KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
Registered & Work Office: Plot No.: F-46,47,48,49, EPIP, RIICO Industrial Area, Neemrana – 301705 (RJ)
CIN No.: *L29309RJ2017PLC058905* ***Contact No. 9116629184***

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 through Qualified Institutional Placement ("QIP") Issue 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 20:55:12 +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/2026-27/1932

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 Qualified Institutional Placement ("QIP") of KRN Heat Exchanger and Refrigeration Limited ("the Company")

Pursuant to Regulation 173A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**SEBI ICDR Regulations**") and Monitoring Agency Agreement dated May 25, 2026, 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 QIP for the quarter ended June 30, 2026.

Request you to kindly take the same on records.

Thanking you,
For and on behalf of Crisil Ratings Limited

Shounak Chakravarty

Shounak Chakravarty
Director, Ratings (LCG)

Crisil Ratings Limited
Corporate Identity Number: U67100MH2019PLC326247

Registered Office: Lightbridge IT Park, Saki Vihar Road, Andheri East, Mumbai- 400 072. India
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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: Tuesday, May 26, 2026, to Monday, June 01, 2026

Type of issue (public/rights): Qualified Institutional Placement (QIP)

Type of specified securities: Equity Shares

IPO Grading, if any: NA

Issue size: Gross proceeds: Rs 34,999.99 lakhs
Net proceeds: Rs 34,179.48 lakhs*

**Crisil Ratings shall be monitoring the net 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^, Placement document dated June 01, 2026 ("offer document"), bank statements	Proceeds were utilized towards repayment of borrowings, working capital requirements and general corporate purposes	No Comments
Whether shareholder approval has been obtained in case of material deviations from	NA		No Comments	No Comments

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
expenditures disclosed in the Offer Document?		Management undertaking, Statutory auditor certificate^		
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?	NA		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?	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 10, 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>Repayment and/or pre-payment, in full or in part, of certain outstanding borrowings availed by the Company</td><td rowspan="4">Management undertaking, Statutory Auditor Certificate^, offer document</td><td>3,000.00</td><td>NA</td><td>No Revision</td><td colspan="3">No Comments</td></tr>
<tr><td>2</td><td>Investment in the material subsidiary, KRN HVAC Products Private Limited for funding working capital requirements</td><td>23,525.75</td><td>NA</td><td>No Revision</td><td colspan="3">No Comments</td></tr>
<tr><td>3</td><td>General Corporate purposes</td><td>7,653.73</td><td>NA</td><td>No Revision</td><td colspan="3">No Comments</td></tr>
<tr><td></td><td>Net Proceeds</td><td>34,179.48</td><td>-</td><td>-</td><td colspan="3">-</td></tr>
</table>

^Certificate dated August 10, 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 8,750.00 lakhs) from the Gross proceeds.

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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	Repayment and/or pre-payment, in full or in part, of certain outstanding borrowings availed by the Company	Management undertaking, Statutory Auditor Certificate^, Offer Document, Bank Statements	3,000.00	Nil	3,000.00	3,000.00	Nil	Proceeds utilized towards repayment of HDFC bank cash credit facility	No Comments	
2	Investment in the material subsidiary, KRN HVAC Products Private Limited for funding working capital requirements		23,525.75	Nil	9,207.98	9,207.98	14,317.77	Proceeds utilized towards payment to vendors (Refer Note 1)	No Comments	
3	General Corporate purposes		7,653.73	Nil	7,653.73	7,653.73	Nil	Proceeds utilized towards repayment of borrowings and working capital purposes	No Comments	
	Net Proceeds		**34,179.48**	**Nil**	**19,861.71**	**19,861.71**	**14,317.77**	-	-	

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

^Certificate dated August 10, 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 23,525.75 lakhs were invested in the subsidiary, KRN HVAC Private Limited, on June 09, 2026, through an equity infusion to support its working capital requirements. As of June 30, 2026, the subsidiary Company had utilized Rs 9,207.98 lakhs towards payments to vendors for the procurement of raw materials. The unutilized balance of Rs 14,317.77 lakhs remains invested in fixed deposits and bonds.*

#Brief description of objects:

Object of the Issue	Description of objects as per the offer document filed by the issuer
Repayment and/or pre-payment, in full or in part, of certain outstanding borrowings availed by the Company	The Company avail certain fund-based and non-fund-based facilities in the ordinary course of business from various banks and financial institutions from time to time, which include working capital loans. As of May 20, 2026, our Company, on standalone basis, had total outstanding borrowings of Rs 3,163.50 lakhs. The Company propose to utilise an estimated amount of up to Rs 3,000.00 lakhs from the Net Proceeds towards repayment/ prepayment, in full or in part, of certain of these outstanding borrowings.
Investment in the material subsidiary, KRN HVAC Products Private Limited for funding working capital requirements	To fund the working capital requirements of its material subsidiary, KRN HVAC Private Limited, the Company proposed to invest Rs 23,525.75 lakhs from the net proceeds through equity, debt, or other permitted instruments. The funds were intended to support the subsidiary's working capital needs, including procurement of raw materials, inventory financing/replenishment, and related operational requirements during Fiscal 2027 and Fiscal 2028.
General Corporate purposes	The general corporate purposes for which the Company proposes to utilise Net Proceeds include, without limitation, funding growth opportunities or strategic initiatives of our Company and its Subsidiaries, business development initiatives, meeting expenses incurred in the ordinary course of the business and towards any exigencies or any other purpose, as may be approved by the Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

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 Value at the end of quarter (Rs in lakhs)
1.	Bonds - REC Limited	1,021.15	12-Mar-27	4.36	7.95%	1,025.51
2.	Bonds - SIDBI	1,543.28	09-Jul-27	6.31	7.68%	1,549.59
3.	Bonds - Can Fin Homes Limited	73.34	04-Jan-27	0.28	8.09 %	76.45
4.	Bonds – LIC Housing Finance Ltd	1,579.99	22-Oct-27	6.36	7.74%	1,586.35
5.	Fixed Deposit- HDFC Bank A/C No. 50301368015657	10,100.00	14-Oct-26	41.90	7.21%	10,141.90
	Total	**14,317.77**	**-**	**59.21**	**-**	**14,376.98**

** Monitoring the deployment of Interest Income earned from unutilised issue proceeds does not form part of the scope of Monitoring Agency report.*

^On the basis of management undertaking and Certificate dated August 10, 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					

^On the basis of Management Undertaking and Certificate dated August 10, 2026, 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 (Rs in lakhs)	Remarks
1	Meeting expenses incurred in the ordinary course of the business	5,148.13	Proceeds were utilized for working capital purposes, including payment of advance tax, employee's salaries, and vendor payments for the purchase of raw materials.
2	Repayment of borrowings	2,505.61	Proceeds utilized towards repayment of HDFC bank loan facility
	Total	**7,653.73***	

**The Board of Directors of the Company vide resolution dated August 12, 2026, has approved the quantum of utilization of GCP towards mentioned item heads in line with the disclosure provided in the offer document dated June 01, 2026.*

^On the basis of Management Undertaking and Certificate dated August 10, 2026, issued by M/s Keyur Shah & Co., Chartered Accountants (Firm Registration Number: 141173W), Statutory Auditors of the Company.

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.*

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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.*
c) *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.*
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