



To,
Holani Consultants Private Limited
401-405 & 416-418, 4th Floor,
Soni Paris Point, Jai Singh Highway,
Bani Park Jaipur – 302016

INITIAL PUBLIC OFFER OF M/S KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

We have examined the records, books and papers (collectively referred to as "the records") of M/s KRN Heat Exchanger and Refrigeration Limited and its Wholly Owned Subsidiary M/s KRN HVAC Products Private Limited ("Subsidiary") made available and placed before us. In our opinion and to the best of our knowledge and according to the examinations carried out by us and explanations furnished to us by the issuer, its officers, agents and other intermediaries involved in the aforesaid Initial Public Offer, we hereby certify the average sale price of per unit of heat exchangers sold to its customers during the last three financial years ended on March 31, 2024, 2023 and 2022.

Certified Company's secured borrowing breakup details attached herewith as Annexure 1.

| S.No. | Particulars | Remarks |
|-------|--|----------|
| 1. | Annexure 1 (Break up details of Average sale price of per unit Heat exchangers sold) | Enclosed |
| 2. | Annexure 2 (Break up details of Average sale price of Heat exchangers sold on the basis of domestic and export sale) | Enclosed |

Yours Faithfully,

M/s. Keyur Shah & Co.
Chartered Accountants,
Firm Registration No.: 141173W

Keyur Shah
Proprietor
Membership No.: 153774
UDIN: 24153774BKBOBE4868

Date: 10th August, 2024
Place: Ahmedabad

Cc:
KRN Heat Exchanger and Refrigeration Limited
Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area
Neemrana, Alwar, Rajasthan - 301705

Annexure - 1

Break details of Average sale price of per unit of Heat exchangers sold

| Particular | FY 23-24 | FY 22-23 | FY 21-22 |
|--|-------------------|-------------------|-------------------|
| Total Volume | 4,48,223 | 3,88,072 | 3,32,627 |
| Total Revenue generated by sale of Heat Exchangers | 2,85,88,27,547.87 | 2,23,80,15,616.81 | 1,50,90,55,660.59 |
| Average Sale price per unit of Heat exchanger | 6,378.14 | 5,767.01 | 4,536.78 |

Sale of heat exchanger includes sale of Evaporator Coils and Condenser Coils.



Annexure - 2

Break details of Average sale price of per unit of Heat exchangers sold on the basis of Domestic and Export sale

| Particular | FY 23-24 | | FY 22-23 | | FY 21-22 | |
|--|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|
| | Domestic | Export | Domestic | Export | Domestic | Export |
| Total Volume | 3,77,059 | 71,164 | 3,51,688 | 36,384 | 3,04,734 | 27,893 |
| Total Revenue generated by sale of Heat Exchangers | 2,40,65,09,483.51 | 45,23,18,064.36 | 1,95,91,40,502.12 | 27,88,75,114.69 | 1,36,00,88,905.96 | 14,89,66,754.63 |
| Average Sale price per unit of Heat exchanger | 6,383.32 | 6,356.00 | 5,570.68 | 7,664.77 | 4,463.20 | 5,340.65 |

Sale of heat exchanger includes sale of Evaporator Coils and Condenser Coils.





Keyur Shah & Co.
CHARTERED ACCOUNTANTS

CA Keyur Shah

FCA, B.Com, ISA, FAFP Certified

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We have examined the records, books and papers (collectively referred to as "the records") of M/s KRN Heat Exchanger and Refrigeration Limited ("Company") and its Wholly Owned Subsidiary KRN HVAC Products Private Limited ("Subsidiary") made available and placed before us. In our opinion and to the best of our knowledge and according to the examinations carried out by us and explanations furnished to us by the issuer, its officers, agents and other intermediaries involved in the aforesaid Initial Public Offer, we hereby certify the following operating revenue breakup for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 based on Consolidated and Standalone Restated Financial Statements:

Certified Company's export revenue breakup details attached herewith as Annexure 1, Annexure 2 and Annexure 3.

Yours Faithfully,

M/s. Keyur Shah & Co.
Chartered Accountants,
Firm Registration No.: 141173W


Keyur Shah
Proprietor
Membership No.: 153774
UDIN: 241537748KBOAK5502

Date: 06th August, 2024
Place: Ahmedabad

Cc:
KRN Heat Exchanger and Refrigeration Limited
Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area
Neemrana, Alwar, Rajasthan - 301705

ANNEXURE 1

(Amount in lakhs)

| Countries | 2023-24 (Consolidated) | | 2022-23 (Standalone) | | 2021-22 (Standalone) | |
|-----------------------------|---------------------------|------------------------------|-------------------------|------------------------------|-------------------------|------------------------------|
| | Total Revenue | % age of total revenue | Total Revenue | % age of total revenue | Total Revenue | % age of total revenue |
| United Arab Emirates | 2,587.74 | 57.17% | 1,442.92 | 51.15% | 1,384.27 | 92.67% |
| USA | 1,064.32 | 23.51% | 753.75 | 26.73% | 13.83 | 0.93% |
| Italy | 721.70 | 15.94% | 560.95 | 19.89% | 75.41 | 5.05% |
| Saudi Arabia | 78.04 | 1.72% | - | - | - | - |
| Norway | 27.97 | 0.62% | - | - | - | - |
| Czech Republic | 17.57 | 0.39% | - | - | - | - |
| Germany | 12.08 | 0.27% | 2.62 | 0.09% | 6.56 | 0.44% |
| United Kingdom | 6.99 | 0.15% | - | - | - | - |
| Poland | 3.66 | 0.08% | - | - | - | - |
| China | 3.46 | 0.08% | - | - | - | - |
| Canada | 1.65 | 0.04% | - | - | - | - |
| Ireland | 0.78 | 0.02% | - | - | - | - |
| France | 0.66 | 0.01% | 7.54 | 0.27% | 0.01 | 0.00% |
| Croatia | 0.02 | 0.00% | - | - | - | - |
| Hamburg | - | - | 0.81 | 0.03% | - | - |
| Israel | - | - | 2.41 | 0.09% | - | - |
| Luxembourg | - | - | 43.72 | 1.55% | 13.55 | 0.91% |
| Ukraine | - | - | 5.54 | 0.20% | - | - |
| Total Export Revenue | 4,526.64 | 100.00% | 2,820.26 | 100.00% | 1,493.63 | 100.00% |



Annexure 2

(Amount in ₹ lakhs)

| Particulars | For the Financial Year ended on March 31, | | | | | |
|------------------------|---|----------------|-------------------|----------------|-------------------|----------------|
| | 2024 (Consolidated) | | 2023 (Standalone) | | 2022 (Standalone) | |
| | Amount | % | Amount | % | Amount | % |
| Domestic Sales | 26,285.23 | 85.27% | 21,909.86 | 88.53% | 14,105.54 | 90.35% |
| Export Sales | 4,526.64 | 14.68% | 2,820.26 | 11.40% | 1,493.63 | 9.57% |
| Other Operating Income | 16.44 | 0.05% | 17.96 | 0.07% | 12.29 | 0.08% |
| Total | 30,828.31 | 100.00% | 24,748.08 | 100.00% | 15,611.46 | 100.00% |

*Other Operating Income includes rework of Coils and HVAC Parts.

Annexure 3

| Continents | 2023-24 (Consolidated) | | 2022-23 (Standalone) | | 2021-22 (Standalone) | |
|---------------|------------------------|------------------------|----------------------|------------------------|----------------------|------------------------|
| | Total Revenue | % age of total revenue | Total Revenue | % age of total revenue | Total Revenue | % age of total revenue |
| | Asia * | 2,669.24 | 58.97% | 1,445.33 | 51.25% | 1,384.27 |
| North America | 1,065.97 | 23.55% | 753.75 | 26.73% | 13.83 | 0.93% |
| Europe | 791.43 | 17.48% | 621.18 | 22.03% | 95.53 | 6.40% |
| Total | 4,526.64 | 100.00% | 2,820.26 | 100.00% | 1493.63 | 100.00% |

* Asia does not include domestic sales i.e. (Sales made to country "INDIA")





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Certified Company's operating revenue breakup details attached herewith as Annexure 1.

| S.No. | Particulars | Remarks |
|-------|--|----------|
| 1. | Annexure 1 (Break up of Exports made to Top 5 Jurisdictions) | Enclosed |
| 2. | Annexure 2 (Break up of Imports made from Top 5 Jurisdictions) | Enclosed |

Yours Faithfully,

M/s. Keyur Shah & Co.
Chartered Accountants,
Firm Registration No.: 141173W

Keyur Shah
Proprietor
Membership No.: 153774
UDIN: 24153774BKBBOBC4300



Date: 10th August, 2024
Place: Ahmedabad

Cc:
KRN Heat Exchanger and Refrigeration Limited
Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area
Neemrana, Alwar, Rajasthan - 301705

