as goodwill or capital reserve, as the case may be. Goodwill arising on consolidation is tested for impairment annually. The proportionate share in equity has been calculated by time proportioning the adjusted profits/losses of the subsidiary Company.

1.3.3 Fair Value Measurement

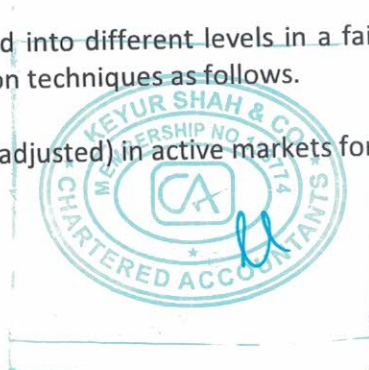
Some of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.



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Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.3.4 Current and Non-Current Classification

The Group presents assets and liabilities in the Balance Sheet based on Current /Non-Current classification.

An asset is treated as Current when it is –

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.3.5 Property, Plant and Equipment

(a) Tangible Assets

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.



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period in which it is decided to abandon such project. Any advance given towards acquisition of Property, Plants and Equipment outstanding at each balance sheet date is disclosed as "Other Non-Current Assets".

(c) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Intangible Assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Amortization

The amortization expenses on Intangible assets with the finite lives are recognized in the Statement of Profit and Loss. The Group's intangible assets comprises assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life.

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at each financial year end and adjusted prospectively, if appropriate.

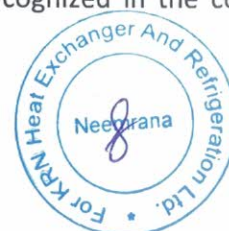
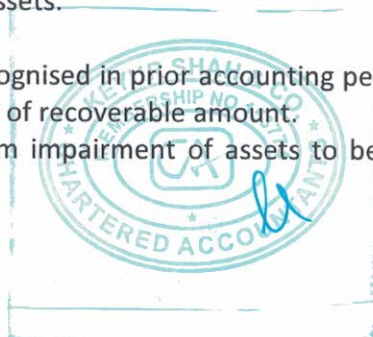
1.3.6 Impairment of Non-Financial Assets – Property, Plant and Equipment and Intangible Assets

The Group assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

There are no losses from impairment of assets to be recognized in the consolidated financial statements.



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1.3.7 Investment Properties

Investment properties (if any), are measured initially at cost, including transaction costs. Subsequent to initial recognition. Items of investment properties are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Investment properties are depreciated on straight line method on pro-rata basis at the rates specified therein. Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Long-term investments are stated at cost. Provision for diminution in the value of Long-Term investment is being made only if such decline is of other than temporary in nature in the opinion of management. Current investments are stated at lower of cost or fair value.

1.3.8 Inventories

Inventory includes raw material, work in progress, finished goods and stock in trade.

- a) Inventories values at lower of cost or net realisable value. Cost includes purchase price, taxes (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average method is used.
- b) Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.
- c) The comparison of cost or net realisable value is made on item by item basis.
- d) Stock of Finished Goods and Work in Progress are valued at lower of cost or net realizable value and cost is determined by taking material, labour and related overheads
- e) Scrap is valued at net realizable value.

1.3.9 Borrowing Costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are



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capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

1.3.10 Employee Benefits

(A) Short-Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

(B) Post-Employment Benefits

(i) Defined Contribution Plans

The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

(ii) Defined Benefit Plans

(a) Gratuity Scheme: The Group pays gratuity to the employees who have completed five years of service with the Group at the time of resignation/superannuation. The gratuity is paid @ 15 days basic salary and dearness allowances for every completed year of service as per the Payment of Gratuity Act, 1972. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income.

(iii) Other Long - Term Employee Benefits

Entitlement to annual leave is recognized when they accrue to employees.

1.3.11 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration



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entitled in exchange for those goods or services.

The Group has generally typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised on when the services are rendered and related cost are incurred over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

Export Incentives

Export incentive revenues are recognized when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection.

Interest Income

Interest Income from a Financial Assets is recognised using effective interest rate method.

Dividend Income

Dividend Income is recognised when the Group's right to receive the amount has been established.

Surplus / (Loss) on disposal of Property, Plants and Equipment / Investments

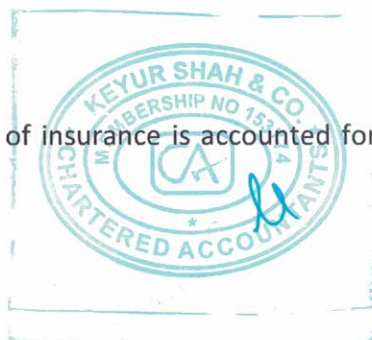
Surplus or loss on disposal of property, plants and equipment or investment is recorded on transfers of title from the Group, and is determined as the difference between the sales price and carrying value of the property, plants and equipment or investments and other incidental expenses.

Rental Income

Rental income arising from operating lease on investments properties is accounted for on a straight - line basis over the lease term except the case where the incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

Insurance Claim

Claim receivable on account of insurance is accounted for to the extent the Group is



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reasonably certain of their ultimate collections.

Other Income

Revenue from other income is recognized on accrual basis.

1.3.12 Foreign Currency Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalised as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

1.3.13 Government Grants and Subsidies

Grants in the nature of subsidies which are non-refundable are recognized as income where there is reasonable assurance that the Group will comply with all the necessary conditions attached to them. Income from grants is recognized on a systematic basis over periods in which the related costs that are intended to be compensated by such grants are recognized.

Refundable government grants are accounted in accordance with the recognition and measurement principle of Ind AS 109, "Financial Instruments". It is recognized as income when there is a reasonable assurance that the Group will comply with all necessary conditions attached to the grants. Income from such benefit is recognized on a systematic basis over the period of the grants during which the Group recognizes interest expense corresponding to such grants.

1.3.14 Financial Instruments – Financial Assets

(A) Initial Recognition and Measurement

All Financial Assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.



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(B) Subsequent Measurement

a) Financial Assets measured at Amortised Cost (AC)

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

Further, the Group, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Group has made such election on an instrument-by-instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Group recognizes dividend income from such instruments in the Statement of Profit and Loss.

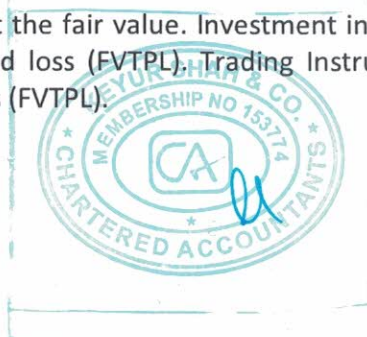
c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories is measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Group changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

(C) Investments

Investments are classified in to Current or Non-Current Investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as Current Investments. All other Investments are classified as Non - Current Investments. However, that part of Non - Current Investments which are expected to be realized within twelve months from the Balance Sheet date is also presented under "Current Investments" under "Current portion of Non-Current Investments" in consonance with Current/Non-Current classification of Schedule - III of the Act.

All the equity investment which covered under the scope of Ind AS 109, "Financial Instruments" is measured at the fair value. Investment in Mutual Fund is measured at fair value through profit and loss (FVTPL). Trading Instruments are measured at fair value through profit and loss (FVTPL).



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(D) Investment in Subsidiaries, Associates and Joint Ventures

The Group has accounted for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any).

(E) Impairment of Financial Assets

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

1.3.15 Financial Instruments – Financial Liabilities

(A) Initial Recognition and Measurement

All Financial Liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

(B) Subsequent Measurement

Financial Liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.3.16 Derivative Financial Instruments and Hedge Accounting

The Group enters into derivative contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial assets measured at amortised cost.

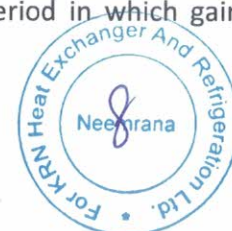
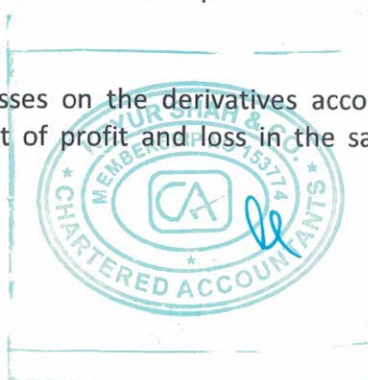
The Group formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognised financial assets ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Group's Risk Management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a cash flow hedge under Ind AS 109, 'Financial Instruments'.

Recognition and measurement of cash flow hedge:

The Group strictly uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. As per Ind AS 109 - Financial Instruments, foreign currency forward contracts are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in hedge reserve (under reserves and surplus) through other comprehensive income and the ineffective portion is recognised immediately in the statement of profit and loss.

The accumulated gains / losses on the derivatives accounted in hedge reserve are transferred to the statement of profit and loss in the same period in which gains /



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losses on the underlying item hedged are recognised in the statement of profit and loss.

Derecognition:

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. When hedge accounting is discontinued for a cash flow hedge, the net gain or loss will remain in hedge reserve and be reclassified to the statement of profit and loss in the same period or periods during which the formerly hedged transaction is reported in the statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gains / losses recognised in hedge reserve is transferred to the statement of profit and loss.

