



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

Disclosures pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as at 31st March, 2026 are given below:

A.	Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.	Not Applicable for the year ended 31 st March 2026, since the Company has not granted any Stock Options till 31 st March 2026.
B.	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.	
C.	Details related to ESOS	
(i)	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including – The Board of Directors of the Company at its meeting held on 12th January, 2026 has approved the formulation of “KRN Employee Stock Plan 2026” (ESOP Plan), with the authority to grant not exceeding 6,00,000 (Six Lakhs Only) employee stock options to such eligible employees of the Company/ subsidiary companies as may be determined by the Nomination and Remuneration Committee (also designated as Compensation Committee), in one or more tranches, from time to time, which in aggregate shall be exercisable into not more than 6,00,000 (Six Lakhs Only) equity shares of face value of Rs. 10/- (Rs. Ten Only) each fully paid-up. The ESOP Plan has been framed in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (‘SBEB & SE Regulations’). During the year ended 31st March, 2026, no material changes were made to the ESOP Plan.	
	(a) Date of shareholders' approval	15 th April, 2026 (After Closure of the FY 2025-26)
	(b) Total number of options approved under ESOS	6,00,000 Stock Options
	(c) Vesting requirements	All the Options granted on any date shall vest not earlier than minimum vesting period of 1 (one) year from the date of grant of Options. The vesting dates and relative percentages shall be determined by the Committee and may vary from employee to employee or any class thereof. Vesting of Options would be subject to continued employment with the Company or group company(ies) including

		subsidiary company(ies) and/or its associate company(ies), as the case may be. In addition to this, the Committee may also specify certain performance criteria subject to satisfaction of which the Options would vest.
	(d) Exercise price or pricing formula	The exercise price of any option granted under the Plan shall be the price for exercise of options as determined by the Compensation Committee and communicated to the eligible employee vide the letter of grant. The exercise price for any grant shall not be less than 50% of the closing share price as on the grant date. Once granted, the exercise price of the options may be varied by the Compensation Committee to account for any rights issues, mergers, stock splits, bonus issue or share consolidations etc.
	(e) Maximum term of options granted	Not Applicable
	(f) Source of shares (primary, secondary or combination)	Primary
	(g) Variation in terms of options	Not Applicable
(ii)	Method used to account for ESOS - Intrinsic or fair value	Not Applicable
(iii)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable
(iv)	Option movement during the year (For each ESOS):	The Company's Employee Stock Option Scheme (ESOP) was approved by the Members on 15 April 2026 , subsequent to the close of the financial year under review. Accordingly, as on 31 March 2026 , no stock options had been granted, vested, exercised, lapsed, or remained outstanding. Therefore, the disclosures relating to ESOPs for the financial year ended 31 March 2026 are not applicable.
	Number of options outstanding at the beginning of the period	
	Number of options granted during the year	
	Number of options forfeited / lapsed during the year	
	Number of options vested during the year	
	Number of options exercised during the year	
	Number of shares arising as a result of exercise of options	
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	
	Loan repaid by the Trust during the year from exercise price received	
	Number of options outstanding at the end of the year	
	Number of options exercisable at the end of the year	

(v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	The Company's Employee Stock Option Scheme (ESOP) was approved by the Members on 15 April 2026, subsequent to the close of the financial year under review. Accordingly, as on 31 March 2026, no stock options had been granted, vested, exercised, lapsed, or remained outstanding. Therefore, the disclosures relating to ESOPs for the financial year ended 31 March 2026 are not applicable.
(vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to - (a) Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and (c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	The Company's Employee Stock Option Scheme (ESOP) was approved by the Members on 15 April 2026, subsequent to the close of the financial year under review. Accordingly, as on 31 March 2026, no stock options had been granted, vested, exercised, lapsed, or remained outstanding. Therefore, the disclosures relating to ESOPs for the financial year ended 31 March 2026 are not applicable.
(vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: (a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model; (b) the method used and the assumptions made to incorporate the effects of expected early exercise; (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and (d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.	The Company's Employee Stock Option Scheme (ESOP) was approved by the Members on 15 April 2026, subsequent to the close of the financial year under review. Accordingly, as on 31 March 2026, no stock options had been granted, vested, exercised, lapsed, or remained outstanding. Therefore, the disclosures relating to ESOPs for the financial year ended 31 March 2026 are not applicable.

Disclosures in respect of grants made in three years prior to IPO under each ESOS: Not Applicable
