



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
Corporate Identification Number: U29309RJ2017PLC058905

Our Company was incorporated as “KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED, a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated **August 25, 2017**, issued by Central Registration Centre, Manesar. Thereafter, our Company was converted from a private limited company to a public limited company, pursuant to a resolution passed in the extraordinary general meeting of our Shareholders held on March 17, 2023, and consequently, the name of our Company was changed to “KRN Heat Exchanger and Refrigeration Limited” by deletion of the word ‘Private’. A fresh certificate of incorporation consequent upon conversion from private company to public company dated **April 03, 2023**, was issued by the Registrar of Companies, Jaipur, Rajasthan to our Company bearing Corporate Identification Number “U29309RJ2017PLC058905”. For details of Incorporation, change of name and registered office of our company, please refer to chapter titled “History and Certain Corporate Matters” beginning on page 228.

Registered & Corporate Office: Plot No. F - 46, 47, 48, 49 EPIP, RIICO Industrial Area, Neemrana, Alwar Rajasthan-301705, India
Tel No: +91 – 9257025440 | **Email:** cs@krnheatexchanger.com | **Website:** www.krnheatexchanger.com
Contact Person: Mr. Praveen Kumar, Company Secretary and Compliance Officer

PROMOTERS OF THE COMPANY: SANTOSH KUMAR YADAV, ANJU DEVI AND MANOHAR LAL

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED MARCH 30, 2024: NOTICE TO THE INVESTORS (“THE ADDENDUM”)

INITIAL PUBLIC ISSUE OF UP TO 1,60,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (“EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE), AGGREGATING UPTO ₹ [●] LAKHS (“THE ISSUE”). THE ISSUE WILL CONSTITUTE [●] % OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. OUR COMPANY, IN CONSULTATION WITH THE BRLM, MAY CONSIDER A PRE-IPO PLACEMENT OF UP TO 4,77,000 EQUITY SHARES FOR CASH CONSIDERATION AGGREGATING UP TO ₹ [●] LAKHS, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC (“PRE-IPO PLACEMENT”). IF THE PRE-IPO PLACEMENT IS COMPLETED, THE ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO THE ISSUE COMPLYING WITH RULE 19(2)(b) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED (“SCRR”).

This is with further reference to the DRHP dated **March 30, 2024**, filed by the Company with the Securities and Exchange Board of India (“SEBI”) and the Stock Exchanges. Potential bidders may note the following:

- The Company has included “Manohar Lal”, presently forming part of the Promoter Group as one of “Promoters of the Issuer Company”. Accordingly, the DRHP, including the section titled “Cover Pages”, Definition and Abbreviations”, “Summary of the Issue Document”, “Risk Factors”, “Capital Structure” and “Promoter and Promoter Group” beginning on page 2, 19, 33, 96 and 251, has been updated.
- The section “Cover Pages” of the has been updated with addition of the name of the new promoter.
- The Chapter titled “Definition and Abbreviations” beginning on page 2 of the Draft Red Herring Prospectus has been updated with modification of Promoters Definitions.
- The Chapter titled “Summary of the Issue Document” beginning on page 19 of the Draft Red Herring Prospectus has been updated with modification of certain sections.
- The Chapter titled “Risk Factors” beginning on page 33 of the Draft Red Herring Prospectus has been updated with modification of certain risk factors.
- The Chapter titled “Capital Structure” beginning on page 96 of the Draft Red Herring Prospectus has been updated with modification in certain sections.
- The Chapter titled “Objects of the Issue” beginning on page 108 of the Draft Red Herring Prospectus has been updated with modification in certain sections.
- The Chapter titled “Our Business” beginning on page 189 of the Draft Red Herring Prospectus has been updated with modification in certain sections.
- The Chapter titled “Our Management” beginning on page 233 of the Draft Red Herring Prospectus has been updated with modification in certain sections.
- The Chapter titled “Promoter and Promoter Group” beginning on page 251 of the Draft Red Herring Prospectus has been updated with addition of details of the new promoters.
- The Chapter titled “Management Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 336 of the Draft Red Herring Prospectus has been updated with modification in certain sections.
- The Chapter titled “Government and Other Approvals” beginning on page 366 of the Draft Red Herring Prospectus has been updated with modification in certain sections.
- Please note that all other details in, and updates to the Red Herring Prospectus and the Prospectus with respect to financial information of the Company, Issue Price and/or other relevant details will be carried out in the Red Herring Prospectus and the Prospectus, as and when filed with ROC, SEBI and the Stock Exchange. The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchange. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

For KRN Heat Exchanger and Refrigeration Limited
On behalf of the Board of Directors

Sd/-
Santosh Kumar Yadav
Chairman and Managing Director

Place: Neemrana
Date: June 15, 2024

Date: June 29, 2024		Chairman and Managing Director	
BOOK RUNNING LEAD MANAGER		REGISTRAR TO THE ISSUE	
			
HOLANI CONSULTANTS PRIVATE LIMITED 401-405 & 416-418, 4th Floor, Soni Paris Point, Jai Singh Highway, Bani Park, Jaipur – 302016 Tel No.: +91 0141-2203996 Fax No.: +91 0141-2201259 Email: ipo@holaniconsultants.co.in Website: www.holaniconsultants.co.in Contact Person: Mrs. Payal Jain SEBI Registration No.: INM000012467 Investor Grievance E-mail: complaints.redressal@holaniconsultants.co.in		BIGSHARE SERVICES PRIVATE LIMITED Office No. S6-2, 6 th Floor, Pinnacle Business Park, Next to Ahura Center, Mahakali Caves Road, Andheri (East), Mumbai – 400093 Tel: +91 22-6263 8200 Fax: +91 22-6263 8299 Website: www.bigshareonline.com Email: ipo@bigshareonline.com Investor Grievance ID: investor@bigshareonline.com Contact Person: Mr. Babu Rapheal C. SEBI Registration Number: INR000001385	
ISSUE PROGRAMME			
ANCHOR INVESTOR BID / ISSUE PERIOD: [●]*		BID/ISSUE OPENS ON: [●]	BID/ISSUE CLOSES ON: [●]**

*Our Company, in consultation with the BRLM may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.

** Our Company, in consultation with the BRLM may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.



(Please scan this QR Code to view the DRHP)

**KRN HEAT EXCHANGER AND REFRIGERATION LIMITED**

Corporate Identity Number: U29309RJ2017PLC058905

Registered and Corporate Office	Contact Person	Email and Telephone	Website
Plot No. F - 46, 47, 48, 49 EPIP, RIICO Industrial Area, Neemrana, Alwar Rajasthan-301705, India	Mr. Praveen Kumar Company Secretary and Compliance Officer	Email: cs@krnheatexchanger.com Tel No: +91 – 9257025440	Website: www.krnheatexchanger.com

PROMOTERS OF OUR COMPANY**MR. SANTOSH KUMAR YADAV, MRS. ANJU DEVI AND MR. MANOHAR LAL****DETAILS OF THE ISSUE**

Type	Fresh Issue Size (In Lakh)	Offer For Sale Size	Total Issue Size	Eligibility
Fresh Issue	Fresh Issue of up to 1,60,00,000 Equity Shares of face value of ₹ 10/- each aggregating up to ₹ [●] Lakhs	NIL	Aggregating up to ₹ [●] Lakhs	Our Company is eligible for the Issue in accordance with Regulation 6(1) of the SEBI ICDR Regulations, 2018 as amended from time to time. For details in relation to reservation among Qualified Institutional Buyers, Non- Institutional Investors and Retail Individual Bidders, please see the section entitled “Issue Structure” on page 395.

DETAILS OF OFFER FOR SALE

NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF SHARES OFFERED/ AMOUNT (In ₹)	WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹)
NOT APPLICABLE			

RISK IN RELATION TO THE FIRST ISSUE

The Face value of the Equity Shares is ₹ 10/- each. The Floor Price, Cap Price and Issue Price determined by our Company in consultation with the Book Running Lead Manager (**“BRLM”**), on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under **“Basis for Issue Price”** on page 133, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (**“SEBI”**), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to **“Risk Factors”** on page 33.

ISSUER’S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Issuer and the Issue which is material in the context of the issue, that the information contained in the Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through the Draft Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited (**“BSE”**) and National Stock Exchange of India Limited (**“NSE”** together with BSE, the **“Stock Exchanges”**) in terms of the Chapter II of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For the purpose of this Issue, the Designated Stock Exchange will be the [●].

DETAILS OF THE BOOK RUNNING LEAD MANAGER

Name and Logo	Contact Person	Email and Telephone
 Holani Consultants Private Limited	Mrs. Payal Jain	Email: ipo@holaniconsultants.co.in Tel.: +91 0141 – 2203996

DETAILS OF THE REGISTRAR TO THE ISSUE

Name and Logo	Contact Person	Email and Telephone
 Bigshare Services Private Limited	Mr. Babu Rapheal C.	Email: ipo@bigshareonline.com Tel.: +91 22-62638200

BID/ISSUE PERIOD

ANCHOR INVESTOR BID / ISSUE PERIOD: [●] *	BID/ISSUE OPENS ON: [●]	BID/ISSUE CLOSES ON: [●] **
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*Our Company, in consultation with the BRLM may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.

**UPI mandate end time and date shall be at 5:00 p.m. on the Bid/Issue Closing Date.



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

Our Company was incorporated as “KRN HEAT EXCHANGER AND REFRIGERATION PRIVATE LIMITED”, a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated **August 25, 2017**, issued by Central Registration Centre, Manesar. Thereafter, our Company was converted from a private limited company to a public limited company, pursuant to a resolution passed in the extraordinary general meeting of our Shareholders held on **March 17, 2023**, and consequently, the name of our Company was changed to “KRN Heat Exchanger and Refrigeration Limited” by deletion of the word ‘Private’. A fresh certificate of incorporation consequent upon conversion from private company to public company dated **April 03, 2023**, was issued by the Registrar of Companies, Jaipur, Rajasthan to our Company bearing Corporate Identification Number “U29309RJ2017PLC058905”. For details of Incorporation, change of name and registered office of our company, please refer to chapter titled “History and Certain Corporate Matters” beginning on page 228.