Fair Value Hedge:

The Group designates derivative contracts or non-derivative Financial Assets/Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

1.3.17 Derecognition of Financial Instruments

The Group derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial liability (or a part of a financial liability) is derecognised from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.3.18 Financial Instruments – Offsetting

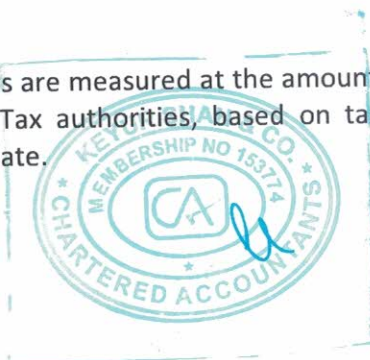
Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Group has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

1.3.19 Taxes on Income

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

(a) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.



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(b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Presentation

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

1.3.20 Segment Reporting

Segments are identified having regard to the dominant source and nature of risks and returns and the internal organization and management structure. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman and Managing Director (CMD) of the Company have been identified as the Chief Operating Decision Maker (CODM).

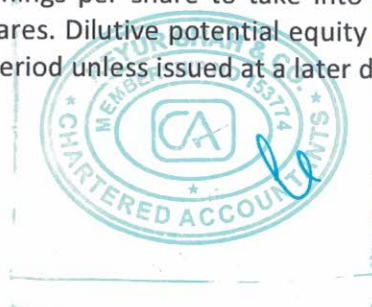
1.3.21 Research and Development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss as and when incurred.

Development costs are capitalised as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss.

1.3.22 Earnings per Share

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.



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1.3.23 Provisions, Contingent Liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

1.3.24 Events after Reporting Date

Where events occurring after the Balance Sheet date provide evidence of condition that existed at the end of reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

1.3.25 Non – Current Assets Held For Sales

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable.

A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification.

Non-current assets held for sale are neither depreciated nor amortised.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of sale and are presented separately in the Balance Sheet.

1.3.26 Cash Flows Statement

Cash Flows Statements are reported using the method set out in the Ind AS – 7, "Cash Flow Statements", whereby the Net Profit / (Loss) before tax is adjusted for the effects of the transactions of a Non-Cash nature, any deferrals or accrual of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.



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1.3.27 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.3.28 (A) Amendments to Schedule III of Companies Act, 2013

On 24 March, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development
- If a Group has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Group, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, etc.

Statement of profit and loss:

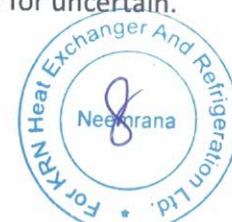
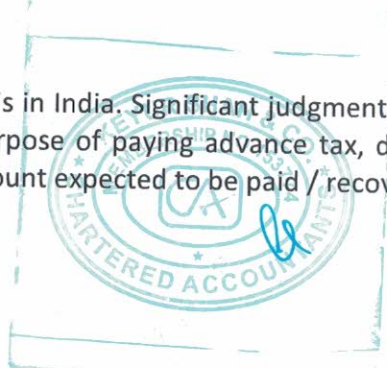
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

1.4 Critical Accounting Judgments and Key Sources of Estimation Uncertainty:

The preparation of the Group's Financial Statements requires management to make judgment, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

1.4.1 Income Tax

The Group's tax jurisdiction is in India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the income tax provisions, including the amount expected to be paid / recovered for uncertain.



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1.4.2 Property Plant and Equipment/ Intangible Assets

Estimates are involved in determining the cost attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Property, Plant and Equipment/Intangible Assets are depreciated/amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful life and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

1.4.3 Defined Benefits Obligations

The costs of providing Gratuity and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS – 19, "Employee Benefits" over the period during which benefit is derived from the employees' services. It is determined by using the Actuarial Valuation and assessed on the basis of assumptions selected by the management. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. Due to complexities involved in the valuation and its long term in nature, a defined benefit obligation is highly sensitive to change in these assumptions. All assumptions are reviewed at each balance sheet date.

1.4.4 Fair value measurements of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgments and assumptions.

1.4.5 Recoverability of Trade Receivables

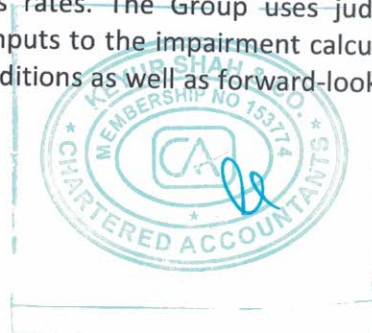
Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

1.4.6 Provisions

The timing of recognition and quantification of the liability (including litigations) requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

1.4.7 Impairment of Financial and Non – Financial Assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.



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In case of non-financial assets Group estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

1.4.8 Recognition of Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Group uses judgment to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.



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Notes to the Consolidated Financial Statements for the Year ended on 31st March, 2024

Note - 2 : Property Plant & Equipments and Intangible asset

A. PROPERTY, PLANT & EQUIPMENTS

Particulars	Land	Land (Leasehold)	Factory Building	Solar Plant	Plant & Machinery	Tools and Dies	Electric Installation	Furniture & Fixture	Vehicles	Computers	Office Equipment	(Rs. in Lakhs)	
												Total	Total
Gross Block													
As at 31 March 2023		887.43	436.70	147.13	1,723.63	613.85	58.07	22.22	153.70	32.61	49.95		4,125.29
Additions	60.79	1,659.93	164.82	-	699.28	60.87	22.77	0.77	-	35.38	8.62		2,713.23
Disposals/ Adjustments		347.83											
As at 31 March 2024	60.79	2,199.53	601.52	147.13	2,422.91	674.72	80.84	22.99	153.70	67.99	58.57		6,425.89
Accumulated Depreciation													
As at 31 March 2023	-	15.70	50.91	18.74	409.89	327.20	16.77	5.93	38.27	11.38	15.85		910.64
Depreciation charge for the Year	-	6.63	21.46	9.35	175.16	136.71	7.17	2.15	18.30	11.95	10.17		399.05
Reversal on Disposal/ Adjustments	-	1.46	-	-	-	-	-	-	-	-	-		
As at 31 March 2024	-	20.87	72.37	28.09	585.05	463.91	23.94	8.08	56.57	23.33	26.02		1,308.23
Net Block													
Balance as on 31 March 2023	-	871.73	385.79	128.39	1,313.74	286.65	41.30	16.29	115.43	21.23	34.10		3,214.65
Balance as on 31 March 2024	60.79	2,178.66	529.15	119.04	1,837.86	210.81	56.90	14.91	97.13	44.66	32.55		5,182.46

* Leasehold land located at Plot No. SP1-24 Industrial Area Kollia Joga, Neemrana Dist. Alwar (Rajasthan), is on a lease of 99 years. The operation is not yet started at such place, therefore amortization of land will be done after the start of operation on the remaining period of lease.



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Consolidated Statement of Profit & Loss for the Year ended 31st March, 2024

Note - 2B : Right of Use

Particulars	ROU	Total
Gross Block		
As at 31 March 2023	-	-
Additions	2,987.63	2,987.63
Disposals/ Adjustments		
As at 31st March 2024	2,987.63	2,987.63
Accumulated Depreciation		
As at 31 March 2023	-	-
Depreciation charge for the year	-	-
Reversal on Disposal/ Adjustments	-	-
As at 31st March 2024	-	-
Balance as on 31 March 2023	-	-
Balance as on 31 March 2024	2,987.63	2,987.63



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
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 Consolidated Statement of Profit & Loss for the Year ended 31st March, 2024

Note - 2C : Capital Work In Progress

Particular	Asset In WIP	Total
Gross Block		
As at 31 March 2023		
Additions	-	-
Disposals/ Adjustments	444.76	444.76
As at 31st March 2024	-	-
	444.76	444.76

C(i). CAPITAL WORK IN PROGRESS AGEING SCHEDULE

Particulars	As at 31 March, 2024
Less than 1 year	444.76
1 to 2 years	-
2 to 3 years	-
More than 3 Years	-



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Notes to the Consolidated Financial Statements for the year ended on 31st, March 2024

Note - 3 Other Financial Assets- Non Current

Particulars	(Rs. in Lakhs)
	As at 31st March, 2024
Unsecured	
Security Deposits Others	81.33
Doubtful Receivable	68.00
Total	149.33

Note - 4 - Inventories

Particulars	(Rs. in Lakhs)
	As at 31st March, 2024
Raw materials	6,788.74
Work-in-progress	680.31
Finished goods/ Stock in Trade	971.47
Total	8,440.52

Note :- Raw Materials, Work in Progress and Stores and Spares are valued at Landed Cost. Finished Goods and Scrap are valued at cost or net realisable value which ever is less.

Note - 5 - Trade Receivables - Current

Particulars	(Rs. in Lakhs)
	As at 31st March, 2024
Considered Goods	5,282.89
Less: Allowance for Expected Credit Loss	(39.02)
Total	5,243.87

Refer Note No :- 43 Trade Receivables Ageing Schedule

Note - 6 - Cash & Cash Equivalents

Particulars	(Rs. in Lakhs)
	As at 31st March, 2024
Cash and Cash Equivalents	
Cash in Hand	1.27
Bank Balance	
In Current Accounts	26.54
In Deposit Accounts (maturity within 3 months from reporting date)	1,003.00
Total	1,030.81

Note: Cash-in-Hand is taken as certified by the management.

Note - 7 - Other Bank Balances

Particulars	(Rs. in Lakhs)
	As at 31st March, 2024
Balances with bank in Fixed deposit accounts (maturity More than 3 months but less than 12th Months from reporting date)	568.69
Total	568.69

Note:- Balance represent in fixed deposit accounts are held as pledged against credit facility.

