Date: 12th August, 2026

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

Script Code: 544263

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

Script Symbol: KRN

ISIN: INE0Q3J01015

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 30th June, 2026, 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

Santosh Kumar Yadav Digitally signed by Santosh Kumar Yadav
Date: 2026.08.12 20:56:51 +05'30'

Santosh Kumar Yadav
Chairman & Managing Director
DIN: 07789940

Monitoring Agency Report
for
KRN Heat Exchanger and Refrigeration Limited
for the quarter ended June 30, 2026

Crisil Ratings Limited
Corporate Identity Number: U67100MH2019PLC326247

Registered Office: Lightbridge IT Park, Saki Vihar Road, Andheri East, Mumbai- 400 072. India
Phone: +91 22 6137 3000 | www.crisilratings.com

Crisil Ratings

CRL/MAR/KRHERL/2026-27/1931

August 12, 2026

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/Ma'am,

Monitoring Agency Report for the quarter ended June 30, 2026 - 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 Final 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 June 30, 2026.

Request you to kindly take the same on record.

Thanking you,
For and on behalf of Crisil Ratings Limited

Shounak Chakravarty

Shounak Chakravarty
Director, Ratings (LCG)

Crisil Ratings Limited
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a company of S&P Global

Final Report of the Monitoring Agency (MA)

Name of the issuer: KRN Heat Exchanger and Refrigeration Limited

For quarter ended: June 30, 2026

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: Shounak Chakravarty

Name and designation of the Authorized Signatory: Shounak Chakravarty
Designation of Authorized person/Signing Authority: Director, Ratings (LCG)

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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, December 25, 2024, to Friday, December 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 *(Refer Note 1)*

Note 1

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.*

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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^, Prospectus dated December 27, 2024 ("offer document"), bank statements	Proceeds were utilized towards capital expenditure and issue expenses	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		Factory license, GST, Pollution department approval obtained	No Comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	NA		No Comments	No Comments
Are there any favorable events improving the viability of these object(s)?	No		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 August 07, 2026, 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):**

<table>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Item Head</th><th rowspan="2">Source of information/ certification considered by MA for preparation of report</th><th rowspan="2">Original cost (as per the Offer Document) (Rs in lakh)</th><th rowspan="2">Revised Cost (Rs in lakh)</th><th rowspan="2">Comment of the Monitoring agency</th><th colspan="3">Comments of the Board of Directors</th></tr>
<tr><th>Reason of Cost revision</th><th>Proposed financing option</th><th>Particulars of firm arrange-ments made</th></tr>
<tr><td>1</td><td>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</td><td rowspan="5">Management undertaking, Statutory Auditor Certificate^, offer document</td><td>23,575.66</td><td>NA</td><td>No Revision</td><td colspan="3">No Comments</td></tr>
<tr><td>2</td><td>General Corporate Purposes#</td><td>7,536.00</td><td>NA</td><td>No Revision</td><td colspan="3">No Comments</td></tr>
<tr><td></td><td>Sub-total</td><td>31,111.66</td><td>-</td><td>-</td><td colspan="3">-</td></tr>
<tr><td>3</td><td>Issue related expenses</td><td>3,082.94</td><td>NA</td><td>No Revision</td><td colspan="3">No Comments</td></tr>
<tr><td></td><td>Total</td><td>34,194.60</td><td>-</td><td>-</td><td colspan="3">-</td></tr>
</table>

^Certificate dated August 07, 2026, issued by M/s Keyur Shah & Co., Chartered Accountants (Firm Registration Number: 141173W), Statutory Auditors of the Company.

#The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds (amounting to Rs 8,548.65 lakhs) from the Fresh Issue.

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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	Management undertaking, Statutory Auditor Certificate^, Offer Document, Bank Statements -	23,575.66	23,304.05	271.61	23,575.66	Nil	Refer Note 1	No Comments	
2	General Corporate Purposes		7,536.00	7,536.00	Nil	7,536.00	Nil	Fully utilised till the quarter ended December 31, 2024	No Comments	
	Sub-Total		**31,111.66**	**30,840.05**	**271.61**	**31,111.66**	Nil	-	-	
3	Issue related expenses		3,082.94	3,007.27	75.67	3,082.94	Nil	Proceeds utilized towards brokerage and selling commission	No Comments	
	Total		**34,194.60**	**33,847.32**	**347.28**	**34,194.60**	Nil	-	-	

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

^Certificate dated August 07, 2026, issued by M/s Keyur Shah & Co., Chartered Accountants (Firm Registration Number: 141173W), Statutory Auditors of the Company.

Note 1: *Out of the net proceeds, Rs 23,575.66 lakhs were transferred to the wholly owned subsidiary, KRN HVAC Private Limited, on November 25, 2024, by way of an equity investment for setting up a new manufacturing facility at Neemrana, Alwar, Rajasthan (the "Proposed Project"). During the quarter ended June 30, 2026, the subsidiary utilized Rs 271.61 lakhs towards the Proposed Project. Consequently, as of June 30, 2026, the subsidiary had fully utilized the entire amount of Rs 23,575.66 lakhs for land and site development, civil and structural works, and the purchase of plant and machinery for the Proposed Project.*

#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 the Board, based on the amount actually available under this head and the business requirements of the Company, from time to time, subject to compliance with applicable law.

iii. Deployment of unutilised proceeds^:

S No.	Type of instrument and name of the entity invested in	Amount invested (Rs in lakhs)	Maturity date	Earning (Rs in lakhs)	Return on Investment (%)	Market Valueat the end of quarter (Rs in lakhs)
Not Applicable						

Note: As of the quarter ended June 30, 2026, the Company has fully utilized the entire gross proceeds of Rs 34,194.60 lakhs raised through its Initial Public Offering (IPO). Consequently, the balances in both the Public Issue Account and the Monitoring Agency Account stand at nil. Accordingly, this report constitutes the final Monitoring Agency Report issued by Crisil Ratings Limited in relation to the utilization of IPO proceeds raised by KRN Heat Exchanger and Refrigeration Limited.

^On the basis of management undertaking and Certificate dated August 07, 2026, issued by M/s Keyur Shah & Co., Chartered Accountants (Firm Registration Number: 141173W), Statutory Auditors of the Company.

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
Not Applicable					

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

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

^On the basis of Management Undertaking and Certificate dated August 07, 2026, issued by M/s Keyur Shah & Co., Chartered Accountants (Firm Registration Number: 141173W), Statutory Auditors of the Company.

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Disclaimers:

a) *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.*

b) *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.*

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e) *The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.*

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