Registered and Corporate Office: Plot No. F - 46, 47, 48, 49 EPIP, RIICO Industrial Area, Neemrana, Alwar Rajasthan-301705, India

Tel. No.: +91 – 9257025440, **E-mail:** cs@krnheatexchanger.com **Website:** www.krnheatexchanger.com

Contact Person: Mr. Praveen Kumar, Company Secretary and Compliance Officer

PROMOTERS OF OUR COMPANY		
Mr. Santosh Kumar Yadav, Mrs. Anju Devi and Mr. Manohar Lal		
THE ISSUE		
INITIAL PUBLIC ISSUE OF UP TO 1,60,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (“EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE), AGGREGATING UPTO ₹ [●] LAKHS (“THE ISSUE”). THE ISSUE WILL CONSTITUTE [●] % OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. OUR COMPANY, IN CONSULTATION WITH THE BRLM, MAY CONSIDER A PRE-IPO PLACEMENT OF UP TO 4,77,000 EQUITY SHARES FOR CASH CONSIDERATION AGGREGATING UP TO ₹ [●] LAKHS, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC (“PRE-IPO PLACEMENT”). IF THE PRE-IPO PLACEMENT IS COMPLETED, THE ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO THE ISSUE COMPLYING WITH RULE 19(2)(b) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED (“SCRR”). THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], THE ENGLISH NATIONAL NEWSPAPER, ALL EDITIONS OF [●], THE HINDI NATIONAL NEWSPAPER AND [●] EDITIONS OF [●], THE REGIONAL NEWSPAPER, (HINDI BEING THE LOCAL LANGUAGE OF RAJASTHAN, WHERE OUR REGISTERED AND CORPORATE OFFICE IS SITUATED), EACH WITH WIDE CIRCULATION, AT LEAST 2 (TWO) WORKING DAYS PRIOR TO THE BID / ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED (“BSE”) AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”) TOGETHER WITH “BSE”, THE “STOCK EXCHANGES”) FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH SEBI ICDR REGULATIONS. In case of any revision in the Price Band, the Bid / Issue Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid / Issue Period not exceeding 10 working days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, subject to the Bid / Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank.		
THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH AND THE ISSUE PRICE OF ₹ [●] EACH IS [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARES		
The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (SEBI ICDR Regulations) and in compliance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs and such portion, the “QIB Portion”), provided that our Company in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis (“Anchor Investor Portion”), out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors (“Anchor Investor Allocation Price”), in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (excluding the Anchor Investor Portion) (“Net QIB Portion”). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 2.00 Lakhs and up to ₹ 10.00 Lakhs, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 10.00 Lakhs, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. All potential Bidders (except Anchor Investors) are mandatorily required to utilise the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks (“SCSBs”) or by the Sponsor Banks under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA Process. For details, see “Issue Procedure” on page 399.		
RISK IN RELATION TO FIRST ISSUE		
This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The Face value of the Equity Shares is ₹ 10/-. The Floor Price, Cap Price and Issue Price determined by our Company in consultation with the Book Running Lead Manager (“BRLM”), on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under “Basis for Issue Price” on page 133 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.		
GENERAL RISKS		
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 33.		
ISSUER’S ABSOLUTE RESPONSIBILITY		
The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Issuer and the Issue which is material in the context of the issue, that the information contained in the Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.		
LISTING		
The Equity Shares to be Allotted through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received ‘in-principle’ approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Issue Closing Date, see “Material Contracts and Documents for Inspection” on page 445.		
BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE	
 HOLANI CONSULTANTS PRIVATE LIMITED 401 – 405 & 416 – 418, 4th Floor, Soni Paris Point, Jai Singh Highway, Bani Park, Jaipur – 302016 Tel.: +91 0141 – 2203996 Website: www.holaniconsultants.co.in Email: ipo@holaniconsultants.co.in Investor Grievance ID: complaints.redressal@holaniconsultants.co.in Contact Person: Mrs. Payal Jain SEBI Registration No.: INM000012467	 BIGSHARE SERVICES PRIVATE LIMITED Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Center, Mahakali Caves Road, Andheri (East), Mumbai – 400093 Tel: +91 22-6263 8200 Fax: +91 22-6263 8299 Website: www.bigshareonline.com Email: ipo@bigshareonline.com Investor Grievance ID: investor@bigshareonline.com Contact Person: Mr. Babu Rapheal C. SEBI Registration Number: INR000001385	
ISSUE PROGRAMME		
ANCHOR INVESTOR BID / ISSUE PERIOD: [●] *	BID / ISSUE OPENS ON: [●]	BID / ISSUE CLOSES ON: [●] **

*Our Company, in consultation with the BRLM may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.

** UPI mandate end time and date shall be at 5:00 p.m. on the Bid/Issue Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Company Related Terms

“Promoter” or “Promoters” or “Our Promoters”	The Promoters of our company, being Mr. Santosh Kumar Yadav, Mrs. Anju Devi and Mr. Manohar Lal . For details, see “ <i>Our Promoters and Promoter Group</i> ” on page 251.
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SUMMARY OF THE ISSUE DOCUMENT

SUMMARY OF THE INDUSTRY IN WHICH OUR COMPANY OPERATES

According to report titled **“Industry Assessment: Indian Heat Exchanger Industry”** dated September 04, 2023 obtained from Dun and Bradstreet Information Services India Private Limited, Indian market for heat exchanges reached USD 625 million per annum in 2022, with annual industry turnover increasing by a CAGR of 10% between 2019 and 2022. The heat exchanger industry too was impacted by the spread of Covid-19 pandemic, as annual revenue growth in the industry dropped to 6% in 2020. Demand has recovered in the subsequent years, helping the industry grew its revenue by an average of 11% per annum in 2021 and 2022.

NAME OF THE PROMOTERS

The Promoters of Our Company consists of namely Santosh Kumar Yadav, Anju Devi and Manohar Lal. For further details, see **“Our Promoters and Promoter Group”** beginning on page 251.

AGGREGATE PRE-ISSUE SHAREHOLDING OF OUR PROMOTERS, PROMOTER GROUP AND THE SELLING SHAREHOLDERS

There are no selling shareholders in our Company. The aggregate pre-Issue shareholding of our Promoters and Promoter Group as a percentage of the pre-Issue paid-up Equity Share capital of our Company is set out below:

S. No.	Name of shareholder	Pre-Issue	
		Number of Equity Shares	Percentage of Equity Share capital (%) on a fully diluted basis**
(A) Promoter			
1.	Santosh Kumar Yadav	2,02,99,950	44.00%
2.	Anju Devi	2,37,00,000	51.37%
3.	Manohar Lal	10	Negligible
Total (A)		4,39,99,960	95.37%
(B) Promoter Group			
4.	Komal Yadav	10	Negligible
5.	Yashpal Yadav	10	Negligible
Total (B)		20	Negligible
TOTAL (A+B)		4,39,99,980	95.37%

AUDITOR QUALIFICATIONS

There are no auditor qualifications which have not been given effect to in the Consolidated Restated Financial Information for the period ended on September 30, 2023 and Standalone Restated Financial Information for the fiscal year ended on March 31, 2023, 2022 and 2021.

SUMMARY OF RELATED PARTY TRANSACTIONS

The details of related party transaction for the period ended on September 30, 2023 based on Consolidated Restated Financial Information and during the FY 2022-23, 2021-22 and 2020-21 based on Standalone Restated Financial Information are given as under:

(₹ in Lakhs)																	
Sr No.	Name of Party	Nature of Relation	Nature of Transaction	Amount O/s as on 30-09-2023 Payable / (Receivable)	Amount of Transaction debited from 01-04-2023 to 30-09-2023	Amount of Transaction credited from 01-04-2023 to 30-09-2023	Amount O/s as on 31-03-2023 Payable / (Receivable)	Amount of Transaction debited in 2022-23	Amount of Transaction credited in 2022-23	Amount O/s as on 31-03-2022 Payable / (Receivable)	Amount of Transaction debited in 2021-22	Amount of Transaction credited in 2021-22	Amount O/s as on 31-03-2021 Payable / (Receivable)	Amount of Transaction debited in 2020-21	Amount of Transaction credited in 2020-21	Amount O/s as on 31-03-2020 Payable / (Receivable)	
1	Santosh Kumar Yadav	Promoter	Remuneration	2.06	28.59	30.00	0.65	23.11	23.76	-	19.78	18.90	0.88	22.02	20.50	2.40	
			Loan Taken	30.56	45.00	60.25	15.31	95.00	107.00	3.31	175.18	119.50	58.99	42.01	101.00	-	
			Interest on Loan	1.87	-	0.72	1.15	-	1.15	-	6.43	6.32	0.11	0.40	0.51	-	
			TOTAL	34.49	73.59	90.97	17.11	118.11	131.91	3.31	201.39	144.72	59.98	64.43	122.01	2.40	
2	Anju Devi	Promoter	Remuneration	10.35	10.35	15.00	5.70	18.06	23.76	-	19.78	18.90	0.88	22.02	20.50	2.40	
			Loan Taken	56.13	-	-	56.13	15.00	3.20	67.93	68.01	40.00	95.94	63.56	-	159.50	
			Interest on Loan	12.51	-	3.04	9.47	7.52	6.65	10.34	2.11	10.76	1.69	16.13	17.82	-	
			TOTAL	78.99	10.35	18.04	71.30	40.58	33.61	78.27	89.90	69.66	98.51	101.71	38.32	161.90	
3	KRN Coils Private Limited	Promoter Group	Loan Given	(82.37)	488.87	493.07	(86.57)	46.57	-	(40.00)	40.00	-	-	-	-	-	
			Expenses	-	0.92	0.92	-	2.61	2.61	-	1.21	1.21	-	-	-	-	
			Receipt-Payments	-	-	-	-	33.51	33.51	-	19.81	20.01	(0.20)	0.20	-	-	-
			Trade Payables	-	4.69	4.69	-	-	-	-	39.75	39.75	-	-	-	-	-
			Rent Received	-	-	-	-	1.32	1.32	-	1.20	1.20	-	-	-	-	-
			Trade Receivable	-	740.09	1,117.01	(376.92)	1,631.89	1,791.43	(536.46)	2,254.67	1,755.53	(37.32)	37.32	-	-	-
TOTAL				(82.37)	1,234.57	1,615.69	(463.49)	1,715.90	1,828.87	(576.46)	2,356.64	1,817.70	(37.52)	37.52	-	-	
4	Manohar Lal	Promoter Group	Salary	-	0.62	-	0.62	7.85	7.94	0.53	6.87	6.81	0.59	1.77	2.36	-	
			Loan Taken	-	-	-	-	4.00	4.00	-	-	-	-	-	-	-	
			TOTAL	-	0.62	-	0.62	11.85	11.94	0.53	6.87	6.81	0.59	1.77	2.36	-	
5	Kamla Devi	Promoter Group	Loan Taken	-	-	-	-	7.00	7.00	-	-	-	-	-	-	-	
TOTAL					-	-	-	7.00	7.00	-	-	-	-	-	-	-	
6	Sudesh Devi	Promoter Group	Salary	-	12.00	12.00	-	-	-	-	-	-	-	-	-	-	
TOTAL				-	12.00	12.00	-	-	-	-	-	-	-	-	-	-	
7	Sonu Gupta	KMP	Salary	1.13	0.33	1.46	-	-	-	-	-	-	-	-	-	-	
TOTAL				1.13	0.33	1.46	-	-	-	-	-	-	-	-	-	-	
8	Praveen Kumar	KMP	Salary	0.64	3.86	3.86	0.64	1.07	1.71	-	-	-	-	-	-	-	
TOTAL				0.64	3.86	3.86	0.64	1.07	1.71	-	-	-	-	-	-	-	
	KRN HVAC	Subsidiary	Loan Given	(1,350.03)	2,320.48	970.45	-	-	-	-	-	-	-	-	-	-	