Note - 8 - Loans

Particulars	(Rs. in Lakhs)
	As at 31st March, 2024
Loans & Advances	
Loans to Staff	7.54
Loans to Related Parties	45.93
Total	53.47



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Notes to the Consolidated Financial Statements for the year ended on 31st, March 2024

Note - 9 - Other Financial Assets

Particulars	(Rs. in Lakhs)	
	As at	31st March, 2024
Interest Receivable from FD		11.60
Other Receivable		2.12
Total		13.72

Note - 10 - Other Current Assets

Particulars	(Rs. in Lakhs)	
	As at	31st March, 2024
Loans & Advances		917.70
Advance to Suppliers		
Others		13.59
Prepaid Expenses		227.55
Prepaid IPO Expenses		130.80
GST Receivable		75.31
Advance Custom Duty		262.04
Subsidy Receivable		1,626.99
Total		1,626.99

Note - 11 - Equity Share Capital

Particulars	(Rs. in Lakhs)	
	As at	31st March, 2024
Authorised		6,600.00
660,00,000 (Previous Year 660,00,000) Equity Shares of Rs. 10 each		6,600.00
Issued, Subscribed & Paid up		4,613.66
4,61,36,600 (Previous Year 4,40,00,000) Equity Shares of Rs. 10		4,613.66
Total		4,613.66

Notes :

- The company has further raised the paid up capital by issuing 21,36,600 (Twenty One Lakhs Thirty Six Thousand Six Hundred) Equity Shares of the face value of INR 10/- (Rupees Ten) through private placement by passing special resolution in EGM held at the registered office of the company on September 25th, 2023. The shares were allotted to the new shareholders vide board resolution dated October 21st, 2023
- The Company has increased its authorized share capital from Rs 6600.00 Lakhs to 7200.00 Lakhs vide resolution passed at the EGM of the company held at the registered office of the company on December 23rd, 2023.

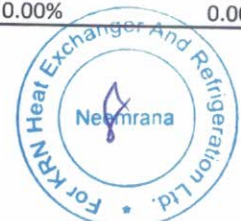
Notes :

a) Details of Shares held by each shareholder holding more than 5% of share capital

PARTICULARS	As at 31st March, 2024	
	No of Shares	% held
Equity Shares		
Santosh Kumar Yadav	2,02,99,950.00	44.00%
Anju Devi	2,37,00,000.00	51.37%

b) Details of Shares held by Promoter of the company and change in stake of the company during the year

PARTICULARS	As at 31st March, 2024		
	No of Shares	% held	% Change
Equity Shares			
Santosh Kumar Yadav	2,02,99,950.00	44.00%	-2.14%
Anju Devi	2,37,00,000.00	51.37%	-2.49%
Manohar Lal	10.00	0.00%	0.00%



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Notes to the Consolidated Financial Statements for the year ended on 31st, March 2024

Note - 12 - Other Equity

Particulars	(Rs. in Lakhs)	
	As at	
	31st March, 2024	
Retained Earning		
Balance at the beginning of the year		768.92
Add: Net Profit/(Net Loss) For the year		3,938.99
Balance at the end of the year		4,707.91
Securities Premium Reserve		
Balance at the beginning of the year		3,033.97
Add : Securities premium credited on share issue		(191.61)
Less: Expenses for issue of equity shares during the year		2,842.36
Balance at the end of the year		2,842.36
TOTAL		7,550.27
Other Comprehensive Income (OCI)		
Balance at the beginning of the year		(0.16)
Changes during the year		(4.20)
Balance at the end of the year		(4.36)
Deffered Revenue Grant Income(DGI)		
Balance at the beginning of the year		619.87
Changes during the year		249.03
Balance at the end of the year		868.90
Total Other Equity		8,414.81

Note - 13 - Long Term Borrowings

Particulars	(Rs. in Lakhs)	
	As at	
	31st March, 2024	
Secured Borrowings		
From Banks and NBFC		1,629.41
Less: Current Maturity		(329.53)
Less: IND AS Transaction Cost Adjustment		(3.19)
Total		1,296.69
Loans from Directors & Related Parties		
KRN Heat Exchanger & Refrigeration Limited		-
Santosh Kumar Yadav		0.25
Total		0.25
Total		1,296.94

Note :-Refer Note Number 13(A) and 13(B) for term & Condition related to Borrowing Taken By Company

Note - 14 - Long Term Lease Liabilities

Particulars	As at	
	31st March, 2024	
Lease Liabilities		1,636.05
Total		1,636.05

Note :-Refer Note Number-37 for Lease Liabilities



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 Notes to the Consolidated Financial Statements for the year ended on 31st, March 2024

13 (A) Long Term Borrowings (Secured)

SNo.	Lender	Credit Facility	Type of Limit	Amt in Lakh	Outstanding as on 31st March, 2024	Rate of Interest/Margin	Repayment Terms	Security / Principal terms and conditions	Collateral Security / Other Condition	(Rs. in Lakhs)
1	SBI	Term Loan	Main	99.50	2.87	9.55%	85 M	All the plant and machinery related to roof top solar project of Residential Flat No. G 1105, 11th Floor, Tower G, Terra 350kwp installed in the factory of the company including but Heritage, Sector 51, Village Banbeerpur, Tehsil Tijara, Alwar in not limited to wires, inverters, cables, transformers, walkways. the name of Smt Anju Devi		
2	HDFC	Vehicle	Main	83.60	59.22	7.00%	84 M	Vehicle	Vehicle	
3	HDFC	Bbg-wc Term Loans	Main	600.00	322.61	8.75%	72 M		Equitable Mortg	
4	HDFC	Bbg-wc Term Loans	Main	500.00	389.66	8.75%	60 M		Pg Of Directors & Collateral Owners, Residential Property (1) L-548, 5th Floor, Ashiana Town, Tower Beta, Vill. Thada Bhiwadi Alwar Rajasthan 301019 (Residential Flat/Apartment)	
5	HDFC	Bbg-wc Term Loans	Main	160.00	67.69	8.75%	71 M		(2) Villa No. A 60 Villange Iswarsinghpura And Folidpur Green Acres Neemrana Neemrana Rajasthan 301705 (Residential Flat/Apartment)	
6	HDFC	Bbg-wc-tl-gecl	Main	61.00	6.10	9.25%	48 M		(3) Plot No F-48, 49, Alwar Rico Industrial Area, EPIP, Neemrana Neemrana Rajasthan 301705	
7	HDFC	Bbg-wc-tl-gecl Extn	Main	288.00	281.26	9.25%	60 M		(4) Plot No F-44, EPIP Neemrana Rico Industrial Area EPIP Neemrana, Distt. Alwar-301705 (Rajasthan) Industrial Estates With Industrial Activity	
8	HDFC	Pre Shipment Credit	Sub Limit	(2,500.00)	500.00	8.75%	12 M		(5) Plot No. F-44, EPIP Neemrana Rico Industrial Area EPIP Neemrana, Distt. Alwar-301705 (Rajasthan) Industrial Estates With Industrial Activity	
9	HDFC	Letter Of Credit	Sub Limit	(4,500.00)	1,540.68	0.50%	90D		(6) L-545, 5th Floor, Ashiana Town, Tower Beta, Vill. Thada Bhiwadi Alwar Rajasthan 301019 (Residential Flat/Apartment)	
10	HDFC	Letter Of Credit	Main	5,500.00	-	0.50%	90D		(7) Flat No B-1004, Plot No Gh-2, Vasundhara Nagar, Bhiwadi, Dist - Alwar Block -b, 10th Floor, Sky View Apartments Bhiwadi Alwar Rajasthan 301019 (Residential Flat / Apartment)	
11	HDFC	Corporate Card	Main	5.00	-	0.50%	12M			
12	HDFC	Sblc For Bc-wc	Sub Limit	(5,500.00)	-	0.50%	120			
13	HDFC	TI For Gift, City-wc	Sub Limit	(2,100.00)	-	1.80%	90M			
14	HDFC	Foreign Bill Discounting	Sub Limit	(1,500.00)	-	8.75%	180D			
15	HDFC	Backed By Lc	Sub Limit	(1,500.00)	-	8.75%	12M			
16	HDFC	Purchase Card	Main	75.00	-	-	12M			
17	HDFC	Retail Bank Guarantee	Main	9.93	-	1.80%	551D			
18	HDFC	Retail Bank Guarantee	Main	13.00	-	1.80%	730D			
19	HDFC	Bank Guarantee	Sub Limit	(1,000.00)	270.73	1.00%	365D			
20	HDFC	Psr	Main	200.00	-	1.80%	180D			
21	HDFC	Capex Lc	Sub Limit	(500.00)	-	0.50%	90D			
22	HDFC	Post Shipment	Sub limit	(2,500.00)	-	8.75%	12M			
				Total	3,440.82					

Note:- Rate of interest for above facilities is subject to periodic changes in monetary policy of Reserve Bank Of India.

