



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

(Formerly Known As KRN Heat Exchanger And Refrigeration Pvt. Ltd.)

Registered & Work Office: Plot No.: F-46,47,48,49, EPIP, RIICO Industrial Area, Neemrana – 301705 (RJ)

CIN No.: L29309RJ2017PLC058905

Contact No. 9116629184

Date: 15th May, 2025

To,
BSE Ltd
Phiroze Jeejeebhoy Towers, Dalal
Street, Mumbai- 400001, Maharashtra,
India

To,
National Stock Exchange of India Limited
Exchange Plaza, C-I Block G, Bandra Kurla
Complex, Bandra (East), Mumbai-400051,
Maharashtra, India

Script Code: 544263

Script Symbol: KRN

Subject: Regulation 32(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-Monitoring Agency Report

Dear Sir/Madam,

Pursuant to the Regulation 32(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 41(4) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, please find enclosed herewith the Monitoring Agency Report for the quarter ended on 31st March, 2025, issued by Crisil Ratings Limited, the Monitoring Agency appointed in respect of utilization of proceeds of the Initial Public Offer (IPO) of the Company.

The Monitoring Agency Report shall also be uploaded on the website of the Company at www.krnheatexchanger.com

Kindly take the above information on your record.

Thanking You,

For KRN Heat Exchanger and Refrigeration Limited
(formerly known as KRN Heat Exchanger and Refrigeration Pvt. Ltd.)

Santosh Kumar Yadav
Chairman & Managing Director
DIN: 07789940



(+91)-9116629184



info@krnheatexchanger.com



www.krnheatexchanger.com

**Monitoring Agency Report
for
KRN Heat Exchanger and
Refrigeration Limited
for the quarter ended
March 31, 2025**

CRL/MAR/KRHERL/2024-25/1379

May 14, 2025

To
KRN Heat Exchanger and Refrigeration Limited
Plot No. F -46, 47, 48, 49 EPIP,
RIICO Industrial Area, Neemrana,
Ajmer, Rajasthan-301705, India

Dear Sir,

**Monitoring Agency Report for the quarter ended March 31, 2025 - in relation to the Initial Public Offer
("IPO") of KRN Heat Exchanger and Refrigeration Limited ("the Company")**

Pursuant to Regulation 41(2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and Monitoring Agency Agreement dated August 28, 2024, enclosed herewith the Monitoring Agency Report, issued by Crisil Ratings Limited, Monitoring Agency, as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of IPO for the quarter ended March 31, 2025.

Request you to kindly take the same on records.

Thanking you,
For and on behalf of Crisil Ratings Limited



Sushant Sarode
Director, Ratings (LCG)

Report of the Monitoring Agency (MA)

Name of the issuer: KRN Heat Exchanger and Refrigeration Limited

For quarter ended: March 31, 2025

Name of the Monitoring Agency: Crisil Ratings Limited

(a) Deviation from the objects: Not applicable

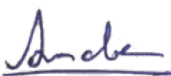
(b) Range of Deviation: Not applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit-related analyses. We confirm that we do not perceive any conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature: 

Name and designation of the Authorized Signatory: Sushant Sarode

Designation of Authorized person/Signing Authority: Director, Ratings (LCG)

1) Issuer Details:

Name of the issuer: KRN Heat Exchanger and Refrigeration Limited

Names of the promoter: Mr. Santosh Kumar Yadav
Mr. Manohar Lal
Mrs. Anju Devi

Industry/sector to which it belongs: Other Industrial Products

2) Issue Details

Issue Period: Wednesday, September 25, 2024 to Friday, September 27, 2024

Type of issue (public/rights): Initial Public Offer (IPO)

Type of specified securities: Equity Shares

IPO Grading, if any: NA

Issue size: Rs 34,194.60 lakhs

Particulars	Amount (Rs. lakhs)
Gross proceeds of the Fresh Issue	34,194.60*
Less: Issue Expenses	3082.94
Net Proceeds	31,111.66

*Crisil Ratings shall be monitoring the gross proceeds amount.

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information/ certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Management undertaking, Statutory Auditor Certificate^, Final Offer Document, Bank Statements	No Comments	No Comments

Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document?	NA	Management undertaking, Statutory Auditor Certificate^	No Comments	No Comments
Whether the means of finance for the disclosed objects of the issue has changed?	No		No Comments	No Comments
Is there any major deviation observed over the earlier monitoring agency reports?	No		No Comments	No Comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes		No Comments	No Comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Yes		No Comments	No Comments
Are there any favorable events improving the viability of these object(s)?	NA		No Comments	No Comments
Are there any unfavorable events affecting the viability of the object(s)?	No		No Comments	No Comments
Is there any other relevant information that may materially affect the decision making of the investors?	No		No Comments	No Comments

NA represents Not Applicable

^Certificate dated May 12, 2025, issued by M/s Keyur Shah & Co., Chartered Accountants (Firm Registration Number: 141173W), Statutory Auditors of the Company.