Sr No.	Name of Party	Nature of Relation	Nature of Transaction	Amount O/s as on 30-09-2023 Payable / (Receivable)	Amount of Transaction debited from 01-04-2023 to 30-09-2023	Amount of Transaction credited from 01-04-2023 to 30-09-2023	Amount O/s as on 31-03-2023 Payable / (Receivable)	Amount of Transaction debited in 2022-23	Amount of Transaction credited in 2022-23	Amount O/s as on 31-03-2022 Payable / (Receivable)	Amount of Transaction debited in 2021-22	Amount of Transaction credited in 2021-22	Amount O/s as on 31-03-2021 Payable / (Receivable)	Amount of Transaction debited in 2020-21	Amount of Transaction credited in 2020-21	Amount O/s as on 31-03-2020 Payable / (Receivable)
9	Products Private Limited		Investment	(499.95)	499.95	-	-	-	-	-	-	-	-	-	-	-
TOTAL				(1,849.98)	2,820.43	970.45	-	-	-	-	-	-	-	-	-	-
10	KRN Heat Exchanger and Refrigeration Limited	Parent Company	Loan Taken	1,350.03	970.45	2,320.48	-	-	-	-	-	-	-	-	-	-
TOTAL				1,350.03	970.45	2,320.48	-	-	-	-	-	-	-	-	-	-

For details of related party transactions for the period ended on September 30, 2023, and during the FY 2022-23, 2021-22 and 2020-21, see “**Restated Financial Information – Note 41 - Related Party Disclosures**” and on pages 312.

WEIGHTED AVERAGE PRICE AT WHICH SPECIFIED SECURITIES WERE ACQUIRED BY THE PROMOTERS AND SELLING SHAREHOLDERS IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT RED HERRING PROSPECTUS

There are no selling shareholders in our Company. The Promoters of our Company, Mr. Santosh Kumar Yadav, Mrs. Anju Devi and Mr. Manohar Lal, have not acquired any Shares of the Company during the past one year preceding the date of this Draft Red Herring Prospectus. Henceforth, the weighted average price of equity shares is NIL.

AVERAGE COST OF ACQUISITION OF SHARE FOR PROMOTERS & SELLING SHAREHOLDERS

There are no selling shareholders in our company. The average cost of acquisition of Equity Shares for Promoters as on the date of this Draft Red Herring Prospectus is set forth below:

S. No.	Name	Number of Equity Shares	Average cost 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

[#]As certified by M/s Keyur Shah & Co, Chartered Accountants, our Statutory and Peer Review Auditor pursuant to their certificate dated May 30, 2024.

For further details of the average cost of acquisition of our Promoters, see “**Capital Structure – Build-up of Equity Shareholding of our Promoters in our Company**” on page 102.

SECTION II - RISK FACTORS

An investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in the Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares but also for the industry in which we operate or to India and other jurisdictions we operate in. Additional risks and uncertainties, not currently known to us or that we currently do not deem material, may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with chapter titled “Industry Overview”, “Our Business”, “Restated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 147, 189, 260 and 336 respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Issue including the merits and risks involved.

Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further information, see chapter titled “Forward- Looking Statements” on page 31. Unless otherwise indicated, the financial information included herein is based on our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see chapter titled “Restated Financial Information” on page 260. Unless the context otherwise requires, in this section, references to “we”, “us”, “our”, the Company” or “our Company” refers to KRN Heat Exchanger and Refrigeration Limited.

Unless otherwise indicated, all financial information included herein are based on our Restated Financial Information included elsewhere in this Draft Red Herring Prospectus.

INTERNAL RISKS

Risks Relating to our Business

RF 1 - We are dependent on and derive a substantial portion of our revenue from a single customer Daikin Airconditioning India Private Limited and 75.94%, 70.87%, 75.82% and 78.36% of our revenue is derived from our top 10 key customers for the six months ended on September 30, 2023, and for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 respectively. In the six months ended September 30, 2023, and in fiscal 2023, Fiscal 2022 and Fiscal 2021, Daikin Airconditioning Private Limited accounted for 33.89%, 32.85%, 32.28% and 37.71% respectively, of our revenue from operations. Cancellation by our top customers or a delay or reduction in their orders could have a material adverse effect on our business, results of operations and financial condition.

We are dependent on a limited number of customers. Most of our revenue is derived from our top ten, top five and the largest customer. The contribution to the revenue from operations of our Company by our top ten, top five and the largest customer is as set out below:

(₹ in Lakhs)

Particular	For the period ended on September 30, 2023 (Consolidated)		For the Financial Year ended on (Standalone)					
			March 31, 2023		March 31, 2022		March 31, 2021	
	Amount	% of revenue from operations	Amount	% of revenue from operations	Amount	% of revenue from operations	Amount	% of revenue from operations
Largest customer Daikin Airconditioning India Private Limited	5,444.64	33.89%	8,130.92	32.85%	5,039.40	32.28%	2,859.22	37.71%
Top 5 customers	8,977.68	55.89%	13,814.21	55.82%	9,334.00	59.79%	4,588.56	60.51%
Top 10 customers	12,198.82	75.94%	17,540.09	70.87%	11,835.45	75.82%	5,942.82	78.36%

Further, our company has no long-term written agreement with our customers and typically our key customers share a sales plan for the forthcoming quarter or six months, followed by purchase orders on a monthly basis.

There are limited brands in the Indian HVAC Industry, and we are dealing with most of them. Accordingly, our company opines that the long-term relationship is mutually beneficial to both Daikin and our company. While our company has expanded its customer base both in domestic markets and overseas markets by serving 81 customers in six months ended September 30, 2023, and by serving 112 customers, 95 customers and 86 customers in Fiscal 2023, Fiscal 2022 and Fiscal 2021, we expect that in the future a limited number of customers will continue to comprise a significant percentage of our operating revenue. Consequently, if we are unable to expand our sales volumes to existing customers, maintain our relationship with our key customers or diversify our customer base, we may experience material fluctuations or decline in our revenue and reduction in our operating margin, as a result of which our business, results of operations and financial conditions could be materially and adversely affected. In additions cancellation by customers or delay or reduction in their orders could have a material adverse effect on our business, results of operations and financial condition. Further, when anticipated orders fails to materialize, it can result in mismatch between our inventories or raw materials and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our margins which can adversely affect our profitability and liquidity. In addition, we may not find any customers or purchasers for the surplus or excess capacities, in which case we would be forced to incur a loss. Further, our inability to find customers for surplus products may result in excessive inventories which may become obsolete and may be required to be written off in the future.

In addition, we generate account receivable in connection with providing manufacturing services to our key customers. If one or more of our customers were to become insolvent or otherwise unable to pay for the products supplied by us, this could have an impact on our business as we may not recover the costs of production and material utilised for the manufacturing of such products.

Our profitability also depends on the growth and the performance in business of our key customers. In the HVAC Industry, our revenue are dependent on the sale of products by our customers under their own brand names. We rely on the success of our customers in the marketing and selling of these products and therefore any negative impact on their reputation may also have an effect on our business. Accordingly, risks that could seriously harm our top customers, could harm us as well, including, recession in the geographies in which our key customers operate their business, our key customer's inability to effectively manage their operations or changes in laws and policies affecting our customers to operate profitability.

RF 2 - We rely on limited number of suppliers and procure 53.74%, 57.98%, 52.38% and 62.27% of our raw material from our Top 5 suppliers and 78.76%, 78.48%, 70.07% and 78.48% of our raw material from our top 10 key suppliers for the period ended on September 30, 2023, and for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 respectively. Further, we do not have any long-term contracts with any of the suppliers. Any shortfall in the supply of our raw materials or an increase in our raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.

We are dependent on third-party suppliers for our raw materials. The raw materials used by us include copper foil and tubes, aluminium foil and sheets, galvanise sheet, brass sheets and parts and stainless steel. The details of our cost of goods sold for the period ended on September 30, 2023, and last three Financial Year are set out below:

(Rs. in Lakhs)

Particulars	For the period ended on September 30, 2023 (Consolidated)	For the Financial Year ended on (Standalone)		
		March 31, 2023	March 31, 2022	March 31, 2021
Cost of goods sold	12,017.18	18,368.24	12,978.21	6,346.66
Revenue from operations	16,064.24	24,748.08	15,611.46	7,582.42
Cost of goods sold as a percentage of our revenue from operations (%)	74.81%	74.22%	83.13%	83.70%

Note: Cost of goods sold comprises costs of material consumed, change in inventories, manufacturing & service cost.

We rely on a Limited number of suppliers for our raw materials which are an integral part of our products. The details of our top 10, top 5 and top 1 suppliers are as under:

(Amount in Lakhs)

Particulars	For the period ended on September 30, 2023 (Consolidated)		For the Financial Year ended on (Standalone)					
			March 31, 2023		March 31, 2022		March 31, 2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Top 1 Supplier	1,752.33	12.98%	3,632.40	17.29%	2,425.46	17.46%	1,040.37	16.50%
Top 5 Suppliers	7,254.58	53.74%	12,178.82	57.98%	7,277.01	52.38%	3,926.00	62.27%
Top 10 Suppliers	10,630.93	78.76%	16,486.00	78.48%	9,734.18	70.07%	4,947.74	78.48%

We purchased raw materials from 54 suppliers in the period ended on September 30, 2023 and 55 suppliers in Fiscal 2023. While we have not historically encountered problems with availability, and our global sourcing team has mitigated these risks by increasing inventory for some of these materials, this does not mean that we will continue to have timely access to adequate supplies of essential materials in the future or that supplies of these materials will be available on satisfactory terms when needed.

Given our reliance on our suppliers, if any one of our suppliers is unable to deliver our raw materials in a timely manner, or at all, or meet our design or quality specifications, we may be unable to meet our product and service delivery timelines. Delayed supplies from our suppliers may in turn result in delayed deliveries by us to our customers and we may incur liquidated damages. There can be no assurance that we will be able to maintain strategic relationships with our suppliers or diversify our supplier base. Further, our suppliers may enter into exclusive arrangements with our competitors or other non-competing manufacturing companies, and we may be unable to obtain alternative sources for our raw materials at commercially reasonable prices, or at all, or enter into alternative arrangements with other manufacturing partners.

During the course and aftermath of the Covid-19 related restrictions and fallout of the same on global supply chains, our business suffered scarcity and in certain instances non-availability of some raw-materials such as copper tubes/pipes and aluminium foils. While we were able to subsequently purchase these raw materials through alternative vendors, we had to incur certain additional costs for the same.