Annexure - 1

Break up of Exports made to Top 5 Jurisdictions:

(Amount in Lakhs)

| Particulars | For the Financial Year ended on March 31 | | | | | |
|----------------------|--|----------------|----------------------|----------------|----------------------|----------------|
| | 2024 (Consolidated) | | 2023 (Standalone) | | 2022 (Standalone) | |
| | Amount | % | Amount | % | Amount | % |
| United Arab Emirates | 2,587.74 | 57.17% | 1,442.92 | 51.15% | 1,384.27 | 92.67% |
| USA | 1,064.32 | 23.51% | 753.75 | 26.73% | 13.83 | 0.93% |
| Italy | 721.70 | 15.94% | 560.95 | 19.89% | 75.41 | 5.05% |
| Saudi Arabia | 78.04 | 1.72% | - | - | - | - |
| Norway | 27.97 | 0.62% | - | - | - | - |
| Luxemburg | - | - | 43.72 | 1.55% | 13.55 | 0.91% |
| France | 0.66 | 0.01% | 7.54 | 0.27% | 0.01 | 0.00% |
| Germany | 12.08 | 0.27% | 2.62 | 0.09% | 6.56 | 0.44% |
| TOTAL | 4,492.51 | 99.24% | 2,811.50 | 99.68% | 1,493.63 | 100.00% |
| TOTAL EXPORT | 4,526.64 | 100.00% | 2,820.26 | 100.00% | 1,493.63 | 100.00% |



Annexure 2

Break up of Imports made from Top 5 Jurisdictions

(In Rs. Lakhs)

| Particulars | For the Financial Year ended on March 31 | | | | | |
|---------------------|--|----------------|----------------------|----------------|----------------------|----------------|
| | 2024 (Consolidated) | | 2023 (Standalone) | | 2022 (Standalone) | |
| | Amount | % | Amount | % | Amount | % |
| Malaysia | 8,464.56 | 43.04% | 6,534.20 | 39.34% | 3,381.99 | 33.74% |
| Vietnam | 6,461.74 | 32.86% | 3,104.10 | 18.69% | 3,660.60 | 36.52% |
| South Korea | 2,385.97 | 12.13% | 2,467.47 | 14.85% | 327.15 | 3.26% |
| Thailand | 1,270.88 | 6.46% | 2,360.20 | 14.21% | 1,859.29 | 18.55% |
| China | 1,079.57 | 5.49% | 2,122.91 | 12.78% | 771.46 | 7.70% |
| TOTAL | 19,662.72 | 99.98% | 16,588.88 | 99.87% | 10,000.49 | 99.77% |
| TOTAL IMPORT | 19,664.64 | 100.00% | 16,611.12 | 100.00% | 10,024.40 | 100.00% |





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INITIAL PUBLIC OFFER OF M/S KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

We have examined the records, books and papers (collectively referred to as "the records") of **M/s KRN Heat Exchanger and Refrigeration Limited** and its Wholly Owned Subsidiary **M/s KRN HVAC Products Private Limited** ("Subsidiary") made available and placed before us. In our opinion and to the best of our knowledge and according to the examinations carried out by us and explanations furnished to us by the issuer, its officers, agents and other intermediaries involved in the aforesaid Initial Public Offer, we hereby certify the details Financial and Operational Key Performance Indicators company as per **Annexure - I** enclosed herewith.

Yours Faithfully,

M/s Keyur Shah & Co.
Chartered Accountants,
Firm Registration No.: 141173W

Keyur Shah
Proprietor
Membership No.: 153774
UDIN: 241537748KBOCC1117



Date: 20th August, 2024
Place: Ahmedabad

Cc:
KRN Heat Exchanger and Refrigeration Limited
Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area
Neemrana, Alwar, Rajasthan – 301705

ANNEXURE - I

Explanation for KPI metrics

| KPI | Explanations |
|---|--|
| Revenue from Operations | Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business. |
| Growth in Revenue from Operations | Growth in Revenue from Operations provides information regarding the growth of our business for the respective year. |
| Gross Profit | Gross Profit provides information regarding the profits from manufacturing of products by the Company. |
| Gross Profit Margin | Gross Profit Margin is an indicator of the profitability on sale of products manufactured by the Company. |
| EBITDA | EBITDA provides information regarding the operational efficiency of the business. |
| EBITDA Margin | EBITDA Margin is an indicator of the operational profitability and financial performance of our business. |
| Profit After Tax | Profit after tax provides information regarding the overall profitability of the business. |
| PAT Margin | PAT Margin is an indicator of the overall profitability and financial performance of our business. |
| RoE | RoE provides how efficiently our Company generates profits from shareholders' funds. |
| RoCE | ROCE provides how efficiently our Company generates earnings from the capital employed in the business. |
| Net Fixed Asset Turnover | Net Fixed Asset turnover ratio is indicator of the efficiency with which our Company is able to leverage its assets to generate revenue from operations. |
| Net Working Capital Days | Net working capital days indicates the working capital requirements of our Company in relation to revenue generated from operations. |
| Operating Cash Flows | Operating cash flows provides how efficiently our company generates cash through its core business activities. |
| Inventory Turnover Days | Inventory Turnover Days provides information regarding how many days a company turned over its inventory relative to its cost of goods sold (COGS). |
| Earnings per Share (Basic & Diluted) | Earnings per Share provides information regarding how efficiently our company generate earnings on each weighted average number of Equity Shares outstanding. |
| Operating Profit before Working Capital Changes | Operating Profit before Working Capital Changes provides information regarding how much cash profit generated by our company from his business operations. |
| Debt/EBITDA Ratio | Debt/EBITDA Ratio provides information regarding to the actual cash generated by our company to pay of his total debt. |
| NAV per Equity Share | NAV per Equity Share provides information regarding how much our company net assets value on each weighted average number of Equity Shares outstanding. |
| Net Worth | Net Worth represent value of our company. |
| Return on Net Worth | Return on Net Worth ratio is indicator of how efficiently our Company generates earnings from the Net Worth in the business. |
| Debt to Equity Ratio | Debt to Equity Ratio Depicts the company financial health compare to its outstanding debt. |



| KPI | Explanations |
|--|--|
| Debt Service coverage ratio | Debt Service Coverage Ratio measures Company's available cashflow to pay its current debt obligation |
| Total Quantity Sold (in Units) | This metric indicates the volume of the goods sold by the company according to its various product offerings |
| Total Quantity Produced (in Units) | This metric indicates the quantity of the products produced by the company according to its various product offerings |
| Total number of customers served during the year | This metric indicates the total number of customers served by the company further divided into International and Domestic clients showing the diversification in the customer base |
| Total Number of Employees | This metric indicates the total number of Employees hired by the company categorized into employees on company's payroll, Trainees and contractual employees hired. |

Financial KPIs of our Company

(In Rs. Lakhs)

| Particulars | For the Financial Year ended on | | |
|--|----------------------------------|--------------------------------|--------------------------------|
| | March 31, 2024 (Consolidated) | March 31, 2023 (Standalone) | March 31, 2022 (Standalone) |
| Revenue from Operations ⁽¹⁾ (₹ in Lakhs) | 30,828.31 | 24,748.08 | 15,611.46 |
| Growth in Revenue from Operations ⁽²⁾ (%) | 24.57% | 58.53% | 105.89% |
| Gross Profit ⁽³⁾ (₹ in Lakhs) | 8,026.91 | 6,379.84 | 2,633.25 |
| Gross Profit Margin ⁽⁴⁾ (%) | 26.04% | 25.78% | 16.87% |
| EBITDA ⁽⁵⁾ (₹ in Lakhs) | 5,845.24 | 4,931.75 | 1,693.56 |
| EBITDA Margin ⁽⁶⁾ (%) | 18.96% | 19.93% | 10.85% |
| Profit After Tax ⁽⁷⁾ (₹ in Lakhs) | 3,906.86 | 3,231.35 | 1,059.04 |
| PAT Margin ⁽⁸⁾ (%) | 12.67% | 13.06% | 6.78% |
| RoE ⁽⁹⁾ (%) | 40.86% | 75.94% | 54.88% |
| RoCE ⁽¹⁰⁾ (%) | 31.21% | 50.46% | 34.65% |
| Net Fixed Asset Turnover ⁽¹¹⁾ (In Times) | 5.48 | 7.70 | 7.32 |
| Net Working Capital Days ⁽¹²⁾ | 88 | 65 | 36 |
| Operating Cash Flows ⁽¹³⁾ (₹ in Lakhs) | 275.88 | 507.25 | 448.35 |
| Inventory Turnover Days ⁽¹⁴⁾ | 112 | 76 | 38 |
| Earnings per Share (Basic & Diluted) | | | |
| Basic ⁽¹⁵⁾ | 8.69 | 7.34 | 2.41 |
| Diluted ⁽¹⁶⁾ | 8.69 | 7.34 | 2.41 |
| Operating Profit before Working Capital Changes ⁽¹⁷⁾ (₹ in Lakhs) | 6,303.72 | 5,136.99 | 1,874.51 |
| Debt/EBITDA Ratio ⁽¹⁸⁾ (In Times) | 1.02 | 0.74 | 1.31 |
| NAV per Equity Share ⁽¹⁹⁾ | 28.53 | 13.54 | 5.80 |
| Net Worth ⁽²⁰⁾ (₹ in Lakhs) | 13,164.71 | 5,957.01 | 2,553.15 |
| Return on Net Worth ⁽²¹⁾ (%) | 29.68% | 54.24% | 41.48% |
| Debt Service Coverage Ratio ⁽²²⁾ | 8.64 | 8.46 | 6.16 |
| Debt to Equity Ratio ⁽²³⁾ | 0.45 | 0.62 | 0.87 |