13 (B) UNSECURED LOAN

1	Santosh Kumar Yadav	350.00	0.25	12.00%	Repayable on Demand	Unsecured
Total				0.25		



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Notes to the Consolidated Financial Statements for the year ended on 31st, March 2024

Note - 15 - Long Term Provisions

Particulars	(Rs. in Lakhs)
	As at 31st March, 2024
Provision for Employee benefits	
Gratuity (Unfunded)	37.18
Leave Encashment	31.97
Total	69.15

Note - 16 - Deferred Tax Assets / Liabilities

Particulars	(Rs. in Lakhs)
	As at 31st March, 2024
Expenses Allowed only on Payment	32.12
Allowance for doubtful debts (Expected Credit Loss)	16.84
Total Assets	48.96
Tax Rate as per Income Tax	
Total Deferred Tax Assets	14.050
Depreciation As Per Companies Act 2013	399.05
Depreciation as Per Income Tax Act	394.16
Total Liability	(4.89)
Tax Rate as per Income Tax	
Total Deferred Tax Liability	(4.154)
Closing (DTA) / DTL at the year end	13.00
Opening (DTA) / DTL	31.20
(DTA) / DTL Created during Current Years	(18.20)

* Tax rate for the KRN Heat Exchanger and Refrigeration Limited (Holding co.) is 29.168% and for KRN HVAC Products Private Limited (Subsidiary Co.) is 17.60%.

Note - 17 - Short Term Borrowings

Particulars	(Rs. in Lakhs)
	As at 31st March, 2024
Secured (Repayable on Demand) (From Bank)	
HDFC BANK LTD- C.C A/C	2,842.72
WCL LOAN (CITI BANK)	1,500.00
Total	4,342.72
Current Maturities of Non-Current Borrowings	
Current maturities of Long - Term Debt (Secured)	329.53
Total	329.53
Total	4,672.25

Note :-Refer Note Number 17(A) for term & Condition related to Borrowing Taken By Company



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

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Notes to the Consolidated Financial Statements for the year ended on 31st, March 2024

Note - 18 - Short Term Lease Liabilities

Particulars	As at 31st March, 2024
Current maturities of Lease Liabilities	1,090.72
Total	1,090.72

Note :-Refer Note Number-37 for Lease Liabilities

Note - 19 - Trade Payables

Particulars	(Rs. in Lakhs) As at 31st March, 2024
Trade Payables Others	
Trade Payables for Supplies	3,090.39
Total	3,090.39
Trade Payables MSME	
Trade Payables for Supplies	570.01
Total	570.01
Total	3,660.40

1. The Group is in the process of obtaining necessary confirmations from suppliers regarding their status under the Micro, Small and Medium Enterprises (MSME) Development Act, 2006 (the 'Act') and to the extent possible disclose related to bifurcation is made however disclosures regarding the following have not been made:

- Interest paid during the period / year to MSME.
- Interest payable at the end of the accounting period / year to
- Interest accrued and unpaid at the end of the accounting

Management believes that the figures for disclosures, if any, will not be significant.

2. Trade Payables as on 31st March, 2024 has been taken as certified by the management of the respective company in the group

3. Refer Note No. 43 for ageing of Trade Payables

Note - 20- Short Term Provisions

Particulars	(Rs. in Lakhs) As at 31st March, 2024
Provision for Expense	120.71
Provision for Employee benefits	
Gratuity (Unfunded)	1.54
Leave Encashment	3.01
Total	125.26

Note - 21 - Other Current Liabilities (Non Financial)

Particulars	(Rs. in Lakhs) As at 31st March, 2024
Advance from customers	15.48
Statutory Dues - GST and others	92.97
Others	2.09
Total	110.54

Note - 22 - Current Tax Liabilities

Particulars	(Rs. in Lakhs) As at 31st March, 2024
Provision for Income Tax [net of prepaid taxes]	39.42
Total	39.42



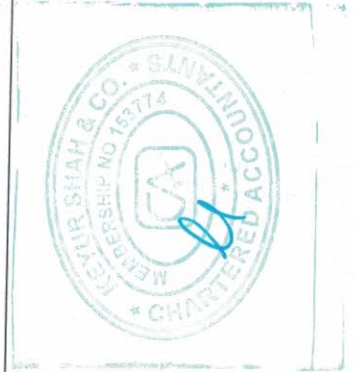
KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
 (Formerly Known as KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED)
 Notes to the Consolidated Financial Statements for the year ended on 31st, March 2024
 17 (A) Short Term Borrowing

1	HDFC	Cash Credit	Main Limit	4,500.00	2,842.72	8.75%	12M	1. Debtors & Inventory
Pg Of Directors & Collateral Owners, Residential Property (1) L-548, 5th Floor, Ashiana Town, Tower Beta, Vill. Thada Bhiwadi Alwar Rajasthan 301019 (ResidentialFlat/Apartment)								
(2) Villa No. A-60 Villange Iswarsinghpura And Faldpur Green Acres Neemrana Neemrana Rajasthan 301705 (ResidentialFlat/Apartment)								
(3) Plot No F-48, 49, Alwar Rilco Industrial Area, EPIP, Neemrana Neemrana Rajasthan 301705 (Commercial-office)								
(4) P No F-46 And 47 EPIP Neemrana Alwar-301705 Rilco Ind Area Neemrana Rajasthan 301705 (Industrial Estates With Industrial Activity)								
(5) Plot No. F-44, EPIP Neemrana Rilco Industrial Area EPIP Neemrana, Distt. Alwar-301705 (Rajasthan) (Industrial Estates With Industrial Activity)								
(6) L-545, 5th Floor, Ashiana Town, Tower Beta, Vill. Thada Bhiwadi Alwar Rajasthan 301019 (ResidentialFlat/Apartment)								
(7) Flat No B-1004, Plot No Gh-2, Vasundhara Nagar, Bhiwadi, Dist - Alwar Block -b, 10th Floor, Sky View Apartments Bhiwadi Alwar Rajasthan 301019 (Residential Flat / Apartment)								

2	Citi Bank	Working Capital Demand Loan	Sub Limit	(3,000.00)	1,500.00	6.63%	180D	Pg Of Directors & Collateral Owners, Residential Property (1) L-548, 5th Floor, Ashiana Town, Tower Beta, Vill. Thada Bhiwadi Alwar Rajasthan 301019 (ResidentialFlat/Apartment)
(2) Villa No. A-60 Villange Iswarsinghpura And Faldpur Green Acres Neemrana Neemrana Rajasthan 301705 (ResidentialFlat/Apartment)								
(3) Plot No F-48, 49, Alwar Rilco Industrial Area, EPIP, Neemrana Neemrana Rajasthan 301705 (Commercial-office)								
(4) P No F-46 And 47 EPIP Neemrana Alwar-301705 Rilco Ind Area Neemrana Rajasthan 301705 (Industrial Estates With Industrial Activity)								
(5) Plot No. F-44, EPIP Neemrana Rilco Industrial Area EPIP Neemrana, Distt. Alwar-301705 (Rajasthan) (Industrial Estates With Industrial Activity)								
(6) L-545, 5th Floor, Ashiana Town, Tower Beta, Vill. Thada Bhiwadi Alwar Rajasthan 301019 (ResidentialFlat/Apartment)								
(7) Flat No B-1004, Plot No Gh-2, Vasundhara Nagar, Bhiwadi, Dist - Alwar Block -b, 10th Floor, Sky View Apartments Bhiwadi Alwar Rajasthan 301019 (Residential Flat / Apartment)								

3	Citi Bank	Cash Credit	Main Limit	3,000.00	-	-	365D
4	Citi Bank	Bill Discounted	Sub Limit	(3,000.00)	-	-	180D
5	Citi Bank	Buyers Credit	Sub Limit	(3,000.00)	-	-	180D
6	Citi Bank	Pre-shipment Finance	Sub Limit	(3,000.00)	-	-	180D
7	Citi Bank	Post-shipment Finance	Sub Limit	(3,000.00)	-	-	180D
8	Citi Bank	Usance Letter of Credit	Sub Limit	(3,000.00)	-	-	180D
9	Citi Bank	Sight Letter of Credit	Sub Limit	(3,000.00)	-	-	180D
				Total			4,342.72

Note:- Rate of interest for above facilities is subject to periodic changes in monetary policy of Reserve Bank Of India.



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
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Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024

Note - 23 - Revenue From Operations

Particulars	(Rs. in Lakhs)
	Year ended 31st March, 2024
Sale of Products	
Export Sales	4,526.64
Domestic Sales	26,285.23
Other Operating Revenue	16.44
Total	30,828.31

Note - 24 - Other Income

Particulars	(Rs. in Lakhs)
	Year ended 31st March, 2024
Balance Written Off	19.97
Foreign Exchange Gain	236.88
Freight on Sales	70.16
Duty Drawback	13.85
Interest Income	61.41
Other Income	14.27
Government Grant	107.07
Income from Future Option & Other Segment	20.85
Rent Income	1.32
Total	545.78

Note - 25 - Cost Of Materials Consumed

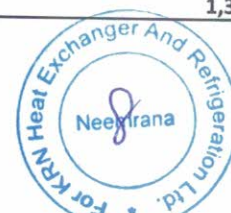
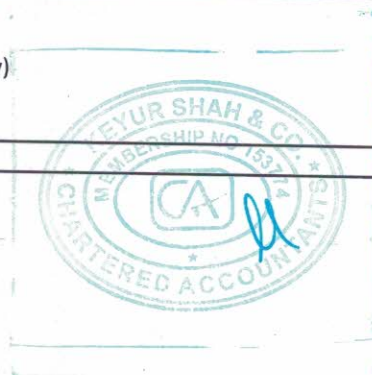
Particulars	(Rs. in Lakhs)
	Year ended 31st March, 2024
Opening Stock at the beginning of the year	4,314.42
Add : Purchases and Incidental Expenses (Net of returns, claims/ discount, if any)	25,157.67
Less : Closing Stock at the end of the year	6,788.74
Total	22,683.35