We do not have any long-term contracts with our third-party suppliers. Prices are negotiated for each purchase order, and we generally have more than one supplier for each component or raw material. Consequently, we are subject to pricing fluctuations from order to order. The terms and conditions including the return policy are set forth in the purchase orders. However, our suppliers may be unable to provide us with a sufficient quantity of raw materials, at prices acceptable to us, for us to meet the demand for our products. We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price. Any increase in component or raw material prices may result in corresponding increases in our product costs. A failure to maintain our required supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, on acceptable terms, could adversely affect our ability to deliver our products to customers in an efficient, reliable and timely manner, and adversely affect our business, results of operations and financial condition.

If we are unable to deliver reliable and high-quality products or timely resolve any issues relating to our products and services, confidence in our business could be undermined and we may be unable to expand or maintain our customer base and market share. We may incur additional expenses for resolving errors, providing damages for the defects or delays, extending warranties, increasing insurance coverage, obsolescence of inventory and defective products. In addition, we may have to divert significant research and development and engineering efforts to resolve such defects. Our customers may also bring legal actions against us, which could expose us to additional liabilities. No such instance has occurred to date. Further, we may also be unable to realise any results from our research and development efforts undertaken to develop those products and recognise any revenue from the sales of those products in a timely manner, or at all. If any of these eventualities materialise, our reputation, business, results of operations and financial condition could be materially and adversely affected.

Discontinuation of production by these suppliers or the failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule and therefore affect our business and results of operations. This dependence may also adversely affect the availability of key materials at reasonable prices thus affecting our margins and may have an adverse effect on our business, results of operations and financial condition. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we experience a significant or prolonged shortage of raw materials from any of our suppliers and are not able to procure the raw materials from other sources in the future, we would be unable to meet our production schedules of our products and to deliver such products to our customers on time, which would adversely affect our sales, margins and customer relations. We cannot assure you that a particular supplier will continue to supply the required components or raw materials to us in the future. Any change in the supply pattern of our raw materials can adversely affect our business and profits.

RF 3 - We rely for raw materials from our vendors in Malaysia, South Korea, Thailand, Vietnam and China and in the six months ended September 30, 2023 and in Fiscal 2023, imports accounted for 80.58 % and 79.08 % of our total raw materials purchased. Any shortfall in the supply of our raw materials or increase in our raw materials costs, or their input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operation and financial condition.

We source raw materials from vendors in Malaysia, South Korea, Thailand, Vietnam and China. In the Period ended on September 30, 2023 and in the Fiscal Year ended on March 31, 2023, 2022 and 2021, our imported raw materials as a percentage of total raw materials purchased based on Restated Financial Statements is as follows:

(Amount in Lakhs)

Particulars	For the period ended on September 30, 2023 (Consolidated)	For the Financial Year ended (Standalone)		
		March 31, 2023	March 31, 2022	March 31, 2021
Cost of raw materials imported	10,875.83	16,611.12	10,024.40	3,717.44
Cost of total raw materials purchased	13,496.86	21,006.45	13,890.92	6,304.17
Cost of materials imported as a percentage of our total cost of raw materials purchased (%)	80.58%	79.08%	72.16%	58.96%

The cost of imported raw materials from China and other countries as a percentage of total raw materials purchased based on Restated Financial Statements is as follows:

(Amount in Lakhs)

Particulars	Cost of material imported	Cost of total raw materials purchased	Cost of materials imported as a percentage of our total cost of raw materials purchased (%)
For the period ended on September 30, 2023 (Consolidated)			
China	1029.58	13,496.86	7.63
Malaysia, South Korea, Thailand, Vietnam and others	9846.25		72.95
For the Financial Year ended on March 31, 2023 (Standalone)			
China	2122.91	21,006.45	10.11
Malaysia, South Korea, Thailand, Vietnam and others	14488.21		68.97
For the Financial Year ended on March 31, 2022 (Standalone)			
China	771.46	13,890.92	5.55
Malaysia, South Korea, Thailand, Vietnam and others	9252.94		66.61
For the Financial Year ended on March 31, 2021 (Standalone)			
China	389.17	6,304.17	6.17
Malaysia, South Korea, Thailand, Vietnam and others	3328.27		52.79

Any restriction on the import of components or raw materials may disrupt the supply chain by making it harder or more expensive to procure the raw materials. Delays or shortages in obtaining raw materials from the countries stated herein may disrupt the production schedules which rely on these components, affecting their ability to meet customer demand and fulfil orders in a timely manner. Further, any increase in export tariff, import duties or compliance costs associated with navigating new regulations will increase expenses/costs which in turn may lead to decrease in profit margins as a result of which higher prices may be charged to the consumers which may impact our business. While we have not historically encountered problems with availability, and our global sourcing team has mitigated these risks by increasing inventory for some of these materials, this does not mean that we will continue to have timely access to adequate supplies of essential materials and components in the future or that supplies of these materials and components will be available on satisfactory terms when needed. Any increase in imported component or raw material prices may result in corresponding increases in our product costs. A failure to maintain our required supply of imported components and raw materials, and any inability on our part to find alternate sources for the procurement of such imported components or raw materials, on acceptable terms, could adversely affect our ability to deliver our products to customers in an efficient, reliable and timely manner, and adversely affect our business, results of operations and financial condition.

Import restrictions may require the Company to diversify its supply chains to reduce reliance on any single country or region. This may involve finding new suppliers in different locations or investing in domestic production capabilities. While diversification can mitigate some risks associated with import restrictions, it can also come with its own challenges, such as finding reliable suppliers or facing higher production costs. Further, changes in legislation will require the Company

to comply with new regulations or standards, which can increase administrative burdens and compliance costs. Failure to comply with these regulations can result in fines or other penalties, further impacting the company's bottom line. Import restrictions and legislative changes can contribute to market volatility, affecting investor confidence and stock prices in future, which may result in fluctuations in demand, supply, and pricing as they adapt to changing trade dynamics and regulatory environments.

RF 15 - Rajasthan State Industrial Development and Investment Corporation (RIICO) has permitted to transfer the lease hold rights of an industrial plot, Complying with certain terms and condition of the lease may affect our business and financial Condition.

RIICO has permitted to transfer the lease rights of industrial plot no. F-48, 49, EPIP, Neemrana, Alwar Rajasthan. As per the transfer terms and conditions, we have to export minimum of 33.33% of our produce of installed capacity every year and submit the required documents as proof to the office of RIICO. Non-compliance of this condition, a failure action might be initiated against us. Further, if RIICO identifies any dues towards the old allottee during audit observations then our Company is liable to deposit the same when demanded by RIICO. Complying with these conditions involves a substantial amount and money and may adversely affect our financial condition.

RF - 16 We have contingent liabilities that have not been provided for in our Company's financials which if materialised, could adversely affect our financial condition.

As of September 30, 2023, we had ₹ 665.06 Lakhs of contingent liabilities that had not been provided for. A summary table of our contingent liabilities as of September 30, 2023, as disclosed in the Restated Financial Information is set forth below:

(₹ in Lakhs)	
Particulars	As on September 30, 2023
Contingent Liabilities	
Under Direct Tax	8.69
Under Indirect Tax	146.84
Under EPCG/ Advance Authorisation Import Duty Benefit received from DGFT not considered as liability until it fulfils the Export Obligation	509.53
Total	665.06

For details, see “***Restated Financial Information***” and “***Management's Discussion and Analysis of Financial Condition and Results of Operations - Contingent Liabilities***” on pages 260 and 336, respectively, for more information. Any or all of these contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Financial Year or in the future.

RF – 17 Our Company, its Promoters and our Directors are party to certain legal proceedings. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.

Our Company, Promoters and Directors are currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation in relation to our Company, our Promoters and Directors as on the date of this Draft Red Herring Prospectus have been provided below in accordance with the Materiality Policy adopted by our Board. For details, see “***Outstanding Litigation and Material Developments***” on page 359.

(₹ in Lakhs)

Name of Entity	Criminal Proceeding	Tax Proceeding		Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigation**	Aggregate amount involved (Rs in Lakhs)^
		Direct Tax	Indirect Tax				
Company							
By the Company	-	-		-	-	-	-
Against the Company	-	2*	1	-	-	-	8.15**
Directors (Other than Promoters)							
By our Directors	-	-	-	-	-	-	-
Against Directors	-	3	-	-	-	-	0.55*
Promoters							
By Promoters	-	-	-	-	-	1	Not Quantifiable
Against Promoters	-	-	-	-	-	2^^	Not Quantifiable
Subsidiary							
By Our Subsidiary	-	-	-	-	-	-	-
Against Our Subsidiary	-	-	-	-	-	-	-
Group Company							
By Our Group Company	-	-	-	-	-	-	-
Against Our Group Company	-	-	-	-	-	-	-

*To the extent quantifiable and ascertainable.

**Amount does not include unquantifiable demand with respect to proposed adjustment in income of Rs. 6,194/- for the A.Y. 2023-24 under Section 143(1) of the Income Tax Act, 1961.

***The Company is in receipt of intimation in the Form GST DRC-01C with respect to difference in input tax credit availed in GSTR-3B and available as per GSTR-2B for the period September 2023 amounting to Rs. 1,46,83,606.30/-. The Company has furnished reply against such intimation. However, no show cause notice has been issued in respect of said matter under the provisions of the CGST Act.

^^The said case includes the case filed against our Promoters Anju Devi and Santosh Kumar Yadav and the amount involved is Rs. 14,00,000/- along with interest @15% p.a.

The amounts mentioned above may be subject to additional interest/ penalties being levied by the concerned authorities which have not been included above as not being ascertainable as on date of this Draft Red Herring Prospectus. We cannot assure you that these proceedings will be decided in favour of our Company, Promoters or our Directors, as the case may be. Any adverse decision in such proceedings may render us liable to penalties and may have a material adverse effect on our reputation, business and financial condition. Additionally, during the course of our business we are subject to risk of litigation in relation to contractual obligations, employment and labour laws, personal injury and property damage, etc.

Furthermore, if we get involved in disputes with third-parties in the course of our operations such as suppliers, customers and sub- contractors, the same may lead to legal or other proceedings and may result in substantial costs, delays in our development and operation schedule, and the diversion of resources and management's attention, regardless of the outcome. We may also have disagreements with regulatory authorities in the course of our operations, which may subject us to legal proceedings and unfavorable decisions that may result in penalties or delay or disrupt our development and operations.

RF 23 - We are required to obtain, renew or maintain certain statutory and regulatory permits and approvals required to operate our business and if we fail to do so in a timely manner or at all and our business, financial conditions, results of operations and cashflows may be adversely affected.

Our operations are subject to government and statutory regulations, and we are required to obtain and maintain several permits, consents and regulations and approvals under central, state and

local government rules for operating our business for our units. While we have obtained the necessary and material approvals, licenses, registrations and permits from the relevant authorities, there could be instances where we may not have applied, obtained or applied with a delay for certain requisite approvals applicable to us. For instance, registration under the Contract Labour (Regulation and Abolition) Act, 1970 was not in place prior to 2019. Penalties or imprisonment may be levied against our Company under section 24 of the Contract Labour Abolition Act for the breach of limits which may adversely affect the financial position of our Company.