#The company has incurred a bonus issue of 3,96,00,000 equity shares having face value of ₹ 10/- each in the ratio of 9:1 i.e 9 equity shares for every 1 equity shares on February 23, 2023.



#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.

Notes:

- (1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Information.
- (2) Growth in Revenue from Operations (%) is calculated as a percentage of Revenue from Operations of the relevant period/year minus Revenue from Operations of the preceding period/year, divided by Revenue from Operations of the preceding period/year.
- (3) Gross Profit is calculated as Revenue from Operations less Cost of Materials consumed, Purchase of Traded goods, Changes in inventories of finished goods and work-in-progress.
- (4) Gross Profit Margin (%) is calculated as Gross Profit divided by Revenue from Operations.
- (5) EBITDA is calculated as profit for the period/year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortisation expenses, less other income.
- (6) EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.
- (7) Profit After Tax Means Profit for the year as appearing in the Restated Financial Information.
- (8) PAT Margin (%) is calculated as Profit for the period/year as a percentage of Revenue from Operations.
- (9) RoE (Return on Equity) (%) is calculated as net profit after tax for the period/year divided by Average Shareholder Equity.
- (10) RoCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes divided by capital employed.
- (11) Net Fixed Asset Turnover is calculated as Net Turnover divided by Fixed Assets which consists of property, plant and equipment and capital work-in-progress.
- (12) Net Working Capital Days is calculated as working capital (current assets minus current liabilities) as at the end of the period/year divided by revenue from operations multiplied by number of days in a period/year.
- (13) Operating cash flows means net cash generated from operating activities as mentioned in the Restated Financial Information.
- (14) Inventory Turnover Days is calculated as average inventory as at the end of the period/year divided by cost of goods sold multiplied by number of days in the period/year.
- (15) Earnings per Share (Basic) is calculated as Net profit/ (loss) after tax, as restated attributable to equity shareholders divided by weighted average number of Equity Shares outstanding during the period/year.
- (16) Earnings per Share (Diluted) is calculated from Net profit/ (loss) after tax, as restated attributable to equity shareholders divided by weighted average number of diluted Equity Shares outstanding during the period/year.
- (17) Operating Profit before Working Capital Changes means cash generated before change of working capital adjustments.
- (18) Debt/EBITDA Ratio is calculated as total Debts (includes long term and short term borrowings) divided by EBITDA.
- (19) NAV per Equity Share is calculated as Net Assets Value divided by No. of Equity Shares.
- (20) Net Worth means Total Equity as mentioned in the Restated Financial Information.
- (21) Return on Net Worth is calculated as profit after tax before exceptional items and other comprehensive income/ expenses divided by net worth.



(22) Debt Service Coverage Ratio is calculated by Earning available for debt service divided by interest and instalment paid during the year on borrowing repayable in instalment.

(23) Debt to Equity Ratio is calculated as total debt of the company divided by Total shareholders equity which includes share capital and reserves and surplus.

Operational KPIs of the Company

| Particulars | For the Financial Year ended on | | |
|---|----------------------------------|--------------------------------|--------------------------------|
| | March 31, 2024 (Consolidated) | March 31, 2023 (Standalone) | March 31, 2022 (Standalone) |
| Total Quantity Sold (In Units) | | | |
| Evaporator Coils | 2,02,273 | 1,13,182 | 1,07,564 |
| Condenser Coils | 2,45,950 | 2,74,890 | 2,25,063 |
| Headers/ Copper Parts | 1,29,580 | 96,630 | 14,977 |
| Sheet Metal Parts | 1,141 | 7,138 | 652 |
| Total Quantity Produced (In units) | | | |
| Evaporator Coils | 2,20,152 | 1,13,027 | 1,07,356 |
| Condenser Coils | 2,56,264 | 3,05,944 | 2,26,300 |
| Headers/ Copper Parts | 6,06,854 | 4,85,552 | 3,60,118 |
| Sheet Metal Parts | 4,77,557 | 4,22,214 | 3,34,090 |
| Total Number of Customers served during the year | 113 | 112 | 95 |
| - International Clients | 32 | 16 | 10 |
| - Domestic Clients | 81 | 96 | 85 |
| Total Number of Employees | 538 | 478 | 307 |
| - Permanent Employees | 147 | 124 | 92 |
| - Trainee | 24 | 32 | 38 |
| - Contractual Employees | 367 | 322 | 177 |





To,
Holani Consultants Private Limited
401-405 & 416-418, 4th Floor,
Soni Paris Point, Jai Singh Highway,
Bani Park Jaipur – 302016

Cc:
KRN Heat Exchanger and Refrigeration Limited
Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area
Neemrana, Alwar, Rajasthan - 301705

INITIAL PUBLIC OFFER OF M/S KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

We have examined the records, books and papers (collectively referred to as "the records") of M/s KRN Heat Exchanger and Refrigeration Limited made available and placed before us. In our opinion and to the best of our knowledge and according to the examinations carried out by us and explanations furnished to us by the issuer, its officers, agents and other intermediaries involved in the aforesaid Initial Public Offer, we hereby certify – the List of Secured and Unsecured Loans with the name of the lender outstanding as on July 15, 2024:

(Amount in Lakhs)

| S. No. | Category of borrowing | Purpose | Sanctioned Date | Validity | Rate of Interest | Sanctioned amount | Outstanding amount as on 15.07.2024 |
|--------|--|---|-----------------|-----------|------------------|-------------------------------------|-------------------------------------|
| (A) | Secured Borrowings | | | | | | |
| (A1) | Fund Based Borrowings | | | | | | |
| (i) | Term Loans/WCDL | | | | | | |
| | - State Bank of India | Roof Top Solar System | 06.03.2021 | 85 Months | 9.55% | 99.50 | 2.94 |
| | - HDFC Bank Ltd | Car Loan | 29.09.2021 | 84 Months | 7.00% | 83.60 | 55.52 |
| | - HDFC Bank Ltd- Working Capital Term Loan | Business Use | 27.12.2023 | 71 Months | 8.75% | 160.00 | 57.97 |
| | - HDFC Bank Ltd- Working Capital Term Loan | Business Use | 27.12.2023 | 72 Months | 8.75% | 600.00 | 289.67 |
| | - HDFC Bank Ltd- Working Capital Term Loan | Business Use | 27.12.2023 | 60 Months | 8.75% | 500.00 | 359.66 |
| | - Citi Bank- WCDL | For working capital requirements | 29.12.2023 | 6 Months | 8.17% | Sub limit of Cash credit (3,000.00) | 1,500.00 |
| (ii) | Cash Credit | | | | | | |
| | HDFC Bank Ltd - Cash Credit | For availing cash credit facilities as per requirements | 27.12.2023 | 12 Months | 8.75% | 4,500.00 | 1,725.30 |
| | Citi Bank- Cash Credit | For availing cash credit facilities as per requirements | 29.12.2023 | 12 Months | 8.50% | 3,000.00 | 363.95 |
| (iii) | GECL/WCDL | | | | | | |
| | - HDFC Bank Ltd- GECL II | For working capital requirements | 27.12.2023 | 60 Months | 9.25% | 288.00 | 253.78 |
| | TOTAL (A1) | | | | | 9,231.10 | 4,608.79 |