4) Details of object(s) to be monitored:

i. Cost of the object(s):

Sr. No	Item Head	Source of information/certification considered by MA for preparation of report	Original cost (as per the Offer Document) (Rs in lakh)	Revised Cost (Rs in lakh)	Comment of the MA	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
1	Investment in wholly owned subsidiary, KRN HVAC Products Private Limited in the form of equity for setting up a new manufacturing facility at Neemrana, Alwar, Rajasthan	Draft Management undertaking, Draft Statutory Auditor Certificate^, Final offer document	23,575.66	NA	No Revision during the quarter ended March 31, 2025	No Comments		

Sr. No .	Item Head	Source of information/ certification considered by MA for preparation of report	Original cost (as per the Offer Document) (Rs in lakh)	Revised Cost (Rs in lakh)	Comment of the MA	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
2	General Corporate Purposes [#]		7,536.00	NA	No Revision during the quarter ended March 31, 2025	No Comments		
	Sub-total		31,111.66	-	-	-		
	Issue related expenses		3082.94	NA	No Revision during the quarter ended March 31, 2025	No Comments		
	Total		34194.60			-		

[^]Certificate dated May 12, 2025, issued by M/s Keyur Shah & Co., Chartered Accountants (Firm Registration Number: 141173W), Statutory Auditors of the Company.

ii. Progress in the object(s)^:

Sr. No.	Item Head#	Source of information/certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document (Rs in lakh)	Amount utilized (Rs in lakh)			Total unutilized amount (Rs in lakh)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Investment in wholly owned subsidiary, KRN HVAC Products Private Limited in the form of equity for setting up a new manufacturing facility at Neemrana, Alwar, Rajasthan	Draft Management undertaking, Draft Statutory Auditor Certificate^, Final Offer Document, Bank Statements -	23,575.66	7,236.57	5,425.44	12,662.01	10913.65	No comments	No Comments	No Comments
2	General Corporate Purposes		7,536.00	7,536.00	0.00	7,536.00	0.00	No comments	No Comments	No Comments
	Sub-Total		31,111.66	14,772.57	5,425.44	20,198.01	10,913.65	-	-	-
3	Issue related expenses		3,082.94	2,916.98	59.44	2,976.42	106.52	No comments	No Comments	No Comments
	Total		34,194.60	17,689.55	5,484.88	23,174.43	11,020.17	-	-	-

^On the basis of Management Undertaking and Certificate dated May 12, 2025, issued by M/s Keyur Shah & Co., Chartered Accountants (Firm Registration Number: 141173W), Statutory Auditors of the Company.

Note: All figures in the above table are rounded off to two decimals.

#Brief description of objects:

Object of the Issue	Description of objects as per the offer document filed by the issuer
Investment in wholly owned subsidiary, KRN HVAC Products Private Limited in the form of equity for setting up a new manufacturing facility at Neemrana, Alwar, Rajasthan	The proposed investment by the Company will be undertaken to set -up a new manufacturing facility for manufacturing bar and plate heat exchanger, oil cooling with blower, motor and roll band evaporator.

General Corporate Purposes (GCP)	The general corporate purposes for which the Company proposes to utilize Net Proceeds including but not restricted to the following: (i) Strategic initiatives; (ii) brand building exercises; (iii) Funding growth opportunities and (iv) On – going general corporate exigencies, which the Company in the ordinary course of business may not foresee or (v) any other purposes as approved by the Board of Directors, subject to compliance with the necessary provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.
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iii. Deployment of unutilised proceeds^:

S No	Type of instrument and name of the entity invested in	Amount invested (in Lakhs)	Maturity date	Earning (in Lakhs)	Return on Investment (%)	Market Value at the end of quarter (in Lakhs)
1.	Fixed Deposits - 2403219732569267/8 - AU Bank	1,500.00	4/2/2025	1.91	6.65%	1,501.91
2.	Fixed Deposits - 50301133701285 - HDFC Bank	499.00	4/2/2025	0.39	4.75%	499.39
3.	Fixed Deposits - 50301133701539 - HDFC Bank	499.00	4/2/2025	0.39	4.75%	499.39
4.	Fixed Deposits - 50301133701832 - HDFC Bank	499.00	4/2/2025	0.39	4.75%	499.39
5.	Fixed Deposits - 50301133702430- HDFC Bank	499.00	4/2/2025	0.39	4.75%	499.39
6.	Fixed Deposits - 2403219132569267/9 - AU Bank	1,000.00	4/8/2025	0.18	6.65%	1,000.18
7.	Fixed Deposits - 2403219132569267/10 - AU Bank	1,000.00	4/8/2025	0.18	6.65%	1,000.18
8.	Fixed Deposits - 2403219132569357/1 - AU Bank	2,000.00	5/26/2025	56.72	8.15%	2,056.72

9.	Fixed Deposits - 060343201000002 - Uniti Bank	3,000.00	5/30/2025	90.81	8.70%	3,090.81
10.	Fixed Deposits - 50301115264263 - HDFC Bank	300.00	2/17/2026	2.61	7.40%	302.61
11.	Balance in Public issue Account	111.27	-	-	-	111.27
12.	Current Account Balance	293.69	-	-	-	293.69
	Total	11,200.96	-	-	-	11354.51

* This amount includes Net proceeds of Rs. 293.69 lakhs and balance Rs. 187.17 lakhs is the surplus of Interest on Fixed Deposit.

^Certificate dated May 12, 2025, issued by M/s Keyur Shah & Co., Chartered Accountants (Firm Registration Number: 141173W), Statutory Auditors of the Company.

Note:

- No lien(s) or earmark were created on the funds laying in deposits accounts or monitoring accounts excluding Fixed Deposit No. 10 of INR 300 Lakhs with HDFC for Letter of credit for import of machine.
- Out of the net proceeds, ₹23,575.66 lakhs are invested into subsidiary company KRN HVAC Private Limited on 25th November 2024 by way of an equity investment for the purpose of setting up a new manufacturing facility at Neemrana, Alwar, Rajasthan ("Proposed Project").

iv. Delay in implementation of the object(s)^:

Object(s)	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the Offer Document	Actual		Reason of delay	Proposed course of action
Investment in our wholly owned subsidiary, KRN HVAC Products Private Limited in the form of equity for setting up a new manufacturing facility at Neemrana, Alwar, Rajasthan ("Proposed Project").	Till Fiscal 2025: Rs 23575.66 lakh	Till Fiscal 2025: Rs 12,662.01 lakh	Refer Note	No Comments	No Comments

As per Company's Prospectus dated September 27, 2024, the Company had **estimated** to utilize Rs 23575.66 lakh for object Investment in wholly owned subsidiary, KRN HVAC Products Private Limited in the form of equity for setting up a new manufacturing facility at Neemrana, Alwar, Rajasthan by Fiscal 2025. However, based on certificate dated May 12, 2025, issued by M/s Keyur Shah & Co., Chartered Accountants (Firm Registration Number:141173W), Statutory Auditors of the Company and management undertaking, the Company has utilized Rs 12,662.01 lakh only as at the end of fiscal 2025, hence, there is a delay in the implementation schedule. This delay in construction is on account of GRAP notification in Delhi-NCR by CAQM.

However, the Prospectus further states that, “if the Net Proceeds are not completely utilized for the Objects by the end of Financial Year 2025, such amounts will be utilized (in part or full) in Financial Year 2026 or Financial Year 2027, in accordance with applicable law.”

^ On the basis of Management Undertaking and Certificate dated May 12, 2025, issued by M/s Keyur Shah & Co., Chartered Accountants (Firm Registration Number: 141173W), Statutory Auditors of the Company.

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document^:

S. No.	Item heads	Amount (in Lakhs)	Remarks
Not Applicable			

^On the basis of Management Undertaking and Certificate dated May 12, 2025, issued by M/s Keyur Shah & Co., Chartered Accountants (Firm Registration Number: 141173W), Statutory Auditors of the Company.

Disclaimers:

- This Report is prepared by Crisil Ratings Limited (**hereinafter referred to as "Monitoring Agency" / "MA" / "CRL"**). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.
- This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.
- Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.
- The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.
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- The MA report is intended for the jurisdiction of India only. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as CRL providing or intending to provide any services in jurisdictions outside India, where it does not have the necessary licenses and/or registration to carry out its business activities referred to above.
- Access or use of this report does not create a client relationship between CRL and the user.
- CRL is not aware that any user intends to rely on the report or of the manner in which a user intends to use the report. In preparing this report, MA has not taken into consideration the objectives or particular needs of any particular user.

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