We also need to apply for renewal, from time to time, of some of such approvals, licenses, registrations and permits, which expire or seek fresh approvals, as and when required, in the ordinary course of our business. While we generally apply for the renewal of approvals in a timely manner, we cannot assure that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected.

Our company has not filed fresh application for following material approvals applicable:

S. No.	Particulars	Nature of Registration/Approval
1.	Environmental approvals	Registration under E-waste (Management) Rules, 2022

Further, if the Company does not receive the registration under E-waste (Management) Rules, 2022 (“**E-waste Management Rules**”) or does not apply for the said registration, the Company shall be liable to pay the environmental compensation in accordance with Rule 22(3) of E-waste Management Rules which reads as under:

“Rule 22 (3): The environmental compensation shall also be levied on unregistered producers, manufacturer, refurbisher, recyclers and any entity which aids or abets the violation of these rules.”

Further, under such circumstances, the relevant authorities may initiate penal action against us, restrain our operations, impose fines/ penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all.

The approvals required by us are also subject to numerous conditions including, among others, quantum of raw materials to be used, fire and safety measures, etc. Further, in some cases, consent of relevant authorities is required in case there is any modification/ alteration/ change in product mix. The conditions and the obligation to renew the approval or license at regular intervals are also prescribed in such approvals and licenses. We cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or cancelled or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.”

RF 27 - Our manufacturing facilities, Warehouse and Registered and Corporate Office are located on premises taken on a lease basis. There can be no assurance that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease basis on same or similar commercial terms or at all.

Our manufacturing facilities located at Plot No. F- 46-47 and F - 48-49 EPIP, RIICO industrial area, Neemrana, Rajasthan-301705, Our warehouse located at F-44 EPIP, RIICO industrial area, Neemrana, Rajasthan-301705 and our Registered and Corporate Office located at Plot No. F- 46, 47, 48,49 EPIP, RIICO industrial area, Neemrana, Rajasthan-301705 are taken on lease basis.

While we renew these lease agreements periodically, to the extent applicable in the ordinary course of business, we cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. In the event that these existing leases are terminated, or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations. If alternative premises are not available at the same or similar costs, sizes or locations, our business and results of operations may be adversely affected. For further details, please see section titled ***“Our Business - Properties”*** on page 214.

SECTION III – INTRODUCTION

CAPITAL STRUCTURE

Build-up of Promoter's shareholding, Minimum Promoter's Contribution and lock-in

As on the date of this Draft Red Herring Prospectus, our Promoters, **Santosh Kumar Yadav**, **Anju Devi** and **Manohar Lal** holds **2,02,99,950** Equity Shares, **2,37,00,000** Equity Shares and **10** Equity Shares respectively, equivalent to **44.00%**, **51.37%** and **Negligible%** respectively of our pre-issue paid-up Equity Share capital of our Company on a fully diluted basis and for further details, see the chapter titled "**Our Promoters and Promoter Group**" beginning on page 251. All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment / acquisition of such Equity Shares.

As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by any of our Promoters are pledged.

a) Build-up of the Equity Shareholding of our Promoters in our Company

The details regarding the build-up of the Equity Shares held by **Manohar** in our Company since incorporation is set forth in the table below:

Date of transfer / allotment of Equity Shares (Fully paid up)	Number of Equity shares allotted/ transferred	Nature of transaction	Nature of consideration	Face Value per Equity Share (₹)	Transfer price / issue price per Equity Share (₹)	Percentage of the pre-Issue Equity capital (%)	Percentage of the post - Issue Equity capital (%)
March 09, 2023	10	Acquired by way of transfer from Santosh Kumar Yadav	Cash	10/-	100/-	Negligible	[●]
TOTAL	10					Negligible	

b) Equity shareholding of our Promoters and Promoter Group

Set forth below is the equity shareholding of our Promoters and Promoter Group in our Company as on the date of this Draft Red Herring Prospectus, on a fully diluted basis:

Sr. No.	Name of shareholders	Pre-Issue		Post-Issue	
		Number of Equity Shares	Percentage of Equity Share capital (%) on a fully diluted basis	Number of Equity Shares	Percentage of Equity Share capital (%)
Promoters					
1.	Santosh Kumar Yadav	2,02,99,950	44.00%	[●]	[●]
2.	Anju Devi	2,37,00,000	51.37%	[●]	[●]
3.	Manohar Lal	10	Negligible	[●]	[●]
Total (A)		4,39,99,960	95.37%	[●]	[●]
Promoter Group					
4.	Komal Yadav	10	Negligible	[●]	[●]
5.	Yashpal Yadav	10	Negligible	[●]	[●]
Total (B)		10	Negligible	[●]	[●]
TOTAL (A+B)		4,39,99,980	95.37%	[●]	[●]

Aggregate shareholding of the promoter group and directors of the promoters where the promoter is a body corporate:

As on the date of this Draft Red Herring Prospectus, our Promoter Group holds 10 Equity Shares equivalent to Negligible % equity shares in our Company. Further there are no corporate promoters in our Company.

Details of Promoter's contribution and lock-in

- 1) The details of the Equity Shares held by our Promoters, which shall be locked-in as Minimum Promoters' Contribution for a period of eighteen months from the date of Allotment are set out in the following table:

Name of the Promoter	No. of Equity Shares locked- in	Date of allotment/ transfer of Equity Shares**	Date up to which the Equity Shares are subject to lock – in	Issue / Acquisition price per Equity Share	Nature of Allotment	Face value per Equity Share (₹)	% of the fully diluted pre-Issue Equity Share Capital	% of the fully diluted post-Issue Equity Share Capital
Santosh Kumar Yadav	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Anju Devi	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Manohar Lal	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated at the Prospectus stage.

** All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.

OBJECTS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds of the Fresh Issue towards funding the following objects:

- 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”**); and
- General corporate purposes.

(Collectively, referred to herein as the **“Objects”**)

Further, our company expects to receive the benefits of the listing of the Equity Shares on the Stock Exchanges, including enhancing our visibility and our brand image among our existing and potential customers.

The main objects clause and the objects ancillary to the main objects clause as sets out in our Memorandum of Association enables our company to (i) to undertake our existing business activities and (ii) to undertake the activities proposed to be funded from the Net Proceeds.

UTILISATION OF NET ISSUE PROCEEDS

The Net Issue proceeds are proposed to be utilized in the following manner:

(₹ in Lakh)	
Particulars	Amount which will be financed from Net Issue proceeds ⁽²⁾
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”).	24,919.59
General Corporate Purposes ⁽¹⁾⁽²⁾	[●]
Grand Total	[●]

⁽¹⁾ To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

⁽²⁾ Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement of up to 4,77,000 Equity Shares. If the Pre-IPO Placement is completed, the Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue complying with Rule 19(2)(b) of the SCRR. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement for General Corporate purposes.

Our Board, in its meeting dated **March 28, 2024** approved the utilization of the Net Proceeds towards (i) Investment in our wholly owned subsidiary, KRN HVAC Products Private Limited for setting up the Proposed Project, (ii) General Corporate Purposes.

PROPOSED SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

The following table set forth the details of the schedule of the expected deployment of the net proceeds:

(₹ in Lakh)					
S. No.	Particulars	Total estimated cost	Amount already deployed	Amount proposed to be funded from the Net Proceeds ⁽¹⁾	Estimated deployment in FY 2024-25
1	Investment in our wholly owned subsidiary, KRN HVAC Products Private Limited in the form of Equity for setting up	26,943.27 ⁽³⁾	2,023.68 ⁽⁴⁾	24,919.59	24,919.59

S. No.	Particulars	Total estimated cost	Amount already deployed	Amount proposed to be funded from the Net Proceeds ⁽¹⁾	Estimated deployment in FY 2024-25
	a new manufacturing facility at Neemrana, Alwar, Rajasthan ("Proposed Project").				
2	General Corporate Purposes ⁽¹⁾⁽²⁾	[●]	[●]	[●]	[●]
	Total	[●]	[●]	[●]	[●]

⁽¹⁾ To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

⁽²⁾ The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue. Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement of up to 4,77,000 Equity Shares. The Pre-IPO Proceeds shall lead to corresponding reduction in utilization from General Corporate Purposes proceeds and fresh Issue size is accordingly reduced.

⁽³⁾ Total estimated cost, as per Detailed Project Report (**"DPR"**) dated March 28, 2024 prepared and issued by Q-Serv Consultants Private Limited and verified by M/s Keyur Shah & Co. Chartered Accountants in respect of the Proposed Project.

⁽⁴⁾ As of March 22, 2024, the amount deployed towards the proposed project was Rs.2,023.68 Lakhs, Pursuant to certified by M/s. Sharma S.K. & Associates, Chartered Accountants, by way of their certificate dated March 28, 2024.

1. 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"**).

Our Company proposes to utilizes ₹ 24,919.59 Lakhs towards investment in our wholly owned Subsidiary, KRN HVAC Products Private Limited, which was incorporated on April 07, 2023, in order to set up a new manufacturing facility at Neemrana, Alwar, Rajasthan. The proposed investment by our 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. This will help us to better serve our existing customers, assist us in better addressing the business requirements of large customers, and allow us to expand into new verticals, in particular, to address the growing need of railways for their electric engines, compressors manufacturers and refrigerator manufacturing companies.

Our wholly owned subsidiary company Board by its resolution dated **October 9, 2023** has approved the proposal to set up the Proposed Project for manufacturing of bar and plate heat exchanger, oil cooling with blower and motor and roll band evaporator.