| S. No. | Category of borrowing | Purpose | Sanctioned Date | Validity | Rate of Interest | Sanctioned amount | Outstanding amount as on 15.07.2024 |
|--------|--|----------------------------------|-----------------|-----------|------------------------|--|-------------------------------------|
| (A2) | Non-Fund Based Borrowings | | | | | | |
| | - HDFC Bank Ltd- Letter of Credit | For working capital requirements | 27.12.2023 | 3 Months | 0.50% | 5,500.00 | 299.50 |
| | - HDFC Bank Ltd- Bank Guarantee | For working capital requirements | 27.12.2023 | 12 Months | 1.00% | Sub limit of Letter of credit (1,000.00) | 486.62 |
| | - HDFC Bank Ltd- Pre-Settlement Risk (PSR) | For working capital requirements | 27.12.2023 | 6 Months | 1.80% | 200.00 | - |
| | - HDFC Bank Ltd- Retail Bank Guarantee | For working capital requirements | 27.12.2023 | 18 Months | 1.80% | 9.93 | - |
| | - HDFC Bank Ltd- Retail Bank Guarantee | For working capital requirements | 27.12.2023 | 24 Months | 1.80% | 13.00 | - |
| | - Citi Bank – Pre-Shipment Credit | For working capital requirements | 29.12.2023 | 6 Months | Between 5.05% to 5.20% | Sub limit of Cash credit (3,000.00) | 905.31 |
| | - HDFC Bank Ltd- Purchase Card | For working capital requirements | 27.12.2023 | 12 Months | - | 75.00 | 4.18 |
| | - HDFC Bank Ltd- Corporate Card | For working capital requirements | 27.12.2023 | 12 Days | - | 5.00 | - |
| | TOTAL (A2) | | | | | 5,802.93 | 1,695.61 |
| | TOTAL (A1) + (A2) | | | | | 15,034.03 | 6,304.40 |

* The total limit of Cash Credit is 3,000 Lakhs, out of which 1,500 Lakhs is utilised as a Working Capital Loan and 905.31 Lakhs is utilised as a Pre-Shipment Credit which is sub limit of Cash Credit .

** The total limit of Letter of credit is 5,500 Lakhs, out of which 1,000 Lakhs is related to Bank Guarantee which is sub limit of Letter of Credit.

Yours Faithfully,

M/s. Keyur Shah & Co.
Chartered Accountants,
Firm Registration No.: 141173W

Keyur Shah
Proprietor
Membership No.: 153774
UDIN: 24153774BKBOBO3851

Date: 13th August, 2024

Place: Ahmedabad





Keyur Shah & Co.
CHARTERED ACCOUNTANTS

CA Keyur Shah
FCA, B.Com, ISA,
FAPP Certified

To,
Holani Consultants Private Limited
401-405 & 416-418, 4th Floor,
Soni Paris Point, Jai Singh Highway,
Bani Park Jaipur – 302016

Cc:
KRN Heat Exchanger and Refrigeration Limited
Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area
Neemrana, Alwar, Rajasthan - 301705

INITIAL PUBLIC OFFER OF M/S KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

We have examined the records, books and papers (collectively referred to as "the records") of M/s KRN Heat Exchanger and Refrigeration Limited made available and placed before us. In our opinion and to the best of our knowledge and according to the examinations carried out by us and explanations furnished to us by the issuer, its officers, agents and other intermediaries involved in the aforesaid Initial Public Offer, we hereby certify the following details of Plant and Machinery for the period ended March 31, 2024 based on Restated Financial Statements:

Certified Company's details of Plant and Machinery is attached herewith in **Annexure 1**:

Yours Faithfully,

M/s. Keyur Shah & Co.
Chartered Accountants,
Firm Registration No.: 141173W

Keyur Shah
Proprietor
Membership No.: 153774
UDIN: 24153774BKBOBL6294



Date: 13th August, 2024
Place: Ahmedabad

Annexure 1

| Process | Quantity of Machines | Source (Imported / Indigenous) |
|-------------------------------|----------------------|-----------------------------------|
| Bending | 1 | Indigenous |
| Bending | 1 | Imported |
| Brazing Processing | 34 | Indigenous |
| Drying & Cleaning | 8 | Indigenous |
| Vertical Expansion Processing | 3 | Indigenous |
| Vertical Expansion Processing | 9 | Imported |
| Fin Processing | 8 | Indigenous |
| Fin Processing | 16 | Imported |
| Header (Piping) processing | 30 | Indigenous |
| Header (Piping) processing | 3 | Imported |
| Material Handling | 151 | Indigenous |
| Painting | 5 | Indigenous |
| Sheet Metal Processing | 25 | Indigenous |
| Sheet Metal Processing | 1 | Imported |
| Testing | 38 | Indigenous |
| Testing | 6 | Imported |
| Tools | 28 | Indigenous |
| Tools | 7 | Imported |
| Tube Processing | 5 | Imported |
| Utility | 135 | Indigenous |
| Grand Total | 514 | |





To,
Holani Consultants Private Limited
401-405 & 416-418, 4th Floor,
Soni Paris Point, Jai Singh Highway,
Bani Park Jaipur – 302016

CA Keyur Shah
FCA, B.Com, ISA,
FAFP Certified

INITIAL PUBLIC OFFER OF M/S KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

We have examined the records, books, and papers (collectively referred to as "the records") of **M/s KRN Heat Exchanger and Refrigeration Limited** made available and placed before us. In our opinion and to the best of our knowledge and according to the examinations carried out by us and explanations furnished to us by the issuer, its officers, agents, and other intermediaries involved in the aforesaid Initial Public Offer, we hereby certify –

That **M/s KRN Heat Exchanger and Refrigeration Limited** has incurred a total of Rs. 31.58 lakhs, Rs. 19.31 lakhs, Rs. 12.95 lakhs on its Research and Development Activities for the financial year ended on March 31, 2024, 2023 and 2022 respectively.

The details of the same is attached herewith as **Annexure 1**.

| S.No. | Particulars | Remarks |
|-------|---|----------|
| 1. | <i>Annexure 1 (Research Development Expenses)</i> | Enclosed |

Yours Faithfully,

M/s. Keyur Shah & Co.
Chartered Accountants,
Firm Registration No.: 141173W

Keyur Shah
Proprietor
Membership No.: 153774
UDIN: 241537748KBOBI7757

Date: 12th August, 2024
Place: Ahmedabad

Cc:
KRN Heat Exchanger and Refrigeration Limited
Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area
Neemrana, Alwar, Rajasthan – 301705

Annexure 1

(Amount in Lakhs)

| Particular | For the Financial Year ended on March 31 | | |
|----------------------------------|--|-------|-------|
| | 2024 | 2023 | 2022 |
| Research and Development Expense | 31.58 | 19.31 | 12.95 |





To,
Holani Consultants Private Limited
401-405 & 416-418, 4th Floor,
Soni Paris Point, Jai Singh Highway,
Bani Park Jaipur – 302016

CA Keyur Shah
FCA, B.Com, ISA,
FAFP Certified

INITIAL PUBLIC OFFER OF M/S KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

We have examined the records, books and papers (collectively referred to as "the records") of M/s KRN Heat Exchanger and Refrigeration Limited, ("Company") and its Wholly Owned Subsidiary KRN HVAC Products Private Limited ("Subsidiary") made available and placed before us. In our opinion and to the best of our knowledge and according to the examinations carried out by us and explanations furnished to us by the issuer, its officers, agents and other intermediaries involved in the aforesaid Initial Public Offer, we hereby certify the following operating revenue breakup for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 are based on Consolidated and Standalone Restated Financial Statements:

Certified Company's operating revenue breakup details attached herewith as **Annexure 1**.

| S.No. | Particulars | Remarks |
|-------|--|----------|
| 1. | Annexure 1 (Break up on the basis of products manufactured or traded) | Enclosed |
| 2. | Annexure 2 (Break up on the basis of Domestic Geographical sales and Export Countries) | Enclosed |

Yours Faithfully,

M/s. Keyur Shah & Co.
Chartered Accountants,
Firm Registration No.: 141173W

Keyur Shah
Proprietor
Membership No.: 153774
UDIN: 24153774BKBOBF2601



Date: 10th August, 2024
Place: Ahmedabad

Cc:
KRN Heat Exchanger and Refrigeration Limited
Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area
Neemrana, Alwar, Rajasthan - 301705

Annexure - 1

Break up based on products manufactured:

(Amount in Lakhs)

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

Note :-

* Other operating revenue includes sale of other HVAC parts like Tubing, Copper pipes, rework of coil and HVAC parts etc.



