



Date: March 30, 2024

To,
Securities and Exchange Board of India
Plot no. C-4 A, 'G' Block,
Bandra Kurla Complex, Bandra(E),
Mumbai - 400051, Maharashtra

Dear Sir,

Ref: Public Issue of Fresh Issue of up to 1,60,00,000 Equity Shares of Face value of Rs. 10/- each by KRN Heat Exchanger and Refrigeration Limited (referred to as the "Company" or "Issuer") as per Chapter II of SEBI ICDR Regulations, as amended 2018.

Sub: Due Diligence Certificate as per Form A of SEBI (ICDR) Regulations, 2018

We, the under noted Book Running Lead Manager to the above-mentioned public Issue state and confirm that:

1. We have examined various documents including those relating to litigation, including commercial disputes, patent disputes, disputes with collaborators, etc., and other material while finalising the Draft Red Herring Prospectus of the Issuer;
2. On the basis of such examination and discussions with the issuer, its directors and other officers, other agencies, and independent verification of the statements concerning the objects of the issue, price justification, contents of the documents and other papers furnished by the Issuer, we confirm that;
 - a) The Draft Red Herring Prospectus filed with the board is in conformity with the documents, materials and papers which are material to the issue;
 - b) all material legal requirements relating to the issue as specified by the Board, the Central Government and any other competent authority in this behalf have been duly complied with; and
 - c) the material disclosures made in the Draft Red Herring Prospectus are true and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable legal requirements.

***SEBI Category I Merchant Bankers, Member of NSE and BSE**

401-405 & 416-418, 4th Floor, Soni Paris Point, Jai Singh Highway, Banipark, Jaipur-302016 INDIA

Phone: 0141-2203996 / 9829010099

E-mail : info@holaniconsultants.co.in, ipo@holaniconsultants.co.in | Website: www.holaniconsultants.co.in

CIN: U65100RJ2002PTC017661





3. Besides ourselves, all Intermediaries named in the Draft Red Herring Prospectus are registered with the Board and till date, such registration is valid.
4. We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments. – **Noted for Compliance.**
5. Written consent from Promoters has been obtained for inclusion of their specified securities as part of promoters' contribution subject to lock-in and the specified securities proposed to form part of promoters' contribution subject to lock-in shall not be disposed or sold or transferred by the promoters during the period starting from the date of filing the Draft Red Herring Prospectus with the Board till the date of commencement of lock-in period as stated in the Draft Red Herring Prospectus. – **Noted for Compliance.**
6. We undertake that all applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, which relates to specified securities ineligible for computation of promoters' contribution, have been and shall be duly complied with and appropriate disclosures as to compliance with the said regulation(s) have been made in the Draft Red Herring Prospectus. – **Complied and also Noted for Compliance.**
7. We undertake that all applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, which relate to receipt of promoter's contribution prior to opening of the issue, shall be complied with. We confirm that arrangements have been made to ensure that promoters' contribution shall be received at least one day before the opening of the Issue and that Auditors' Certificate to this effect shall be duly submitted to the Board. We further confirm that arrangements have been made to ensure that promoters' contribution shall be kept in an Escrow Account with a scheduled commercial bank and shall be released to the Issuer along with the proceeds of the Issue. – **Not Applicable**
8. We confirm that necessary arrangements shall be made to ensure that the monies received pursuant to the issue are credited or transferred to in a separate bank account as per the provisions of sub-section (3) of section 40 of the Companies Act, 2013 and that such monies shall be released by the said Bank only after permission is obtained from all the Stock Exchanges and that the agreement to be entered into between the Bankers to the Issue and the Issuer specifically contains this condition. – **Noted for Compliance.**
9. We confirm that the existing business of the Issuer falls within the 'Main Objects' in the object clause of the Memorandum of Association or other charter of the Issuer and that the activities which have been carried since incorporation are valid in terms of the object clause of the Memorandum of Association.



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10. We confirm that following disclosures have been made in the Draft Red Herring Prospectus and shall be made in Red Herring Prospectus that:

- a) An undertaking from the issuer that at any given time, there shall be only one denomination for the equity shares of the issuer, excluding SR equity shares, where an issuer has an outstanding SR equity share, and
- b) An undertaking from the issuer that it shall comply with all disclosure and accounting norms specified by the Board.

11. We undertake to comply with the regulations pertaining to advertisement in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. – **Noted for Compliance.**

12. The entity is not eligible to list on the innovator's growth platform in terms of the provisions of Chapter X of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

We enclose a note explaining the process of Due Diligence that have been exercised by us including in relation to the business of the issuer, the risk in relation to the business, experience of the promoters and that the related party transactions entered into for a period disclosed in the Draft Red Herring Prospectus have been entered into by the issuer in accordance with applicable Laws. – **Enclosed**

We enclose a checklist confirming regulation wise-compliance with the applicable provisions of these regulations, containing details such as the regulation number, its text, the status of compliance, page number of the Draft Red Herring Prospectus where the regulation has been complied with and our comments, if any. – **Enclosed**

For Holani Consultants Private Limited

Payal Jain



Payal Jain
Compliance Officer

[SEBI Registration Code – INM000012467]

Place: Jaipur

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