Plant and Machineries

(₹ in Lakh)

S. No.	Particulars	Quantity	Total estimated Cost (₹)	Quotation received from	Date of Quotation	Country name	Advance	Date of Advance	Date of Placement of Order	Expected date of supply
1.	H Type Fin Press 60 Ton capacity	7 Sets	513.46*	JDM Jingda Machine (Ningbo) Co. Ltd.	March 22, 2024	China	-	-	Yet to be Placed	December 31, 2024
2.	Hairpin Bender 3000 Mm length	4 Sets	210.05*		March 22, 2024		-	-	Yet to be Placed	
3.	Hairpin Bender 3000 Mm length * 5.00 Mm tube diameter	1 Set	50.01*		March 22, 2024		-	-	Yet to be Placed	
4.	Hairpin Bender 3000 Mm length * 12.70 Mm tube diameter	1 Set	57.51*		March 22, 2024		-	-	Yet to be Placed	
5.	Expander	4 Sets	416.77*		March		-	-	Yet to be	

S. No.	Particulars	Quantity	Total estimated Cost (₹)	Quotation received from	Date of Quotation	Country name	Advance	Date of Advance	Date of Placement of Order	Expected date of supply
	Vertical 2.50 Mtr length				22, 2024				Placed	
6.	Expander Vertical 2.50 Mtr length * 5.00 Mm tube diameter	1 Set	112.53*		March 22, 2024		-	-	Yet to be Placed	
7.	Acoustic Chambers for Fin Press	7 Nos	137.90	Envirotech Systems Limited	March 21, 2024	India	-	-	Yet to be Placed	
8.	Fin Die 12.7 Mm diameter	1 Set	40.84*		March 22, 2024		-	-	Yet to be Placed	
9.	Fin Die 6.35 Mm diameter X 25.4 Mm pitch	1 Set	79.69*		March 22, 2024		-	-	Yet to be Placed	
10.	Fin Die 6.35 Mm X 19.05 Mm	1 Set	83.19*		March 22, 2024		-	-	Yet to be Placed	
11.	Fin Die 5 Mm diameter	1 Set	96.27*	YHM (Wuxi) Foreign Trade Co., Ltd.	March 22, 2024	China	-	-	Yet to be Placed	
12.	Fin Die 7.94 Mm diameter	1 Set	80.44*		March 22, 2024		-	-	Yet to be Placed	
13.	Fin Die 9.52 Mm diameter X 25.4 Mm pitch	1 Set	53.60*		March 22, 2024		-	-	Yet to be Placed	
14.	Fin Die 9.52 Mm diameter X 25 Mm pitch	1 Set	53.60*		March 22, 2024		-	-	Yet to be Placed	
15.	Fin Die 15.88 Mm diameter	1 Set	65.77*		March 22, 2024		-	-	Yet to be Placed	
16.	Horizontal Expander Moca-TS-7000#	1 no	293.35*	C.M.S S.P.A.	March 22, 2024		28.93 and 58.10	June 14, 2023 and November 06, 2023	May 29, 2023	
17.	Ball Expanding Machine SS 5/8" diameter	1 no	67.70*	C.M.S S.P.A.	March 20, 2024	Italy	-	-	Yet to be Placed	
18.	Coil Bending CBV#	1 Set	171.50*	C.M.S S.P.A.	March 22, 2024		50.95	November 06, 2023	June 24, 2023	
19.	Coil Bending CBO#	1 Set	148.93*	C.M.S S.P.A.	March 22, 2024		44.24	November 06, 2023	June 24, 2023	
20.	CNC Chipless straitening and cutting with 7 types tolling's	1 no	22.92*		March 22, 2024		-	-	Yet to be Placed	
21.	CNC Chipless straitening and cutting with 2 types tolling's	1 no	14.75*	Zhongshan OMS Trading Co. Ltd.	March 22, 2024	China	-	-	Yet to be Placed	
22.	CNC Chipless straitening and Saw cutting	1 no	18.50*		March 22, 2024		-	-	Yet to be Placed	

S. No.	Particulars	Quantity	Total estimated Cost (₹)	Quotation received from	Date of Quotation	Country name	Advance	Date of Advance	Date of Placement of Order	Expected date of supply
	machine									
23.	Coil Bending Machine	1 no	18.99*		March 22, 2024		-	-	Yet to be Placed	
24.	U Bend Machine 9.52 Mm diameter	1 no	17.42*		March 22, 2024		-	-	Yet to be Placed	
25.	U Bend Machine 5.00 Mm diameter	1 no	16.34*		March 22, 2024		-	-	Yet to be Placed	
26.	U Bend Machine 7.00 Mm diameter	1 no	17.42*		March 22, 2024		-	-	Yet to be Placed	
27.	U Bend Machine 12.70 Mm diameter	1 no	20.51*		March 22, 2024		-	-	Yet to be Placed	
28.	U Bend Machine 6.35 Mm diameter	1 no	17.42*		March 22, 2024		-	-	Yet to be Placed	
29.	Size & Ringing Machine 9.52 Mm diameter	1 no	29.34*		March 22, 2024		-	-	Yet to be Placed	
30.	Size & Ringing Machine 5.00 Mm diameter	1 no	21.34*		March 22, 2024		-	-	Yet to be Placed	
31.	Size & Ringing Machine 7.00 Mm diameter	1 no	25.34*		March 22, 2024		-	-	Yet to be Placed	
32.	Size & Ringing Machine 12.70 Mm diameter	1 no	22.59*		March 22, 2024		-	-	Yet to be Placed	
33.	Size & Ringing Machine 6.35 Mm diameter	1 no	25.34*		March 22, 2024		-	-	Yet to be Placed	
34.	U Bend Cleaning Machine	1 no	47.51*		March 22, 2024		-	-	Yet to be Placed	
35.	Straightening And Cutting Machine With Inserting Insulation Tube	1 no	25.84*		March 22, 2024		-	-	Yet to be Placed	
36.	Flaring Machine	1 no	7.50*		March 22, 2024		-	-	Yet to be Placed	
37.	Pancake Machine	1 no	4.17*		March 22, 2024		-	-	Yet to be Placed	
38.	Capillary Tube Cutting and Beading Machine (Saw Cutting Type)	1 no	13.34*		March 22, 2024		-	-	Yet to be Placed	
39.	T Drill Machine for Pipe Drilling	1 no	30.76*		March 22, 2024		-	-	Yet to be Placed	
40.	3 position pipe End Forming Machine	1 no	11.97*		March 22, 2024		-	-	Yet to be Placed	

Zhongshan
OMS
Trading Co.
Ltd.

China

S. No.	Particulars	Quantity	Total estimated Cost (₹)	Quotation received from	Date of Quotation	Country name	Advance	Date of Advance	Date of Placement of Order	Expected date of supply
41.	3 position pipe End Forming Machine Horizontal type	1 no	37.11*		March 22, 2024		-	-	Yet to be Placed	
42.	Pipe End Forming Machine with Spinning mode	1 no	16.39*		March 22, 2024		-	-	Yet to be Placed	
43.	End Closing Machine	1 no	15.38*		March 22, 2024		-	-	Yet to be Placed	
44.	CNC Tube Bender TBM 100	1 no	88.27*		March 22, 2024		-	-	Yet to be Placed	
45.	CNC Tube Bender CDBM 1200	1 no	18.83*		March 22, 2024		-	-	Yet to be Placed	
46.	CNC Tube Bender TBM 25	1 no	13.35*		March 22, 2024		-	-	Yet to be Placed	
47.	Ultrasonic Cleaning machine	1 no	22.69	Supersonics	March 22, 2024	India	-	-	Yet to be Placed	
48.	T Drill machine Big	1 no	91.77*	Neutec Engineering & Technology	March 21, 2024	Finland	-	-	Yet to be Placed	
49.	T Drill machine Medium	1 no	19.98*		March 21, 2024		-	-	Yet to be Placed	
50.	Helium Leak Testing Chamber 1	1 no	108.30	Nxtek Solution With The Power Of Quality	March 22, 2024	India	-	-	Yet to be Placed	
51.	Helium Leak Testing Chamber 2	1 no	137.75		March 22, 2024		-	-	Yet to be Placed	
52.	Helium Leak Testing Chamber Sniffer	1 no	39.90		March 22, 2024		-	-	Yet to be Placed	
53.	Vacuum Leak Testing machine	2 no	36.04		March 22, 2024		-	-	Yet to be Placed	
54.	Drying Oven (With Conveyor)	2 nos	60.63	RDR Taichi Pvt. Ltd.	March 22, 2024	India	-	-	Yet to be Placed	
55.	Drying Oven (Vertical type)	2 nos	50.86		March 22, 2024		-	-	Yet to be Placed	
56.	Drying Oven for Header	1 no	20.41		March 22, 2024		-	-	Yet to be Placed	
57.	Tube Removing Tool	2 nos	28.88*	OMTR S.R.L.	March 22, 2024	Italy	-	-	Yet to be Placed	
58.	Brazing Scissor lifter	10 nos	21.50	Shree Ganga Engineers	March 21, 2024	India	-	-	Yet to be Placed	
59.	Leak Test Tank Big	2 Nos	4.24	Global Engineers & Contractors	March 20, 2024		-	-	Yet to be Placed	
60.	Leak Test Tank Medium	3 Nos	4.20		March 20, 2024		-	-	Yet to be Placed	

S. No.	Particulars	Quantity	Total estimated Cost (₹)	Quotation received from	Date of Quotation	Country name	Advance	Date of Advance	Date of Placement of Order	Expected date of supply
61.	Leak Test Tank Small	2 Nos	1.82		March 20, 2024		-	-	Yet to be Placed	
62.	Assy Conveyor Line (CCU IDU)	1 no	20.37	Shree Ganga Engineers	March 21, 2024		-	-	Yet to be Placed	
63.	Jib Crain	5 nos	36.81	Industrial Equipment Company	March 23, 2024	India	-	-	Yet to be Placed	
64.	Spray Paint Booth	1 no	15.50	Shree Sai Associates	March 22, 2024	India	-	-	Yet to be Placed	
65.	Rack	70 nos	44.25	Industrial Equipment Company	March 20, 2024	India	-	-	Yet to be Placed	
66.	Fork Lift 3.0 Ton capacity	1 no	13.20		March 23, 2024		-	-	Yet to be Placed	
67.	Fork Lift 2.0 Ton capacity	1 no	12.80		March 23, 2024		-	-	Yet to be Placed	
68.	Articulated Forklift	1 no	36.76		March 23, 2024		-	-	Yet to be Placed	
69.	Hand Pallet 2.5 Ton capacity	10 nos	2.15		March 23, 2024		-	-	Yet to be Placed	
70.	Battery Operated Lifter	1 no	1.90		March 23, 2024		-	-	Yet to be Placed	
71.	Dock Leveler	6 no	18.30	Industrial Equipment Company	March 23, 2024	India	-	-	Yet to be Placed	
72.	Hand Pallet 3.0 Ton 3 Meter	5 nos	2.85	Bright way Engineers	March 19, 2024	India	-	-	Yet to be Placed	
73.	Hand Pallet 5.0 Ton capacity	5 nos	2.30		March 19, 2024		-	-	Yet to be Placed	
74.	Carpenter Saw Cutter machine	1 no	0.58	R Tech	March 21, 2024	India	-	-	Yet to be Placed	
75.	NCT	1 no	190.00	Amada (India) Private Limited	March 23, 2024	India	-	-	Yet to be Placed	
76.	Laser Cutting	1 no	63.35	Qingdao Dadong Automation Technology Co., Ltd	March 23, 2024	India	-	-	Yet to be Placed	
77.	Compressor For Laser Cutting	1 no	8.02	Industrial Equipment Company	March 21, 2024	India	-	-	Yet to be Placed	
78.	Press Brake Small Size	1 no	30.50	Hindustan Hydraulics Pvt Ltd	March 21, 2024	India	-	-	Yet to be Placed	
79.	Press Brake Big Size	1 no	96.00		March 21, 2024		-	-	Yet to be Placed	
80.	Edge Bending machine	1 no	27.92*	Zhongshan OMS Trading Co. Ltd.	March 22, 2024	China	-	-	Yet to be Placed	
81.	Clade Sheet Cutting	1 no	13.25	Hertz Controls	March 21, 2024	India	2.65	December 04, 2023	November 23, 2023	