Annexure 2

(In Rs. Lakhs)

| Particulars | For the Financial Year ended on March 31 (Standalone) | | | | | |
|--------------------------|---|----------------|------------------|----------------|------------------|----------------|
| | 2024 | | 2023 | | 2022 | |
| | Amount | % | Amount | % | Amount | % |
| A. DOMESTIC SALES | | | | | | |
| RAJASTHAN | 12,713.72 | 41.24% | 10,837.95 | 43.79% | 7,681.01 | 49.19% |
| MAHARASHTRA | 3,402.52 | 11.04% | 1,558.01 | 6.30% | 1,042.20 | 6.68% |
| KARNATAKA | 2,909.33 | 9.44% | 2,852.04 | 11.52% | 1,764.73 | 11.30% |
| HARYANA | 2,630.66 | 8.53% | 1,231.80 | 4.98% | 875.33 | 5.61% |
| UTTARAKHAND | 1,175.48 | 3.81% | 1,121.10 | 4.53% | 509.82 | 3.27% |
| HIMACHAL PRADESH | 1,092.36 | 3.54% | 1,987.33 | 8.03% | 416.7 | 2.67% |
| GUJARAT | 771.80 | 2.50% | 680.25 | 2.75% | 731.58 | 4.69% |
| UTTAR PRADESH | 468.85 | 1.52% | 823.58 | 3.33% | 479.3 | 3.07% |
| DIU DAMAN & DADRA NAGAR | 405.93 | 1.32% | 353.82 | 1.43% | 165.55 | 1.06% |
| MADHYA PRADESH | 208.71 | 0.68% | 141.57 | 0.57% | 18.84 | 0.12% |
| DELHI | 168.71 | 0.55% | 101 | 0.41% | 152.4 | 0.98% |
| TELANGANA | 133.41 | 0.43% | 154.37 | 0.62% | 90.55 | 0.58% |
| TAMIL NADU | 101.64 | 0.33% | 45.74 | 0.18% | 55.67 | 0.36% |
| GOA | 75.82 | 0.25% | - | - | - | - |
| ANDHRA PRADESH | 30.13 | 0.10% | 0.61 | 0.00% | 19.02 | 0.12% |
| PUNJAB | 7.99 | 0.03% | 12.65 | 0.05% | 48.9 | 0.31% |
| WEST BENGAL | 4.61 | 0.01% | - | - | 13.73 | 0.09% |
| CHANDIGARH | - | - | - | - | - | - |
| CHHATTISGARH | - | - | 11.13 | 0.04% | 7.22 | 0.05% |
| JHARKHAND | - | - | - | - | 6.84 | 0.04% |
| KERALA | - | - | 14.88 | 0.06% | 26.8 | 0.17% |
| ORISSA | - | - | - | - | 11.64 | 0.07% |
| TOTAL (A) | 26,301.67 | 85.32% | 21,927.82 | 88.60% | 14,117.83 | 90.43% |
| B. EXPORTS | | | | | | |
| UNITED ARAB EMIRATES | 2,587.74 | 8.39% | 1,442.92 | 5.83% | 1,384.27 | 8.87% |
| USA | 1,064.32 | 3.45% | 753.75 | 3.05% | 13.83 | 0.09% |
| ITALY | 721.70 | 2.34% | 560.95 | 2.27% | 75.41 | 0.48% |
| SAUDI ARABIA | 78.04 | 0.25% | - | - | - | - |
| NORWAY | 27.97 | 0.09% | - | - | - | - |
| CZECH REPUBLIC | 17.57 | 0.06% | - | - | - | - |
| GERMANY | 12.08 | 0.04% | 3.43 | 0.01% | 6.56 | 0.04% |
| UNITED KINGDOM | 6.99 | 0.02% | - | - | - | - |
| POLAND | 3.66 | 0.01% | - | - | - | - |
| CHINA | 3.46 | 0.01% | - | - | - | - |
| CANADA | 1.65 | 0.01% | - | - | - | - |
| IRELAND | 0.78 | 0.005% | - | - | - | - |
| FRANCE | 0.66 | 0.004% | 7.54 | 0.03% | 0.01 | 0.00% |
| CROATIA | 0.02 | 0.001% | - | - | - | - |
| ISRAEL | - | - | 2.41 | 0.01% | - | - |
| LUXEMBURG | - | - | 43.72 | 0.18% | 13.55 | 0.09% |
| UKRAINE | - | - | 5.54 | 0.02% | - | - |
| TOTAL (B) | 4,526.64 | 14.68% | 2,820.26 | 11.40% | 1,493.63 | 9.57% |
| TOTAL (A+B) | 30,828.31 | 100.00% | 24,748.08 | 100.00% | 15,611.46 | 100.00% |



To,
Holani Consultants Private Limited
401-405 & 416-418, 4th Floor,
Soni Paris Point, Jai Singh Highway,
Bani Park Jaipur – 302016

Cc:
KRN Heat Exchanger and Refrigeration Limited
Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area
Neemrana, Alwar, Rajasthan - 301705

INITIAL PUBLIC OFFER OF M/S KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

We have examined the Consolidated and Standalone Restated Financial Statements of M/s KRN Heat Exchanger and Refrigeration Limited, having its registered office at Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area, Neemrana, Alwar-301705, Rajasthan, India, ("Company") and its Wholly Owned Subsidiary M/s KRN HVAC Products Private Limited ("Subsidiary") for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022. based on details produced before us and based on test check of the transaction entered into with related parties as given in the Annexure A. We hereby certify that these transactions as given in Annexure A has been entered into at arm's length process.

Annexure – A

(Amount in Lakhs)

| Name of the Related Party | 2023-24 (Consolidated) | 2022-23 (Standalone) | 2021-22 (Standalone) |
|---|---------------------------|-------------------------|-------------------------|
| Remuneration, salary & consultancy fee to promoter & promoters' group | 133.00 | 55.46 | 44.61 |
| Remuneration, salary & consultancy fee to other than promoter & promoters' group | 15.21 | 1.71 | - |
| Rent from promoters & promoter group | 1.32 | 1.32 | 1.20 |
| Remuneration to directors other than promoters & promoter group | - | - | - |
| Interest to promoter & promoter group, subsidiary companies, and group companies | 5.68 | 8.67 | 18.97 |
| Interest to directors other than promoters & promoter group | - | - | - |
| Sales (Excluding GST) (Net) made to group companies | 882.26 | 1,273.70 | 1,728.20 |
| Purchase (Excluding GST) (Net) made from group companies, promoter & promoter group | 22.84 | - | 33.68 |

Yours Faithfully,

M/s. Keyur Shah & Co.
Chartered Accountants,
Firm Registration No.: 141173W

Keyur Shah
Proprietor
Membership No.: 153774
UDIN: 241537748KBOBJ3073

Date: 12th August, 2024
Place: Ahmedabad



To,
Holani Consultants Private Limited
401-405 & 416-418, 4th Floor,
Soni Paris Point, Jal Singh Highway,
Bani Park Jaipur – 302016

INITIAL PUBLIC OFFER OF M/S KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

We have examined the records, books, and papers (collectively referred to as "the records") of M/s KRN Heat Exchanger and Refrigeration Limited ("Company") and its Wholly Owned Subsidiary M/s KRN HVAC Products Private Limited ("Subsidiary") made available and placed before us. In our opinion and to the best of our knowledge and according to the examinations carried out by us and explanations furnished to us by the issuer, its officers, agents and other intermediaries involved in the aforesaid Initial Public Offer, we hereby certify the following top 10 customers for the financial years ended on March 31, 2024, March 31, 2023 and March 31, 2022 based on Consolidated and Standalone Restated Financial Statements:

A. FY 2023-24

(Amount in Lakhs)

| S. No | Particulars | Sales | % of Total Sales |
|-------|--|------------------|------------------|
| 1 | DAIKIN AIRCONDOTIONING INDIA PRIVATE LIMITED | 10,279.22 | 33.34% |
| 2 | SCHNEIDER ELECTRIC IT BUSINESS INDIA PRIVATE LIMITED | 2,501.60 | 8.11% |
| 3 | CARRIER AIRCONDITIONING & REFRIGERATION LIMITED | 1,574.80 | 5.11% |
| 4 | TROSTEN INDUSTRIES COMPANY LLC | 1,343.25 | 4.36% |
| 5 | VOLTAS LIMITED | 1,294.63 | 4.20% |
| 6 | MEKAR AIR HANDLING UNITS LLC | 1,244.50 | 4.04% |
| 7 | STULZ-CHSPL (INDIA) PRIVATE LIMITED | 1,098.58 | 3.56% |
| 8 | G & F MANUFACTURING INC. | 1,061.90 | 3.44% |
| 9 | TACO AIR INTERNATIONAL THERMAL SYSTEMS PRIVATE LIMITED | 987.10 | 3.20% |
| 10 | BLUE STAR LIMITED | 907.98 | 2.95% |
| | Total | 22,293.56 | 72.31% |