Note - 26 - Changes In Inventories Of Finished Goods, Work-In-Progress and Stock-In-Trade

Particulars	(Rs. in Lakhs)
	Year ended 31st March, 2024
Opening Stock	
Work-in-Progress	403.23
Finished Goods / Stores, Spares & Fuels	790.78
	1,194.01
Closing Stock	
Work-in-Progress	(680.31)
Finished Goods / Stores, Spares & Fuels	(971.47)
	(1,651.78)
Total	(457.77)

Note - 27 - Employee Benefit Expenses

Particulars	(Rs. in Lakhs)
	Year ended 31st March, 2024
Contributions to Provident and Other Fund	43.94
Director Remuneration	90.00
Gratuity and Leave Encashment (net of reversals, if any)	32.12
Salaries, Wages & Other Benefits	1,108.51
Staff Welfare Expenses	35.84
Total	1,310.41



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
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Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024

Note - 28 - Finance Costs

Particulars	(Rs. in Lakhs)
	Year ended 31st March, 2024
Financial Expenses to Bank	
Interest to Bank	245.43
Bank Charges	132.91
Loan Processing Fees	3.04
Financial Expenses to Others	
LC Advising Exp.	0.10
Interest on unsecured loan	17.10
Total	398.58

Note - 29 - Depreciation & Amortisation Expenses

Particulars	(Rs. in Lakhs)
	Year ended 31st March, 2024
Depreciation on Property, Plant and Equipments	399.05
Total	399.05

Note - 30 - Other Expenses

Particulars	(Rs. in Lakhs)
	Year ended 31st March, 2024
Manufacturing & Service Cost	
Electricity Exp	68.90
Diesel Exp	23.68
Freight & Carriage (Inward)	205.62
Import Clearance Expenses	197.42
Other Direct Expenses	80.20
Total Manufacturing & Service Cost	575.82

Administration, Selling & Other Expenses

Audit Fees	7.50
Advertisement & Publicity	21.02
Business Promotion Exp	49.44
Conveyance & Travelling Expenses	29.37
Fees, Duties, Rates & Taxes	31.68
Freight Outward Expenses	281.12
Festival Expenses	17.44
Insurance Expenses	26.23
Office Expenses	3.68
Printing & Stationery	7.46
Rent Expense	4.85
Repairs & Maintenance Exp	40.66
Expected Credit Loss	16.83
Telephone Expenses	1.68
Donation & Charity	1.57
Vehicle Running & Maintenance Expenses	1.31
Other Expense	6.29
Postage & Courier Expense	11.18
Discount	107.83
Security Charges	27.18
Legal & Professional Charges	92.68
Tax Expenses	5.72
CSR Expenditures	61.69
Loss on Sale of Fixed Assets	16.85

TOTAL Administration, Selling & Other Expenses

871.26

TOTAL

1,447.08



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
(Formerly Known as KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED)
Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024

Note - 31 - Tax Expense

Particulars	(Rs. in Lakhs)
	Year ended 31st March, 2024
Tax Expenses	
Deffered Tax Expenses/(Reversal)	1,688.80
Tax in respect of Earlier Years/(Reversal)	(16.48)
	(17.92)
Total	1,654.40



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
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Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024

Note-32 - Earnings Per Share (EPS)

Particulars	(Rs in Lakhs)
	Year ended 31st March, 2024
Net Profit / (Loss) for calculation of basic / diluted EPS	3,938.99
Weighted Average Number of Equity Shares in calculating Basic and Diluted EPS	4,49,51,546
Basic/Diluted Earnings/(Loss) Per Share	8.76
Adjusted Earnings/(Loss) Per Share (With Bouns Share)	8.76
Nominal Value of Equity Shares	10.00

Note-33- Details of Employee Benefits:

The Company has the following post-employment benefit plans:

A. Defined Contribution Plan

Contribution to defined contribution plan recognised as expense for the period is as under:

The Company offers its employees benefits under defined contribution plans in the form of provident fund. Provident fund cover substantially all regular employees which are on payroll of the company. Both the employees and the Company pay predetermined contributions into the provident fund and approved superannuation fund. The contributions are normally based on a certain proportion of the employee's salary and are recognised in the Statement of Profit and Loss as incurred.

Particulars	(Rs in Lakhs)
	Year ended 31st March, 2024
Contribution to provident fund and other Fund	43.94

B. Defined Benefit Plan - Gratuity:

(i) The Company administers its employees' gratuity scheme funded liability. The present value of the liability for the defined benefit plan of gratuity obligation is determined based on actuarial valuation by an independent actuary at the period end, which is calculated using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(ii) Gratuity benefits in India are governed by the Payment of Gratuity Act, 1972. The key features are as under

Benefits Offered	15/26* salary* Duration of service
Salary Definition	Last Drawn Basic Salary including Dearness Allowance (if any)
Benefit Ceiling	Benefit Ceiling of Rs 20 Lakhs
Vesting Conditions	5 Years of Continuous Service (Not Applicable In Case of Death/ Disability)
Benefit Eligibility	Upon Death or resignation or withdrawal or retirement
Retirement Age	58 Years

(iii) Characteristics of defined benefit plans and risks associated with them:

Valuation of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience:

Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

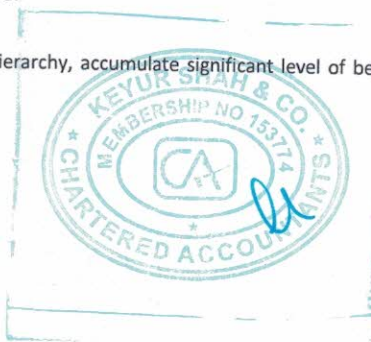
Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
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Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

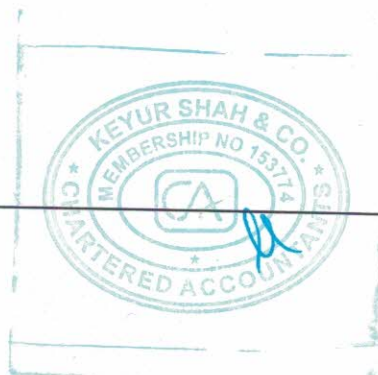
Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

B. Changes in the Present value of Obligation

Particulars	(Rs in Lakhs) Year ended 31st March, 2024
Present Value of Obligation as at the beginning	21.08
Current Service Cost	10.78
Interest Expense or Cost	1.56
Re-measurement (or Actuarial) (gain) / loss arising from:	
- change in financial assumptions	4.48
- change in demographic assumptions	-
- experience variance	1.44
Past Service Cost	-
Benefits Paid	0.62
Present Value of Obligation as at the end of the year	38.72
Bifurcation of Actuarial losses/ (gains)	
Actuarial losses/ (gains) arising from change in financial assumptions	4.48
Actuarial losses/ (gains) arising from change in demographic assumptions	-
Actuarial losses/ (gains) arising from experience adjustments	1.44
Actuarial losses/ (gains)	5.92
Bifurcation of Present Value of Benefit Obligation	
Current - Amount due within one year	1.54
Non-Current - Amount due after one year	37.18
Total	38.72
Expected Benefit Payments in Future Years (Projections are for current members and their currently accumulated benefits)	
Year 1	1.54
Year 2	1.84
Year 3	2.22
Year 4	2.81
Year 5	2.64
Year 6 and above	15.55

Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions

Particulars	Year ended 31st March, 2024
<u>Discount Rate Sensitivity</u>	
Increase by 0.5%	36.56
Decrease by 0.5%	41.08
<u>Salary growth rate Sensitivity</u>	
Increase by 0.5%	40.51
Decrease by 0.5%	36.92
<u>Withdrawal rate (W.R.) Sensitivity</u>	
Increase by 1%	38.46
Decrease by 1%	38.96



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Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024

Particulars	(Rs in Lakhs)
	Year ended 31st March, 2024
Amounts recognized in Balance Sheet	
Net Liability / (Asset) recognised in Balance Sheet	38.72
Amounts recognized in Statement of Profit and Loss	
Current Service Cost	
Net interest on net Defined Liability / (Asset)	10.31
Expected return on plan assets	1.56
Net actuarial losses (gains) recognised in the year	6.39
Expenses recognised in Statement of Profit and Loss	18.26

Actuarial Assumptions

Particulars	Year ended 31st March, 2024
Discount Rate	
Expected rate of salary increase	7.25%
Expected Return on Plan Assets	8.00%
Mortality Rates	N/A
Retirement Age	Indian Assured Lives Mortality (2012-14) Ult. 58

C. Defined Benefit Plan - Leave Benefit Note:

(i) The objective of the valuation is to ascertain the liability on utilization of accumulated leave. The accumulated leave may also diminish on account of utilization if permissible in the course of employment. The effect of utilization will be reflected in year to year balance and the liability will be adjusted accordingly at every annual actuarial valuation. There is no separate accounting standard which lays down the actuarial valuation. There is no separate accounting standard which lays down the actuarial method to be adopted for valuation of liability to be adopted for valuation for liability in respect of balance of accumulated leave. However general principles to defined benefit retirement benefit have been applied.