S. No.	Particulars	Quantity	Total estimated Cost (₹)	Quotation received from	Date of Quotation	Country name	Advance	Date of Advance	Date of Placement of Order	Expected date of supply
	Machine#			(India) Pvt. Ltd.						
82.	Cooling Tower	1 no	1.64	Composite Aqua Systems & Equipments Pvt. Ltd.	March 20, 2024	India	-	-	Yet to be Placed	
83.	Fin Forming Machine#	1 no	89.27	YHM (Wuxi) Foreign Trade Co. Ltd.	March 21, 2024	India	17.78	January 17, 2024	Yet to be Placed	
84.	Leak Detector	2 nos	1.92	A-S Marketing	March 20, 2024	India	-	-	Yet to be Placed	
85.	Vacuum Furnace#	1 no	380.00	HHV Thermal Technologies Private Limited	March 21, 2024	India	133.00	November 04, 2023	October 17, 2023	
86.	SS Brazing Fixture#	24 nos	6.84*	Wuxi Yongheng Aluminium Industry Co., Ltd.	March 22, 2024	China	2.04 and 1.07	February 16, 2024 and March 07, 2024	Yet to be Placed	
87.	Ultrasonic Cleaning#	1 no	21.85	Life-Care Equipments Pvt. Ltd.	March 21, 2024	India	4.49	November 24, 2023	November 07, 2023	
88.	Scroll Chiller - 50 Tons	1 no	41.82	Nu-Vu Conair Private Limited	March 23, 2024	India	-	-	Yet to be Placed	
89.	3-Tig Welding	6 nos	10.50	Rahul Enterprises	March 20, 2024	India	-	-	Yet to be Placed	
90.	2 Mig Welding	4 nos	3.68		March 20, 2024	India	-	-	Yet to be Placed	
91.	Radial Drilling Machine	1 no	4.30	Associated Technocrats Private Limited	March 23, 2024	India	-	-	Yet to be Placed	
92.	Lathe machine	1 no	9.50		March 23, 2024		-	-	Yet to be Placed	
93.	Milling machine	1 no	4.83		March 23, 2024		-	-	Yet to be Placed	
94.	Band Saw cutting machine	1 no	1.32	ITL Industries Limited	March 22, 2024		-	-	Yet to be Placed	
95.	Low Air Compressor Fix Speed	1 no	18.52	Industrial Equipment Company	March 21, 2024		-	-	Yet to be Placed	
96.	Low Air Compressor VFD	1 no	21.20		March 21, 2024		-	-	Yet to be Placed	
97.	High Air pressure Compressor	4 nos	12.88	SHAKTI PNEUMATICS	March 21, 2024		-	-	Yet to be Placed	
98.	Heatless Air Dryer	4 nos	8.80	Soni Tech India Private Limited	March 21, 2024		-	-	Yet to be Placed	
99.	Air Receiver 500 Ltr	4 nos	6.40		March 21, 2024		-	-	Yet to be Placed	
100.	RO Plant	1 no	14.63	Shante Engineers	March 23, 2024		-	-	Yet to be Placed	
101.	DM Plant	1 no	8.66		March 23, 2024		-	-	Yet to be Placed	

S. No.	Particulars	Quantity	Total estimated Cost (₹)	Quotation received from	Date of Quotation	Country name	Advance	Date of Advance	Date of Placement of Order	Expected date of supply
102.	Coil Straightening & Slitting	1 no	40.00	Global Engineers & Contractors	March 20, 2024		-	-	Yet to be Placed	
103.	BR Machine	1 no	25.00		March 20, 2024		-	-	Yet to be Placed	
104.	Oven	1 no	40.00	RDR Taichi PVT. LTD.	March 21, 2024		-	-	Yet to be Placed	
105.	Hi Mill	4 nos	120.00	Global Engineers & Contractors	March 20, 2024		-	-	Yet to be Placed	
106.	Hi CRM	2 nos	80.00		March 20, 2024		-	-	Yet to be Placed	
107.	In Machine	1 no	45.00		March 20, 2024		-	-	Yet to be Placed	
108.	Powder Coating machine	1 no	300.00	RDR Taichi PVT. LTD.	March 21, 2024		-	-	Yet to be Placed	
109	Design, supply, installation, testing and commissioning of 1500 kwp solar on grid system with mono cut cells PV modules of 540 + WP on Tin shed	1 no.	2,640.00	Smart Roof Solar Solutions Private Limited	March 19, 2024		-	-	Yet to be placed	
Total			8,601.10				343.25			
GST and other taxes			1,437.32							
Total Cost of Plant & Machinery			10,038.42							

*For all imported equipment or machinery, our Company has used an exchange rate on dated March 22, 2024, for USD 1= ₹ 83.3546 and EURO 1 = ₹ 90.2625.

#The Quotations have been revalidated. Original quotations validity has expired.

SECTION IV - ABOUT OUR COMPANY

OUR BUSINESS

OVERVIEW

The revenue of our Company as per Consolidated Restated Financial Information for the period ended on September 30, 2023, and as per Standalone Restated Financial Information for the Financial Years ended on March 31, 2023, 2022 and 2021 is as under:

(₹ in lakhs)

Particulars	For the period ended on September 30, 2023 (Consolidated)		For the Financial Year ended on March 31 (Standalone)					
			2023		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
A. DOMESTIC SALES								
Andhra Pradesh	26.98	0.17%	0.61	0.00%	19.02	0.12%	-	-
Chandigarh	-	-	-	-	-	-	0.70	0.01%
Chhattisgarh	-	-	11.13	0.04%	7.22	0.05%	-	-
Dadra and Nagar	141.61	0.88%	353.82	1.43%	165.55	1.06%	121.96	1.61%
Delhi	52.76	0.33%	101.00	0.41%	152.40	0.98%	178.96	2.36%
Goa	2.68	0.02%	-	-	-	-	0.34	0.00%
Gujarat	290.32	1.81%	680.25	2.75%	729.58	4.67%	638.05	8.41%
Haryana	1,041.98	6.49%	1,231.65	4.98%	870.14	5.58%	388.44	5.12%
Himachal Pradesh	960.32	5.98%	1,987.33	8.03%	416.70	2.67%	262.56	3.46%
Jharkhand	-	-	-	-	6.84	0.04%	-	-
Karnataka	1,394.95	8.67%	2,849.74	11.52%	1,764.73	11.30%	757.11	9.99%
Kerala	-	-	14.88	0.06%	26.80	0.17%	-	-
Madhya Pradesh	133.84	0.83%	141.57	0.57%	18.84	0.12%	0.75	0.01%
Maharashtra	1,907.66	11.88%	1,558.01	6.30%	1,042.20	6.68%	505.85	6.67%
Orissa	-	-	-	-	11.64	0.07%	-	-
Punjab	0.80	0.00%	12.65	0.05%	48.90	0.31%	38.30	0.51%
Rajasthan	6,819.83	42.45%	10,837.95	43.79%	7,681.01	49.19%	3,817.72	50.34%
Tamil Nadu	0.18	0.00%	45.74	0.18%	55.67	0.36%	-	-
Telangana	44.97	0.28%	154.37	0.62%	90.55	0.58%	9.04	0.12%
Uttar Pradesh	240.74	1.50%	808.06	3.27%	474.20	3.04%	115.07	1.52%
Uttarakhand	611.38	3.81%	1,121.10	4.53%	509.82	3.27%	330.39	4.36%
West Bengal	4.60	0.03%	-	-	13.73	0.09%	11.23	0.15%
TOTAL (A)	13,675.60	85.13%	21,909.86	88.53%	14,105.54	90.35%	7,176.47	94.64%
B. EXPORT SALES								
Europe	339.35	2.11%	621.18	2.51%	95.53	0.61%	1.37	0.02%
North America	532.50	3.31%	753.75	3.05%	13.83	0.09%	0.00	0.00%
Asia [#]	1,500.35	9.35%	1,445.33	5.84%	1,384.27	8.87%	404.54	5.34%
Australia	-	-	-	-	-	-	0.04	0.00%
TOTAL (B)	2,372.20	14.77%	2,820.26	11.40%	1,493.63	9.57%	405.95	5.36%
C. Other Operating Income	16.44	0.10%	17.96	0.07%	12.29	0.08%	-	-
TOTAL (C)	16.44	0.10%	17.96	0.07%	12.29	0.08%	-	-
TOTAL REVENUE (A+B+C)	16,064.24	100%	24,748.08	100%	15,611.46	100%	7,582.42	100%

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

Pursuant to the certificate dated January 05, 2024, from our Statutory and Peer Review Auditor M/s Keyur Shah and Co., Chartered Accountants.

[#]Asian sales do not include Domestic Sales i.e., Sales made in India.

The details of sales made to our top 1, top 5 and top 10 customers during the period ended September 30, 2023 and during the financial year ended on March 31, 2023, 2022 and 2021, details of which are as follows:

(Amount in Lakhs)

Particulars	For the period ended on September 30, 2023		For the financial year ended on March 31					
			2023		2022		2021	
	Amount	% of revenue from operations	Amount	% of revenue from operations	Amount	% of revenue from operations	Amount	% of revenue from operations
Top 1 Customer	5,444.64	33.89%	8,130.92	32.85%	5,039.40	32.28%	2,859.22	37.71%
Top 5 Customers	8,977.68	55.89%	13,814.21	55.82%	9,334.00	59.79%	4,588.56	60.51%
Top 10 Customers	12,198.82	75.94%	17,540.09	70.87%	11,835.45	75.82%	5,942.82	78.36%

We rely on a Limited number of suppliers for our raw materials which are an integral part of our products. The details of our top 10, top 5 and top 1 suppliers are as under:

(Amount in Lakhs)

Particulars	For the period ended on September 30, 2023 (Consolidated)		For the Financial Year ended on (Standalone)					
			March 31, 2023		March 31, 2022		March 31, 2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Top 1 Supplier	1,752.33	12.98%	3,632.40	17.29%	2,425.46	17.46%	1,040.37	16.50%
Top 5 Suppliers	7,254.58	53.74%	12,178.82	57.98%	7,277.01	52.38%	3,926.00	62.27%
Top 10 Suppliers	10,630.93	78.76%	16,486.00	78.48%	9,734.18	70.07%	4,947.74	78.48%

RAW MATERIAL

The raw material used in the manufacturing of products are procured from suppliers available either locally or from suppliers available in different regions of India and outside India. Our Company procures raw materials from vendors selected after analysis of quotation received from every vendor for each raw material and by-products used in our manufacturing process. Additionally, the quality of the raw material is also verified before making the order of the material to make sure that the superior quality of the material should be used in manufacturing of our product. Some of the major raw materials used are given as under:

S. No.	Type of Raw Material	Usage in the manufacturing process	Source (Imported / Indigenous)
1.	Aluminium Foil	Fin Making	Imported
2.	Copper Foil	Fin Making	Indigenous
3.	Copper Tube	Hair Pin and Header Making	Imported
4.	Galvanise Sheet	End Plates Making	Indigenous
5.	Brass Sheet/ Brass Parts	End Plates Making /Distribution	Indigenous
6.	Copper Sheet	End Plates Making	Indigenous
7.	Aluminium Sheet	End Plates Making	Indigenous
8.	Stainless Steel	End Plates Making	Indigenous

We have an end-to-end manufacturing unit that converts the raw material into the finished goods in the form of heat exchangers. We maintain long standing relationship with our suppliers for the consistent supply of raw materials. This allows us to partially control operating costs, quality, and stability in the supply of essential raw materials for our formulations, which we rely upon to provide us with a competitive advantage. In addition, our manufacturing facilities are supported by our own packing material sites.