❖ Total Sales (Excluding GST) - Rs.30,828.31 Lakhs

B. FY 2022-2023

(Amount in Lakhs)

| S. No | Particulars | Sales | % of Total Sales |
|-------|--|------------------|------------------|
| 1 | DAIKIN AIRCONDOTIONING INDIA PRIVATE LIMITED | 8,130.92 | 32.85% |
| 2 | BLUE STAR LIMITED | 1,752.49 | 7.08% |
| 3 | SCHNEIDER ELECTRIC IT BUSINESS INDIA PRIVATE LIMITED | 1,612.86 | 6.52% |
| 4 | KRNCOILS PRIVATE LIMITED | 1,273.70 | 5.15% |
| 5 | TRANS ACNR SOLUTIONS PRIVATE LIMITED | 1,044.24 | 4.22% |
| 6 | VOLTAS LIMITED | 892.66 | 3.61% |
| 7 | G & F MANUFACTURING INC. | 753.17 | 3.04% |
| 8 | CARRIER AIRCONDITIONING & REFRIGERATION LIMITED | 728.06 | 2.94% |
| 9 | SWEGON BLUE BOX PRIVATE LIMITED | 726.27 | 2.93% |
| 10 | CLIMAVENETA CLIMATE TECHNOLOGIES PRIVATE LIMITED | 625.72 | 2.53% |
| | Total | 17,540.09 | 70.87% |

❖ Total Sales (Excluding GST) - Rs.24,748.08 Lakhs



C. FY 2021-22

| S. No | Particulars | (Amount in Lakhs) | |
|-------|--|-------------------|------------------|
| | | Sales | % of Total Sales |
| 1 | DAIKIN AIRCONDOTIONING INDIA PRIVATE LIMITED | 5,039.40 | 32.28% |
| 2 | KRNCOILS PRIVATE LIMITED | 1,728.20 | 11.07% |
| 3 | SCHNEIDER ELECTRIC IT BUSINESS INDIA PRIVATE LIMITED | 923.85 | 5.92% |
| 4 | MEKAR AIR HANDLING UNITS LLC | 856.26 | 5.48% |
| 5 | TRANS ACNR SOLUTIONS PRIVATE LIMITED | 786.29 | 5.04% |
| 6 | SWEGON BLUE BOX PRIVATE LIMITED | 553.33 | 3.54% |
| 7 | CARRIER AIRCONDITIONING & REFRIGERATION LIMITED | 549.39 | 3.52% |
| 8 | TROSTEN INDUSTRIES COMPANY LLC | 521.21 | 3.34% |
| 9 | PRASAD GWK COOLTECH PRIVATE LIMITED | 456.73 | 2.93% |
| 10 | VOLTAS LIMITED | 420.79 | 2.70% |
| | Total | 11,835.45 | 75.82% |

❖ Total Sales (Excluding GST) - Rs. 15,611.46 Lakhs

Yours Faithfully,

M/s. Keyur Shah & Co.
Chartered Accountants,
Firm Registration No.: 141173W


Keyur Shah
Proprietor
Membership No.: 153774
UDIN: 24153774BKBOBB2797



Place: Ahmedabad
Date: 09th August, 2024

Cc:
KRN Heat Exchanger and Refrigeration Limited
Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area
Neemrana, Alwar, Rajasthan - 301705



To,
Holani Consultants Private Limited
401-405 & 416-418, 4th Floor,
Soni Paris Point, Jai Singh Highway,
Bani Park Jaipur – 302016

INITIAL PUBLIC OFFER OF M/S KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

We have examined the records, books, and papers (collectively referred to as "the records") of M/s KRN Heat Exchanger and Refrigeration Limited ("Company") and its Wholly Owned Subsidiary KRN HVAC Products Private Limited ("Subsidiary") made available and placed before us. In our opinion and to the best of our knowledge and according to the examinations carried out by us and explanations furnished to us by the issuer, its officers, agents and other intermediaries involved in the aforesaid Initial Public Offer, we hereby certify the following top 10 suppliers for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 based on Consolidated and Standalone Restated Financial Statements:

A. FY 2023-2024 (Consolidated)

(Amount in Lakhs)

| S. No. | Particulars | Purchase | % of Total Purchase |
|--------|---|------------------|---------------------|
| 1 | HONGKONG MAYTIME INTERNATIONAL INDUSTRY LIMITED | 3,759.70 | 14.94% |
| 2 | METTUBE INTERNATIONAL SDN BHD | 3,458.60 | 13.75% |
| 3 | ALCOM NIKKEI SPECIALTY COATINGS SDN BHD | 3,254.60 | 12.94% |
| 4 | L S METAL CO LTD | 2,385.97 | 9.48% |
| 5 | ALUMINIUM COMPANY OF MALAYSIA BERHAD | 1,665.67 | 6.62% |
| 6 | LS Metal VINA LLC | 1,623.72 | 6.45% |
| 7 | VAROPAKORN PUBLIC COMPANY LIMITED | 1,104.22 | 4.39% |
| 8 | HONGKONG HAILIANG METAL TRADING LIMITED | 1,078.32 | 4.29% |
| 9 | NV METAL INDUSTRIES | 690.86 | 2.75% |
| 10 | NINGBO JINTIAN COPPER TUBE CO LIMITED | 599.11 | 2.38% |
| | Total | 19,620.77 | 77.99% |

❖ Total Purchase (Excluding GST) - Rs. 25,157.67 Lakhs

B. FY 2022-2023 (Standalone)

(Amount in Lakhs)

| S. No. | Particulars | Purchase | % of Total Purchase |
|--------|---|------------------|---------------------|
| 1 | METTUBE INTERNATIONAL SDN BHD | 3,632.40 | 17.29% |
| 2 | HONGKONG MAYTIME INTERNATIONAL INDUSTRY LIMITED | 3,104.10 | 14.78% |
| 3 | LS METAL VINA LLC | 2,341.54 | 11.15% |
| 4 | ALCOM NIKKEI SPECIALTY COATINGS SDN BHD | 1,686.42 | 8.03% |
| 5 | VAROPAKORN PUBLIC COMPANY LIMITED | 1,414.36 | 6.73% |
| 6 | ALUMINIUM COMPANY OF MALAYSIA BERHAD | 1,187.94 | 5.66% |
| 7 | NINGBO JINTIAN COPPER TUBE CO LIMITED | 1,133.82 | 5.40% |
| 8 | HONGKONG HAILIANG METAL TRADING LIMITED | 945.83 | 4.50% |
| 9 | SHANGHAI HAILIANG COPPER CO LIMITED | 610.16 | 2.90% |
| 10 | POSCO INDIA PROCESSING CENTER PRIVATE LIMITED | 429.43 | 2.04% |
| | Total | 16,486.00 | 78.48% |

❖ Total Purchase (Excluding GST) - Rs.21,006.45 Lakhs



C. FY 2021-22 (Standalone)

(Amount in Lakhs)

| S. No | Particulars | Purchase | % of Total Purchase |
|-------|---|-----------------|---------------------|
| 1 | METTUBE INTERNATIONAL SDN BHD | 2,425.46 | 17.46% |
| 2 | HONGKONG MAYTIME INTERNATIONAL INDUSTRY LIMITED | 1,661.93 | 11.96% |
| 3 | HONGKONG HAILIANG METAL TRADING LIMITED | 1,190.95 | 8.57% |
| 4 | LS METAL VINA LLC | 1,115.33 | 8.03% |
| 5 | JINTIAN COPPER INDUSTRIAL (VIETNAM) COMPANY LIMITED | 883.34 | 6.36% |
| 6 | VAROPAKORN PUBLIC COMPANY LIMITED | 668.34 | 4.81% |
| 7 | ALCOM NIKKEI SPECIALTY COATINGS SDN BHD | 555.96 | 4.00% |
| 8 | ALCHA (SHANGHAI) INTERNATIONAL TRADING CO. LIMITED | 473.46 | 3.41% |
| 9 | SATYAM METALS | 383.29 | 2.76% |
| 10 | POSCO INDIA PROCESSING CENTER PRIVATE LIMITED | 376.12 | 2.71% |
| | Total | 9,734.18 | 70.07% |

❖ Total Purchase (Excluding GST) - Rs. 13,890.92 Lakhs

Yours Faithfully,

M/s. Keyur Shah & Co.
Chartered Accountants,
Firm Registration No.: 141173W

Keyur Shah
Proprietor
Membership No.: 153774
UDIN: 24153774BKBBOBG3302

Place: Ahmedabad
Date: 10th August, 2024

Cc:
KRN Heat Exchanger and Refrigeration Limited
Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area
Neemrana, Alwar, Rajasthan - 301705