(ii) The benefits are governed by the Entity's Leave Policy. The key features are as under

Employee's Contribution	0%
Employer's Contribution	100%
Salary Definition for Encashment	Last drawn As per the company rules
Salary Definition for Availment	Last drawn CTC Salary
Vesting Condition	Not Applicable
Leave Credited Annually	15 days
Leave Denominator	30 days
Maximum Accumulation	60 days
Encashment during the Service	Allowed
Benefit On Retirement	Leave Days x Encashment Salary / Leave Denominator
Benefit on Resignation/Withdrawals	Same as Retirement Benefit
Benefit on death	Same as Retirement Benefit
Benefit on Availment	Leave Days x Availment Salary / Leave Denominator
Retirement Age	58 Years

(iii) Characteristics of defined benefit plans and risks associated with them:

Valuation of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

A. Actuarial Risk:

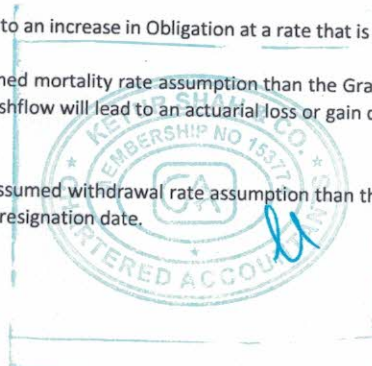
It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience:

Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
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Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

B. Changes in the Present value of Obligation

Particulars	(Rs in Lakhs) Year ended 31st March, 2024
Present Value of Obligation as at the beginning	16.43
Transfer in/(out) obligation	-
Current Service Cost	16.63
Interest Expense or Cost	1.18
Past Service Cost	-
Re-measurement (or Actuarial) (gain) / loss arising from:	
- change in financial assumptions	-
- change in demographic assumptions	-
- experience variance	1.97
Benefits Paid by an entity	1.22
Present Value of Obligation as at the end of the year	34.99
Bifurcation of Actuarial losses/ (gains)	
Actuarial losses/ (gains) arising from change in financial assumptions	-
Actuarial losses/ (gains) arising from change in demographic assumptions	-
Actuarial losses/ (gains) arising from experience adjustments	1.97
Actuarial losses/ (gains)	1.97
Bifurcation of Present Value of Benefit Obligation	
Current - Amount due within one year	3.01
Non-Current - Amount due after one year	31.97
Total	34.98
Expected Benefit Payments in Future Years (Projections are for current members and their currently accumulated benefits)	
Year 1	3.01
Year 2	2.90
Year 3	3.16
Year 4	3.03
Year 5	2.54
Year 6 and above	13.05



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Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024

Sensitivity Analysis of Defined Benefit Obligation with
references to Key Assumptions

Particulars	(Rs in Lakhs) Year ended 31st March, 2024
Discount Rate Sensitivity	
Increase by 0.5%	37.52
Decrease by 0.5%	41.65
Salary growth rate Sensitivity	
Increase by 0.5%	41.63
Decrease by 0.5%	37.52
Withdrawal rate (W.R.) Sensitivity	
Increase by 1%	39.30
Decrease by 1%	39.71

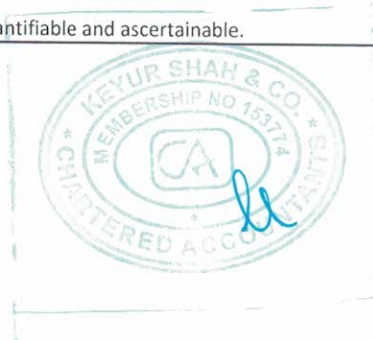
Particulars	Year ended 31st March, 2024
Amounts recognized in Balance Sheet	
Net Liability / (Asset) recognised in Balance Sheet	34.98
Amounts recognized in Statement of Profit and Loss	
Current Service Cost	16.63
Past Service Cost	-
Net interest on net Defined Liability / (Asset)	1.18
Expected return on plan assets	-
Net actuarial losses (gains) recognised in the year	1.97
Expenses recognised in Statement of Profit and Loss	19.78
Actuarial Assumptions	

Particulars	Year ended 31st March, 2024
Discount Rate	7.50%
Expected rate of salary increase	7.00%
Expected Return on Plan Assets	N/A
Survival Rate	1.00%
Service Encashment Rate	0.00%
Mortality Rates	Indian Assured Lives Mortality (2012-14) Ult.
Retirement Age	58

Note - 34- Contingent Liabilities and Capital Commitments

Particulars	(Rs in Lakhs) Year ended 31st March, 2024
(a) Contingent Liabilities: *	
Claims against the Company not acknowledged as debts:	
Corporate Guarantees given By Company	
Bank Guarantees	270.73
Letter of Credit	1,540.68
Under Direct Tax	7.02
Under Indirect Tax	146.84
Under EPCG/Advance Authorisation Import Duty	
Benefit received from DGFT not considered as liability until it fulfills the Export Obligation	224.64
(b) Capital Commitments: *	
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	6,152.38

The amount shown above are excluding interest and disclosed to the extent quantifiable and ascertainable.



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
 (Formerly Known as KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED)
 Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024

Note- 35- Segment Reporting

Disclosure of segment reporting is given in Annexure "A"

Note -36- Related Party Disclosures

Disclosure of transactions with Related Parties, as required by Ind AS 24 "Related Party Disclosures" has been set out below. Related parties as defined under clause 9 of the Ind AS 24 have been identified on the basis of representations made by the management and information available with the Company and the same has been relied upon by the auditors. Refer Note 42.

Note -37- LEASES (Right to Use of Assets)

The Company's significant leasing arrangements are in respect of Land premises taken on lease.

The Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount. The weighted average incremental borrowing rate applied to lease liabilities is 8.50 %.

The break-up of current and non-current lease liabilities is as follows:

Particulars	Year ended 31st March, 2024
Current Lease Liabilities	
Non - Current Lease Liabilities	1,090.72
Total	1,636.05
	2,726.77

The movement in lease liabilities is as follows:

Particulars	Year ended 31st March, 2024
Balance at the beginning	
Addition during the year	-
Finance cost accrued	2,987.63
Payment of lease liabilities	63.48
Deduction / Reversal During the year	324.34
Balance at the end	-
	2,726.77

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

Particulars	Year ended 31st March, 2024
Not later than one year	
1-2 Years	1,090.72
2-3 Years	1,090.72
More than 3 Years	545.33
	-



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
(Formerly Known as KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED)
Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024

Note - 38 – Financial Instruments

Financial Risk Management – Objectives and Policies

The Company's financial liabilities mainly comprise the loans and borrowings in domestic currency, money related to capital expenditures, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets comprise mainly of investments, security deposits, cash and cash equivalents, other balances with banks, trade and other receivables that derive directly from its business operations.

The Company is exposed to the Market Risk, Credit Risk and Liquidity Risk from its financial instruments.

The Management of the Company has implemented a risk management system which is monitored by the Board of Directors of the Company. The general conditions for compliance with the requirements for proper and future-oriented risk management within the Company are set out in the risk management principles. These principles aim at encouraging all members of staff to responsibly deal with risks as well as supporting a sustained process to improve risk awareness. The guidelines on risk management specify risk management processes, compulsory limitations, and the application of financial instruments. The risk management system aims to identify, assess, mitigate the risks in order to minimize the potential adverse effect on the Company's financial performance.

The following disclosures summarize the Company's exposure to the financial risks and the information regarding use of derivatives employed to manage the exposures to such risks. Quantitative Sensitivity Analysis has been provided to reflect the impact of reasonably possible changes in market rate on financial results, cash flows and financial positions of the Company.

A. Financial Assets and Liabilities

Particulars	(Rs in Lakhs)	
	Year ended 31st March, 2024	
	Amortised Cost *	FVTPL **
Assets Measured at		
Trade receivables		-
Cash and Cash Equivalent	5,243.87	-
Other Bank Balances	1,030.81	-
Loans	568.69	-
Other Financial Assets	53.47	-
Total	163.05	-
Liabilities Measured at	7,059.89	-
Borrowings (including current maturities of non-current borrowings)	5,969.19	-
Trade payables		-
Other Financial Liabilities	3,660.40	-
Total	9,629.59	-

(*) Fair value of financial assets and liabilities measured at amortized cost approximates their respective carrying values as the management has assessed that there is no significant movement in factor such as discount rates, interest rates, credit risk from the date of the transition. The fair values are assessed by the management using Level 3 inputs.

(**) The financial instruments measured at FVTPL represents current investments and derivative assets having been valued using level 2 valuation hierarchy.

Fair value hierarchy

The fair value of financial instruments as referred to in note below has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

B. Market Risk

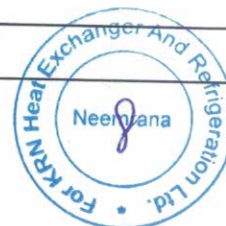
Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market Risk comprises three types of Risk: "Interest Rate Risk, Currency Risk and Other Price Risk". Financial instrument affected by the Market Risk includes loans and borrowings in foreign as well as domestic currency, retention money related to capital expenditures, trade and other payables.

(a) Interest Rate Risk

Interest Rate Risk is the risk that fair value or future cash outflows of a financial instrument will fluctuate because of changes in market interest rates. An upward movement in the interest rate would adversely affect the borrowing cost of the Company. The Company is exposed to long term and short - term borrowings. The Company manages interest rate risk by monitoring its mix of fixed and floating rate instruments and taking actions as necessary to maintain an appropriate balance. The Company has not used any interest rate derivatives.