To,
Holani Consultants Private Limited
401-405 & 416-418, 4th Floor,
Soni Paris Point, Jai Singh Highway,
Bani Park Jaipur – 302016

INITIAL PUBLIC OFFER OF M/S KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

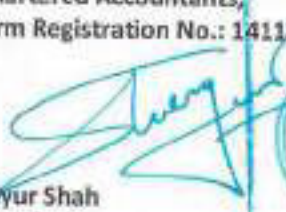
We have examined the records, books and papers (collectively referred to as "the records") of M/s KRN Heat Exchanger and Refrigeration Limited, having its registered office at Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area, Neemrana, Alwar– 301705, Rajasthan, India, made available and placed before us. In our opinion and to the best of our knowledge and according to the examinations carried out by us and explanations furnished to us by the issuer, its officers, agents and other intermediaries involved in the aforesaid Initial Public Offer, we hereby certify the Average cost of acquisition of specified securities acquired by the Promoters is mentioned as under:

| S. No. | Name | Number of Equity Shares acquired | Average Price of acquisition per Equity Share (in ₹) * |
|------------------|---------------------|----------------------------------|--|
| Promoters | | | |
| 1. | Santosh Kumar Yadav | 2,02,99,950 | 1.109 |
| 2. | Anju Devi | 2,37,00,000 | 1.047 |
| 3. | Manohar Lal | 10 | 100.00 |

Enclosed:
Average Calculation Sheet

Yours Faithfully,

M/s. Keyur Shah & Co.
Chartered Accountants,
Firm Registration No.: 141173W


Keyur Shah
Proprietor
Membership No.: 153774
UDIN: 241537748KBNXN1990



Place: Ahmedabad
Date: 30th May, 2024

Cc:
KRN Heat Exchanger and Refrigeration Limited
Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area
Neemrana, Alwar, Rajasthan - 301705

| Date of transfer / allotment of Equity Shares | Number of Equity shares allotted / transferred | Nature of transaction | Nature of consideration | Transfer price/ Issue price per Equity Share (₹) | Acquisition Cost total |
|---|--|--|-------------------------|--|------------------------|
| Santosh Kumar Yadav | | | | | |
| August 25, 2017 | 5,000 | Initial subscription to MOA | Cash | 10.00 | 50,000.00 |
| March 20, 2018 | 10,45,000 | Right Issue | Cash | 10.00 | 1,04,50,000.00 |
| March 31, 2020 | 3,00,000 | Right Issue | Cash | 10.00 | 30,00,000.00 |
| February 02, 2021 | 6,80,000 | Acquisition of Shares By way of Transfer | Cash | 13.26 | 90,17,738.00 |
| February 23, 2023 | 1,62,70,000 | Bonus Issue | Other than Cash | 0.00 | - |
| March 09, 2023 | (40) | Transfer of Shares | Cash | 100.00 | (4,000.00) |
| March 11, 2023 | (10) | Transfer of Shares | Cash | 100.00 | (1,000.00) |
| TOTAL | 2,02,99,950 | | | | 2,25,12,738.00 |
| | | | | Avg. Cost | 1.109 |
| Anju Devi | | | | | |
| August 25, 2017 | 5,000 | Initial subscription to MOA | Cash | 10 | 50,000.00 |
| March 20, 2018 | 15,70,000 | Right Issue | Cash | 10 | 1,57,00,000.00 |
| March 31, 2020 | 4,50,000 | Right Issue | Cash | 10 | 45,00,000.00 |
| February 02, 2021 | 3,45,000 | Acquisition of Shares By way of Transfer | Cash | 13.26 | 45,75,176.00 |
| February 23, 2023 | 2,13,30,000 | Bonus Issue | Other than Cash | 0 | - |
| TOTAL | 2,37,00,000 | | | | 2,48,25,176.00 |
| | | | | Avg. Cost | 1.047 |
| Manohar Lal | | | | | |
| March 09, 2023 | 10 | Acquisition of Shares By way of Transfer | Cash | 100.00 | 1,000.00 |
| TOTAL | 10 | | | | 1,000.00 |
| | | | | Avg. Cost | 100.00 |





To,
Holani Consultants Private Limited
401-405 & 416-418, 4th Floor,
Soni Paris Point, Jai Singh Highway,
Bani Park Jaipur – 302016

INITIAL PUBLIC OFFER OF M/S. M/s KRN Heat Exchanger And Refrigeration Limited

We have examined the records, books and papers (collectively referred to as "the records") of M/s KRN Heat Exchanger And Refrigeration Limited made available and placed before us. In our opinion and to the best of our knowledge and according to the examinations carried out by us and explanations furnished to us by the issuer, its officers, agents and other intermediaries involved in the aforesaid Initial Public Offer, we hereby certify –

That M/s KRN Heat Exchanger And Refrigeration Limited has incurred expenses of Rs. 154.76 lakhs upto 24th August, 2024 towards Initial Public Offer of the company and the same have been paid out of the internal accruals of the company. Details of expenses are as under: -

| <i>(Amount in Lakhs)</i> | |
|---|--------------------|
| Particulars | Amount of Expenses |
| Legal Advisor Fee | 12.60 |
| Peer Review Auditor Fees | 10.03 |
| Merchant Banker Fee | 47.20 |
| Fees Paid to Regulators | 74.96 |
| Printing and Distribution of Issue Stationery | 1.07 |
| Others | 8.90 |
| Total | 154.76 |

Yours Faithfully,

M/s. Keyur Shah & Co.
Chartered Accountants,
Firm Registration No. 141173W

Keyur Shah
(Proprietor)
Membership No. 153774
UDIN: 241537748KBOCF3210



Date: 27th August, 2024
Place: Ahmedabad

Cc:
KRN Heat Exchanger and Refrigeration Limited
Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area
Neemrana, Alwar, Rajasthan – 301705



To,
Holani Consultants Private Limited
401-405 & 416-418, 4th Floor,
Soni Paris Point, Jal Singh Highway,
Bani Park Jaipur – 302016

CA Keyur Shah
FCA, B.Com, B.A.
FAPP Certified

INITIAL PUBLIC OFFER OF M/S KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

We have examined the records, books, and papers (collectively referred to as "the records") of **M/s KRN HVAC Products Private Limited (Wholly owned subsidiary company of KRN Heat and Refrigeration Limited)** made available and placed before us. In our opinion and to the best of our knowledge and according to the examinations carried out by us and explanations furnished to us by the issuer, its officers, agents, and other intermediaries involved in the aforesaid Initial Public Offer, we hereby certify –

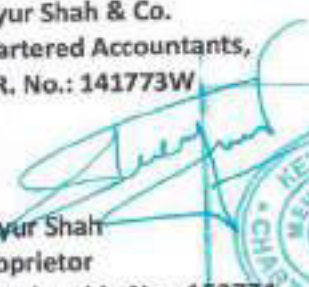
That **M/s KRN HVAC Products Private Limited** has already spent total amount of ₹ 3,644.47 lakhs towards to proposed project situated at SP1-24 KOLILA JOGA, Neemrana, Rajasthan upto July 15, 2024 and the details of the same are as under:

This certificate can be used for the purpose of initial public offer of M/s KRN Heat Exchanger And Refrigeration Limited.

| Sr. No. | Particulars | Annexure No. | Amount |
|---------|---|--------------|-----------------|
| 1. | Land and Site Development | 1 | 1,680.33 |
| 2. | Civil Construction Cost of RCC & PEB Building | 2 | 456.09 |
| 3. | Steel Fabrication Cost of PEB Building | 3 | 847.54 |
| 4. | Utility and Other Services | 4 | 16.54 |
| 5. | Architect Fees | 5 | 117.35 |
| 6. | Plant and Machineries | 6 | 465.66 |
| 7. | Miscellaneous Deposit | 7 | 60.96 |
| | Total | | 3,644.47 |

Note:- Figures are re-grouped for better presentation

Yours Faithfully,
Keyur Shah & Co.
Chartered Accountants,
F. R. No.: 141773W


Keyur Shah
Proprietor
Membership No.: 153774



Place: Ahmedabad
Date: 16th August, 2024
UDIN: 24153774BKBOBX3257

Cc:

- KRN Heat Exchanger and Refrigeration Limited
Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area
Neemrana, Alwar, Rajasthan – 301705
- KRN HVAC Products Private Limited
A-60, Green Acre, Neemrana, Alwar,
Neemrana, Rajasthan, India, 301705

Annexure No. 1

Land and Site Development

| Sr. No. | Particulars | Date of Allotment letter/Quotation | Amount of Quotation | Date of Payment | Advance Amount |
|---------|---|------------------------------------|---------------------|-----------------|-----------------|
| 1. | Rajasthan State Industrial Development & Investment Corporation Limited (RIICO) | 20.09.2023 | 4129.08* | 10.08.2023 | 197.80 |
| 2. | | | | 18.09.2023 | 801.95 |
| 3. | | | | 07.02.2024 | 4.51 |
| 4. | | | | 21.03.2024 | 86.00 |
| 5. | | | | 22.03.2024 | 44.12 |
| 6. | | | | 30.03.2024 | 272.66 |
| 7. | | | | 29.06.2024 | 272.66 |
| | Total | | | | 1,680.33 |

*Registration charges included

Annexure No. 2

Civil Construction Cost of RCC & PEB Building

| Sr. No. | Particulars | Date of Quotation | Amount of Quotation (Excluding GST) | Date of Payment | Advance Amount |
|---------|------------------------|-------------------|-------------------------------------|-----------------|----------------|
| 1. | ECR Build Tech Limited | 20.12.2023 | 4,323.14 | 23.12.2023 | 142.50 |
| 2. | | | | 11.02.2024 | 28.11 |
| 3. | | | | 20.03.2024 | 24.82 |
| 4. | | | | 21.03.2024 | 0.50 |
| 5. | | | | 13.04.2024 | 80.00 |
| 6. | | | | 16.04.2024 | 7.46 |
| 7. | | | | 14.05.2024 | 35.00 |
| 8. | | | | 16.05.2024 | 2.45 |
| 9. | | | | 04.06.2024 | 48.55 |
| 10. | | | | 12.06.2024 | 86.70 |
| | Total | | | | 456.09 |



Annexure No. 3

Steel Fabrication Cost of PEB Building

| Sr. No. | Particulars | Date of Quotation | Amount of Quotation (Excluding GST) | Date of Payment | Advance Amount |
|---------|------------------------|-------------------|-------------------------------------|-----------------|----------------|
| 1. | Cold Steel Corporation | 20.12.2023 | 2,482.55 | 26.12.2023 | 180.92 |
| 2. | | | | 20.02.2024 | 53.31 |
| 3. | | | | 30.03.2024 | 44.80 |
| 4. | | | | 31.03.2024 | 0.80 |
| 5. | | | | 25.04.2024 | 142.80 |
| 6. | | | | 25.04.2024 | 20.40 |
| 7. | | | | 18.05.2024 | 71.40 |
| 8. | | | | 21.05.2024 | 23.50 |
| 9. | | | | 27.05.2024 | 51.00 |
| 10. | | | | 27.05.2024 | 63.32 |
| 11. | | | | 07.06.2024 | 105.17 |
| 12. | | | | 07.06.2024 | 41.54 |
| 13. | | | | 08.07.2024 | 8.63 |
| 14. | | | | 08.07.2024 | 6.34 |
| 15. | | | | 10.07.2024 | 33.61 |
| | Total | | | | 847.54 |

Annexure No. 4

Utility and Other Services

| Sr. No. | Particulars | Date of Quotation | Amount of Quotation (Excluding GST) | Date of Payment | Advance Amount |
|---------|------------------|-------------------|-------------------------------------|-----------------|----------------|
| 1. | Deep Electricals | 31.07.2024 | 1,348.83 | 03.07.2024 | 16.00 |
| 2. | | | | 04.07.2024 | 0.54 |
| | Total | | | | 16.54 |

Annexure No. 5

Architect Fees

| Sr. No. | Particulars | Date of Quotation | Amount of Quotation (Excluding GST) | Date of Payment | Advance Amount |
|---------|-------------------|-------------------|-------------------------------------|-----------------|----------------|
| 1. | Rajeev Associates | 04.10.2023 | 2.10% of Building Construction Cost | 13.09.2023 | 11.00 |
| 2. | | | | 02.11.2023 | 3.36 |
| 3. | | | | 04.11.2023 | 20.00 |
| 4. | | | | 29.12.2023 | 5.29 |



| | | | | | |
|-----|--------------|--|--|------------|---------------|
| 5. | | | | 15.01.2024 | 2.50 |
| 6. | | | | 03.02.2024 | 27.00 |
| 7. | | | | 27.02.2024 | 2.00 |
| 8. | | | | 28.03.2024 | 21.60 |
| 9. | | | | 21.05.2024 | 10.80 |
| 10. | | | | 01.06.2024 | 1.00 |
| 11. | | | | 08.06.2024 | 1.00 |
| 12. | | | | 21.06.2024 | 10.80 |
| 13. | | | | 02.07.2024 | 1.00 |
| | Total | | | | 117.35 |

Annexure No. 6

Plant and Machineries

| Sr. No. | Particulars | Date of Quotation | Amount of Quotation (Excluding GST) | Date of Payment | Advance Amount |
|---------|---|-------------------|-------------------------------------|-----------------|----------------|
| 1. | CMS S.P.A. | 22.03.2024 | 295.73 | 14.06.2023 | 28.93 |
| 2. | | | | 06.11.2023 | 58.10 |
| 3. | CMS S.P.A. | 22.03.2024 | 172.89 | 06.11.2023 | 50.95 |
| 4. | CMS S.P.A. | 22.03.2024 | 150.14 | 06.11.2023 | 44.24 |
| 5. | Hertz Controls (India) Private Limited | 21.03.2024 | 13.25 | 04.12.2023 | 2.65 |
| 6. | HHV Thermal Technology Pvt. Ltd. | 22.03.2024 | 380.00 | 04.11.2023 | 133.00 |
| 7. | Life Care Equipments Private Limited | 21.03.2024 | 21.85 | 24.11.2023 | 4.49 |
| 8. | YHM(Wuxi)Foreign Trade Co.,Ltd. | 21.03.2024 | 89.42 | 17.01.2024 | 17.78 |
| 9. | | | | 22.05.2024 | 71.64 |
| 10. | Wuxi Yongheng Aluminium Industry Co., Ltd. | 22.03.2024 | 6.86 | 16.02.2024 | 2.04 |
| 11. | | | | 07.03.2024 | 1.07 |
| 12. | | | | 10.04.2024 | 3.75 |
| 13. | JDM Jingda Machine co ltd | 31.07.2024 | 57.66 | 26.06.2024 | 18.32 |
| 14. | JDM Jingda Machine co ltd | 31.07.2024 | 417.83 | 07.06.2024 | 28.28 |
| 15. | Composite Aqua Systems & Equipments Pvt. Ltd. | 20.03.2024 | 1.64 | 16.05.2024 | 0.42 |
| | Total | | | | 465.66 |



Miscellaneous Deposit

| Sr. No. | Particulars | Date of Payment | Advance Amount |
|---------|--|-----------------|----------------|
| 1. | Security Deposit to Land Authority (RIICO) | 18.09.2023 | 39.99 |
| 2. | Security Deposit to Electricity Department | 11.01.2024 | 20.97 |
| | Total | | 60.96 |





To,
Holani Consultants Private Limited
401-405 & 416-418, 4th Floor,
Soni Paris Point, Jal Singh Highway,
Bani Park Jaipur – 302016

CA Keyur Shah
FCA, B.Com. ISA,
FAFP Certified

INITIAL PUBLIC OFFER OF M/S. KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

We have examined the records, books and papers (collectively referred to as "the records") of M/s KRN Heat Exchanger and Refrigeration Limited, having its registered office at Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area, Neemrana, Alwar– 301705, Rajasthan, India, made available and placed before us. In our opinion and to the best of our knowledge and according to the examinations carried out by us and explanations furnished to us by the issuer, its officers, agents and other intermediaries involved in the aforesaid Initial Public Offer, we hereby certify the weighted average cost of acquisition of specified securities acquired by the Promoters in one year preceding the date of the offer document is mentioned as under:

| S. No. | Name | Number of Equity Shares acquired | Weighted Average Price of acquisition per Equity Share (in ₹) * |
|-----------|---------------------|----------------------------------|---|
| Promoters | | | |
| 1. | SANTOSH KUMAR YADAV | Nil | Nil |
| 2. | ANJU DEVI | Nil | Nil |
| 3. | MANOHAR LAL | Nil | Nil |

Yours Faithfully,

M/s. Keyur Shah & Co.
Chartered Accountants,
Firm Registration No.: 141173W

Keyur Shah
Proprietor
Membership No.: 153774
UDIN: 24153774BKBNXL8887



Place: Ahmedabad
Date: 30th May, 2024

Cc:
KRN Heat Exchanger and Refrigeration Limited
Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area
Neemrana, Alwar, Rajasthan - 301705