Exposure to Interest Rate Risk

Particulars	(Rs in Lakhs)	
	Year ended 31st March, 2024	
Borrowing bearing fixed rate of interest		0.25
Borrowing bearing variable rate of interest		5,972.13



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Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024
Sensitivity Analysis

Profit / (Loss) estimates to higher / lower interest rate expense from borrowings bearing variable rate of interest as a result of changes in interest rate.

Particulars(*)	(Rs in Lakhs)
	Year ended 31st March, 2024
Interest Rate – Increase by 50 Basis Points	(29.86)
Interest Rate – Decrease by 50 Basis Points	29.86
(*) holding all other variable constant. Tax impact not considered.	29.86

(b) Foreign Currency Risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not the functional currency of the Company. Considering the volume of foreign currency transactions, the Company has taken certain forward contracts to manage its exposure.

Exposure to Foreign Currency Risk

The Carrying amount of Company's unhedged Foreign Currency denominated monetary items are as follows:

Particulars	Year ended 31st March, 2024			
	Amount in USD	Amount in EURO	Amount in GBP	Amount in Rs.
Net Unhedged Assets (Trade Receivables, Other Receivables, & Loans Given)	12.91	1.68	-	1,228.13
Net Unhedged Liabilities	32.96	-	-	2,748.25
Net Exposure Assets / (Liabilities)	(20.05)	1.68	-	(1,520.12)

Sensitivity Analysis

The sensitivity of profit or (loss) to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Year ended 31st March, 2024			
	Amount in USD	Amount in EURO	Amount in GBP	Amount in Rs.
INR / USD/EURO – Increase by 5%	(1.00)	0.08	-	(76.01)
INR / USD/EURO – Decrease by 5%	1.00	(0.08)	-	76.01

C. Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other Financial assets measured at amortized cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets. (i) Low credit risk, (ii) Moderate credit risk, (iii) High credit risk.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Financial assets (other than trade receivables) that expose the entity to credit risk are managed and categorized as follows:

Basis of categorisation	Asset class exposed to credit	Provision for expected credit loss
Low credit risk	Cash and Cash Equivalents,	12 month expected credit loss.
	Other Bank Balances, Loans and Other Financial Assets	
Moderate credit risk	Other Financial Assets	12 month expected credit loss, unless credit risk has increased significantly since initial recognition, in which case allowance is measured at life time expected credit loss
High credit risk	Other Financial Assets	Life time expected credit loss (when there is significant deterioration) or specific provision whichever is higher

Financial assets (other than trade receivables) that expose the entity to credit risk (Gross exposure): –

Particulars	(Rs in Lakhs)
	Year ended 31st March, 2024
Low Credit Risk	
Cash and cash equivalents	1030.81
Bank Balances other than above	568.69
Loans	53.47
Other Financial Assets	163.05
Moderate/ High Credit Risk	
Total	1816.02



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
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Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024

(i) Cash and cash equivalent and bank balance:

Credit risk related to cash and cash equivalents and bank balance is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

(ii) Loans and Other financial assets measured at amortized cost:

Other financial assets measured at amortized cost includes Security Deposit to various authorities, Loans to staff and other receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

(iii) Trade receivables:

Life time expected credit loss is provided for trade receivables. Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

(A) Expected credit losses:

Expected credit loss for trade receivables under simplified approach:

The Company recognizes lifetime expected credit losses on trade receivables & other financial assets using a simplified approach, wherein Company has defined percentage of provision by analyzing historical trend of default based on the criteria defined below and such provision percentage determined have been considered to recognize life time expected credit losses on trade receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for). Further, the Company has evaluated recovery of receivables on a case to case basis. No provision on account of expected credit loss model has been considered for related party balances. The Company computes credit loss allowance based on provision matrix. The provision matrix is prepared on historically observed default rate over the expected life of trade receivable and is adjusted for forward - looking estimate. The provision matrix at the end of reporting period is as follows:

Particulars	Expected Loss Rate
< 90 Days -	0.00%
120 to 180 days	0.50%
180 to 365 days	1.00%
1 Year to 2 Year	10.00%
2 Year to 3 Year	25.00%
3 Year >	50.00%

	(Rs in Lakhs)
Movement in Expected Credit Loss Allowance on Trade Receivables	Year ended 31st March, 2024
Balance at the beginning of the reporting period	22.18
Loss Allowance measured at lifetime expected credit losses	16.83
Balance at the end of reporting period	39.01

D. Liquidity Risk

Liquidity Risk is the risk that the Company will encounter difficulty in raising the funds to meet the commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Financing arrangements:

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	(Rs in Lakhs)
Expiring within One Year	Year ended 31st March, 2024
- CC/EPC Facility	-
Expiring beyond One Year	-
- CC/EPC Facility	-
	3,157.28

Maturities of Financial Liabilities:

The tables below analyze the Company's financial liabilities into relevant maturity based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. AS per Annexure "B"



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
 (Formerly Known as KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED)
 Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024

E. Capital Management

The Company's capital management objectives are to ensure the company's ability to continue as a going concern, to provide an adequate return to share holders. The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet. Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company manages its capital on the basis of Net Debt to Equity Ratio which is Net Debt (Total Borrowings net of Cash and Cash Equivalents) divided by total equity.

Particulars	(Rs in Lakhs)
	Year ended 31st March, 2024
Total Borrowings	5969.19
Less: Cash and Cash Equivalents	1030.81
Net Debt (A)	4938.38
Total Equity (B)	13028.47
Capital Gearing Ratio (B/A)	2.64

The Company has complied with the covenants as per the terms and conditions of the major borrowing facilities throughout the Reporting Period.

Note - 39 – Balance confirmation of Receivables

Confirmation letters have not been obtained from all the parties in respect of Trade Receivable, Other Non- Current Assets and Other Current Assets. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

Note - 40 – Balance Confirmation of Payables

Confirmation letters have not been obtained from all the parties in respect of Trade Payable and other current liabilities. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

Note - 41 – Events occurring after the Balance sheet Date

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. There are no subsequent events to be recognized or reported that are not already disclosed.



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
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Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024

Annexure "A"
Segment reporting

Particular	(Rs in Lakhs)
	Year ended 31st March, 2024
Segment revenue	
External revenue	30,828.31
Intersegment revenue	-
Total	30,828.31
Segments assets include:	
Sundry Debtors:	Year ended 31st March, 2024
India	4,054.76
Outside India	1,228.13
Total	5,282.89
Segments liabilities include:	
Sundry Creditors:	Year ended 31st March, 2024
India	912.15
Outside India	2,748.25
Total	3,660.40

(i) Details of revenue by Nature of business is as below:

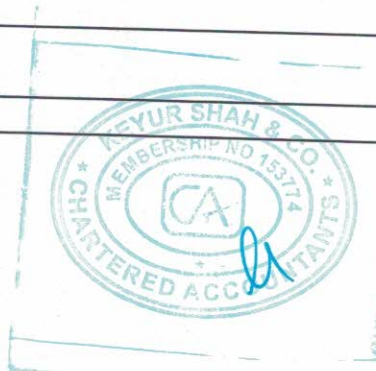
Particular	Year ended 31st March, 2024
a) Revenue from operations	30,828.31
b) Other income	545.78
Total	31,374.09

(ii) Details of revenue based on geographical location of customers is as below:

Particular	Year ended 31st March, 2024
India	26,301.67
Outside India	4,526.64
Total	30,828.31

(iii) Details of non-currents assets (Property, plant and equipments, excluding CWIP) based on geographical are as below:

Particular	Year ended 31st March, 2024
India	5,182.46
Outside India	-
Total	5,182.46



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
 (Formerly Known as KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED)
 Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024

Annexure "B"
 Maturity Table of Financial Liabilities

As at 31st March, 2024

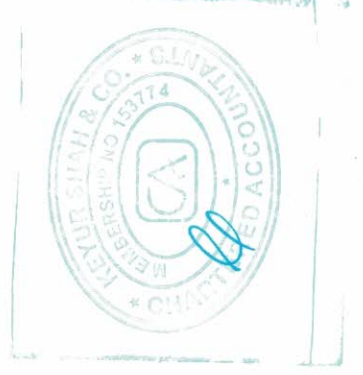
Particulars	(Rs. in Lakhs)				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Borrowings (including current maturities of non- current borrowing and excluding lease liabilities)	5,172.50	350.00	340.48	109.40	5,972.38
Less: IND AS Effect					(3.19)
Total	5,172.50	350.00	340.48	109.40	5,969.19
Trade payables	3,571.41	85.56	3.43	-	3,660.40
Total	8,743.91	435.56	343.91	109.40	9,629.59



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
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Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024

Note - 42 - Consolidated Statement of Related Party Transaction

		(Rs. in Lakhs)					
Sr No.	Name of Party	Nature of Relation	Nature of Transaction	Amount outstanding as on 31.03.2024 Payable/(Receivable)	Amount of Transaction debited in 2023-24	Amount of Transaction credited in 2023-24	Amount outstanding as on 31.03.2023 Payable/(Receivable)
1	Santosh Kumar Yadav	Promoter	Remuneration Loan Taken Interest on loan	6.71 0.25 0.13	53.94 75.31 1.98	60.00 60.25 0.96	0.65 15.31 1.15
2	Anju Devi	Promoter	Remuneration Loan Taken Interest on loan	3.94 - 1.10	31.76 56.13 13.09	30.00 - 4.72	5.70 56.13 9.47
3	Manohar Lal	Promoter	Salary	-	0.62	-	0.62
4	KRN Coils Private Limited	Promoter Group	Loan Given Expenses Trade Payables Rent Received Trade Receivables	(45.92) - - (1.32) -	829.94 0.22 4.58 1.32 1,105.13	870.59 0.22 4.58 - 1,482.05	(86.57) - - - (376.92)
5	Sudesh Devi	Promoter Group	Salary	1.70	22.30	24.00	-
6	Komal Yadav	Promoter Group	Salary	0.93	9.07	10.00	-
7	Yashpal Yadav	Promoter Group	Salary	-	9.00	9.00	-
8	Sonu Gupta	Key Managerial Personnel	Salary	0.52	7.13	7.65	-
9	Praveen Kumar	Key Managerial Personnel	Salary	0.37	7.83	7.56	0.64
10	KRN HVAC Products Private Limited	Subsidiary	Trade Payables Trade Receivables Loan Given	1.95 (21.20) (3,659.18)	- 21.20 4,129.68	1.95 - 470.50	-
11	KRN HEAT EXCHANGERS AND REFRIGERATION LIMITED	Parent Company	Loan Taken Trade Payables Trade Receivables	3,659.18 21.20 (1.95)	470.50 - 1.95	4,129.68 21.20 -	-



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
(Formerly Known as KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED)
Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024

Note – 43– Trade Receivables Ageing Schedule

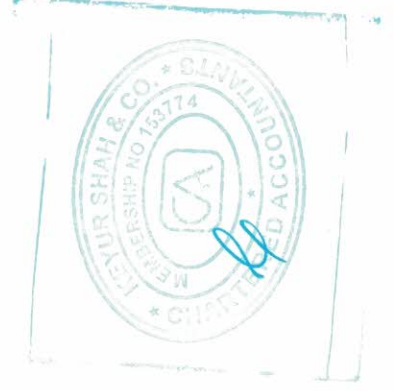
Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	
Considered Good	-	5,189.92	39.55	14.22	33.86	5,282.89
Which have significant increase IN credit risk	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-
Less: Allowance for doubtful debts	-	-	-	-	-	(39.02)
Trade Receivables	-	5,189.92	39.55	14.22	33.86	5,243.87

Note :- Trade Receivable Ageing schedule is given by management including related parties.

Note – 44– Trade Payables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
MSME	-	563.63	6.38	-	-	570.01
Others	-	3,007.78	79.18	3.43	-	3,090.39
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
Trade Payables	-	3,571.41	85.56	3.43	-	3,660.40

Note :- Trade Payable Ageing schedule is given by management.



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

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Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024

Note -45 - PRINCIPLES OF CONSOLIDATION

The Consolidated audited financials statements related to KRN Heat Exchanger and Refrigeration Limited ("the company") and its WOS subsidiary entity viz KRN HVAC Products Private Limited (Together would be called as "Group"). The Consolidated Financial Statements have been prepared on the following basis:

- i. The financial statements of the company and its subsidiary entity, used in the consolidation are drawn up to the same date as that of the company i.e 31st March 2024.
- ii. The Consolidated audited financial statements of the Company and its subsidiary entity have been combined on line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealized profit or losses, unless cost cannot be recovered.
- iii. The excess of cost to the company of its investment in the subsidiary entity over its share of equity of the subsidiary entity, at the date on which the investment in the subsidiary entity were made, is recognized as 'Goodwill' being an asset in the consolidated financial statement and is tested for impairment on annual basis.
- iv. Goodwill arising on consolidation is not amortized but tested for impairment.
- v. The Restated consolidated financial statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements.
- vi. Following subsidiary company/entity, associate and jointly controlled entities have been considered in the preparation of the Restated consolidated financial statement:

Name of the Company	Relationship	Country of incorporation	% of Holding and voting power either directly or indirectly through subsidiary (As at 30th September, 2023)
KRN HVAC Products Private Limited	Wholly Owned Subsidiary	INDIA	99.99%



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
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Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024

Note – 46– Additional regulatory information

A)The title deeds of immovable properties (other than properties where the Company is the lessee and the lease reements are duly executed in favour of the lessee) are held in the name of the Company.

B)The Company does not have any investment property.

C)The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible assets.

D)There are loans or advances in the nature of loans are granted to Promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are outstanding as on 31st March, 2024 are as follows which is repayables on demand:

(Rs. in Lakhs)

Type of Borrowers	
KRN Coils Private Limited	45.92

E)No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

F)The company is not declared willful defaulter by any bank or financial institution or other lender.

G)The company has not undertaken any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

H) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

I) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

J) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

K) No transactions has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961. There are no such previously unrecorded income or related assets.

L) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

M) Corporate Social Responsibility

The Company has formed a Corporate Social Responsibility Committee as required under Section 135 of the Companies Act, 2013. The funds have been spent on the activities specified in Schedule VII of the Act. Details of the CSR spending are as follows:

1. Gross amount required to be spent: (Rs. in Lakhs)

Sr No.	Year Ended	Prescribed CSR Expenditure (Amount in Lakhs)
1	31-Mar-24	45.52

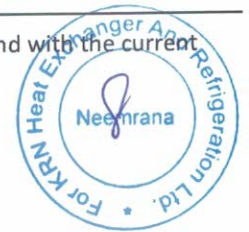
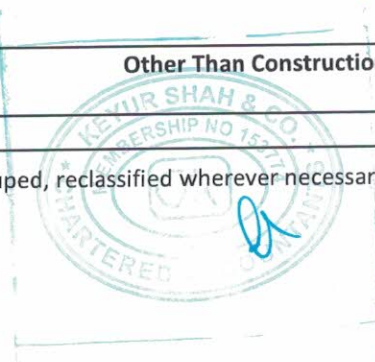
2. Amount spent for the period/years ended: (Rs. in Lakhs)

Sr No.	Year Ended	Other Than Construction/Acquisition of Assets (Amount in Lakhs)
1	31-Mar-24	45.52

3. Amount outstanding to be Spent: (Rs. in Lakhs)

Sr No.	Year Ended	Other Than Construction/Acquisition of Assets (Amount in Lakhs)
1	31-Mar-24	-

Note – 47– Previous year's figures have been regrouped, reclassified wherever necessary to correspond with the current year classification / disclosure.



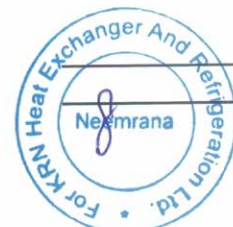
KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

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Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024

Note:48:- Accounting Ratios:

	(Rs. in Lakhs)
Ratio	As at 31st March, 2024
A Current ratio (In times)	
Current Assets	16,978.07
Current Liabilities	9,698.59
Current ratio (In times)	1.75
B Debt-Equity Ratio (in times)	
Total Debts	5,969.19
Share Holder's Equity + RS	13,028.47
Debt-Equity Ratio	0.46
C Debt Service Coverage Ratio(in times)	
Earning available for debt service	5,848.88
Interest + installment	706.23
Debt Service Coverage Ratio,	8.28
D Return on Equity Ratio (in %)	
Net After Tax	3,938.99
Average Share Holder's Equity	9,408.55
Return on Equity Ratio,	41.87%
E Inventory Turnover Ratio (In times)	
Cost of Goods Sold	22,801.40
Average Inventory	6,974.48
Inventory Turnover Ratio	3.27
F Trade Receivables turnover ratio (In times)	
Net Credit Sales	30,828.31
Average Receivable	4,554.60
Trade Receivables turnover ratio	6.77
G Trade payables turnover ratio (In times)	
Credit Purchase	25,157.67
Average Payable	4,300.67
Trade payables turnover ratio	5.85
H Net capital turnover ratio (In times)	
Revenue from Operations	30,828.31
Net Working Capital	7,279.48
Net capital turnover ratio	4.23
I Net profit ratio (in %)	
Net Profit	3,938.99
Revenue form Operation	30,828.31
Net profit ratio	12.78%



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

(Formerly Known as KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED)

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024

Note:48:- Accounting Ratios:

	(Rs. in Lakhs)
Ratio	As at 31st March, 2024
J Return on Capital employed (in %)	
Earning Before Interest and Taxes	5,991.97
Capital Employed	18,997.67
Return on Capital employed	31.54%
K Return on investment (in %)	
Income Generated from Investment Funds (Refer Note 1)	61.41
Invested funds	1,571.69
Return on investment	3.91%

Note 1:- The above Income from Investment is Interest earned on Fixed Deposits(FD). The said FDs are held as pledged against credit facility. Hence is not held for investment purpose.

Note 2:- Consolidation of KRN Heat Exchanger & Refrigeration Private Limited with its Subsidiary KRN HVAC Products Private Limited is for the first time as on 31st March, 2024, as KRN HVAC Products Private Limited is incorporated as on date 7th April, 2023. Therefore, comparative figures of ratios are not available.



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

(Formerly Known as KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED)

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2024**Note- 49 - Foreign Exchange in flow/out flow**

(Rs. in Lakhs)

Particulars	AS at 31st March, 2024			
	Amount (USD)	Amount (EURO)	Amount (GPB)	Amount (INR)
Income in Foreign Currency				
Sale (Exclude Freight and Insurance)	45.58	8.88	0.07	4,526.64
Sale return (Exclude Freight and Insurance)	-			
Value of Imports on CIF basis				
Purchase of Raw material (Including Freight)	235.10	0.01	-	19,664.64
Machine , Tools and Die	6.42	0.33	-	651.27