The Purchase of our Company as per Consolidated Restated Financial Information for the period ended on September 30, 2023, and as per Standalone Restated Financial Information for the Financial Years ended on March 31, 2023, 2022 and 2021 is as under:

(Amount in Lakhs)

Particulars	For the period ended on September 30, 2023 (Consolidated)		For the Financial Year ended on March 31 (Standalone)					
			2023		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
A. DOMESTIC PURCHASE								
Chandigarh	-	-	-	-	-	-	0.52	0.01%
Dadra and Nagar Haveli and Daman and Diu (Newly Merged UT)	-	-	22.46	0.11%	7.00	0.05%	0.83	0.01%
Delhi	56.31	0.42%	124.49	0.59%	537.56	3.87%	198.54	3.15%
Gujarat	182.95	1.36%	689.54	3.28%	602.51	4.34%	303.26	4.81%
Haryana	879.96	6.52%	1,340.43	6.38%	808.42	5.82%	269.35	4.27%
Himachal Pradesh	-	-	10.94	0.05%	-	-	-	-
Karnataka	17.39	0.13%	23.56	0.11%	4.38	0.03%	5.01	0.08%
Madhya Pradesh	-	-	0.11	0.00%	-	-	-	-
Maharashtra	142.11	1.05%	171.57	0.82%	252.57	1.82%	332.06	5.27%
Punjab	122.57	0.91%	298.98	1.42%	173.80	1.25%	80.29	1.27%
Rajasthan	1,025.38	7.60%	1,283.40	6.11%	1,153.03	8.30%	1,095.91	17.38%
Tamil Nadu	0.62	0.00%	92.13	0.44%	46.09	0.33%	5.89	0.09%
Uttar Pradesh	114.26	0.85%	198.32	0.94%	179.51	129%	76.57	1.21%
Uttarakhand	-	-	13.05	0.06%	0.64	0.00%	3.98	0.06%
West Bengal	-	-	27.53	0.13%	-	-	-	-
TOTAL (A)	2,541.55	18.84%	4,296.51	20.44%	3,765.51	27.10%	2,372.21	37.61%
B. IMPORT								
China	1029.58	7.63%	2,122.91	10.11%	771.46	5.55%	389.17	6.17%
Italy	0.10	0.00%	-	-	-	-	-	-
Malaysia	4,050.09	30.01%	6,534.20	31.11%	3,381.99	24.35%	1,093.43	17.35%
South Korea	1,479.73	10.96%	2,467.47	11.75%	327.15	2.36%	911.72	14.47%
Thailand	721.87	5.35%	2,360.20	11.24%	1,859.29	13.38%	496.13	7.87%
Vietnam	3,594.46	26.63%	3,104.10	14.78%	3,660.60	26.35%	826.99	13.12%
US	-	-	22.24	0.11%	-	-	-	-
Singapore	-	-	-	-	23.91	0.17%	-	-
TOTAL (B)	10,875.83	80.58%	16,611.12	79.10%	10,024.40	72.16%	3,717.44	58.98%
C. Other Miscellaneous Purchase*	79.48	0.58%	98.82	0.46%	101.01	0.74%	214.52	3.41%
TOTAL (A+B+C)	13,496.86	100.00%	21,006.45	100.00%	13,890.92	100.00%	6,304.17	100.00%

*Other miscellaneous purchase includes purchase of samples, consumables of general stores and spares, bought out parts etc.

We source our raw material requirement mainly through imports. Any restrictions on such imports, either by the Central or state governments of India, or by countries which we import from, may adversely affect our ability to deliver products to our customers, our business, prospects, financial condition and results of operations. Further, any increase in import tariffs will increase expenses which in turn may impact our business and the results of operations. For further details please refer to **Risk factor no. 3- We rely for raw materials from our vendors in Malaysia, South Korea, Thailand, Vietnam and China and in the six months ended September 30, 2023, and in Fiscal 2023, imports accounted for 80.58 % and 79.08 % of our total raw materials purchased. Any shortfall in the supply of our raw materials or increase in our raw materials costs, or the input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operation and financial condition**” on page 36.

OUR MANAGEMENT

BRIEF BIOGRAPHIES OF DIRECTORS

Manohar Lal is the Promoter and Non-Executive Director of our Company. He passed his Secondary examination, administered by the Board of Secondary Education, Rajasthan in 1995. He has served in the Indian Army for more than 21 years. He has effective leadership skills and motivation skills, and he is enthusiastic with a very futuristic approach towards the company. He joined our Company as a Non-Executive Director in the year 2023.

INTERESTS OF DIRECTORS

(i) Interest in the Promotion of our Company

Except Santosh Kumar Yadav, Anju Devi and Manohar Lal, who are the promoters of our Company, none of our directors have any interest in the promotion or formation of our Company as on the date of this Draft Red Herring Prospectus.

None of our other Directors have any interest in the promotion and formation of our Company other than in the ordinary course of business.

OUR PROMOTERS AND PROMOTER GROUP

OUR PROMOTERS

The Promoters of our Company are:

1. **Mr. Santosh Kumar Yadav; and**
2. **Mrs. Anju Devi**
3. **Mr. Manohar Lal**

As on the date of this Draft Red Herring Prospectus, Mr. Santosh Kumar Yadav, Mrs. Anju Devi and Mr. Manohar Lal together hold **4,39,99,960 Equity Shares**, representing **95.37%** of the issued, subscribed, and paid-up Equity Share capital of our Company.

For details on shareholding of our Promoters in our Company, please see the section titled ***“Capital Structure – Build-up of Equity Shareholding of our Promoters in our Company”*** shareholding in our Company” on page 102.

DETAILS OF OUR PROMOTERS

MANOHAR LAL:



Mr. Manohar Lal, aged 47 years, is the Promoter and Non-Executive Director of our Company. For the complete profile of Mr. Manohar Lal along with details of his date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements see ***“Our Management – Board of Directors”*** on page 233.

His Permanent Account Number is **ADIPL2740F**.

As on date of this Draft Red Herring Prospectus, Mr. Manohar Lal holds 10 Equity Shares, representing negligible% of the pre-issue issued, subscribed and paid-up equity share capital of our Company.

Our Company confirms that the permanent account number, bank account number(s), passport number, Aadhar card number and driving license number of our Promoters, shall be submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

CHANGE IN THE CONTROL OF OUR COMPANY

Except Mr. Manohar Lal all our Promoters are the original promoters of our Company. There has not been any change in control of our Company during the five years immediately preceding the date of this Draft Red Herring Prospectus.

INTERESTS OF PROMOTERS

Except Mr. Santosh Kumar Yadav, Mrs. Anju Devi and Mr. Manohar Lal who are Promoters and directors of our Company holding 4,39,99,960 equity shares (95.37%), none of our other directors or Group Company have any interest in the promotion of our Company.

PROMOTER GROUP

In addition to the Promoters named above, the following individuals and entities form part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations:

(a) Natural persons who are part of the Promoter Group

The natural persons who are part of our Promoter Group (being the immediate relatives of our Promoters), apart from our Promoters mentioned above are as follows:

Sr. No.	Name of the Promoter	Name of the Relative	Relationship with the Promoter
1.	Santosh Kumar Yadav	Balbir Singh	Father
		Kamla Devi	Mother
		Anju Devi	Spouse
		Komal Yadav	Daughter
		Ridham Yadav	
		Naisha Yadav	
		Manohar Lal	Brother
		Maya Rani	Sister
		Seema Devi	
		Late Chander Singh	Spouse's Father
		Somwati Devi	Spouse's Mother
		Rakesh Kumar Yadav	Spouse's Brother
		Sudesh Devi	Spouse's Sister
		Neelam Yadav	
2.	Anju Devi	Late Chander Singh	Father
		Somwati Devi	Mother
		Santosh Kumar Yadav	Spouse
		Komal Yadav	Daughter
		Ridham Yadav	
		Naisha Yadav	
		Sudesh Devi	Sister
		Neelam Yadav	
		Rakesh Kumar Yadav	Brother
		Balbir Singh	Spouse's Father
		Kamla Devi	Spouse's Mother
		Manohar Lal	Spouse's Brother
		Maya Rani	Spouse's Sister
		Seema Devi	
3.	Manohar Lal	Balbir Singh	Father
		Kamla Devi	Mother
		Sudesh Devi	Spouse
		Yashpal Yadav	Son
		Arti Yadav	Daughter
		Maya Rani	Sister
		Seema Devi	
		Santosh Kumar Yadav	Brother
		Late Chander Singh	Spouse's Father
		Somwati Devi	Spouse's Mother
		Rakesh Kumar Yadav	Spouse's Brother
		Anju Devi	Spouse's Sister
		Neelam Yadav	

SECTION V – FINANCIAL INFORMATION

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SUMMARY ON RESULT OF OPERATIONS FROM OUR CONSOLIDATED RESTATED FINANCIAL INFORMATION OF PROFIT AND LOSS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2023 AND STANDALONE RESTATED FINANCIAL INFORMATION OF PROFIT AND LOSS FOR THE FINANCIAL YEARS ENDED MARCH 31, 2023, 2022 AND 2021

Total Expenses

Our total expenses comprise of (i) Cost of materials consumed (ii) Purchase of stock-in-trade (iii) Changes in inventories of Finished Goods and Work in progress. (iv) Employee benefits expense, (v) Finance cost, (vi) Depreciation and Amortization expense and (vii) Other expenses.

- **Cost of material consumed** – The following table sets forth a breakdown of our cost of materials consumed for the periods indicated:

(₹ in lakhs)

Particulars	For the period ended on September 30, 2023 (Consolidated)	For the Financial Year ended March 31, (Standalone)		
		2023	2022	2021
Raw Material				
Opening Stock at the beginning of the year	4314.42	1798.13	372.49	178.48
Add: Purchases and Incidental Expenses (Net of returns, claims/ discount, if any)	13496.86	21006.45	13890.92	6304.17
Less: Closing Stock at the end of the year	5900.33	4314.42	1798.13	372.49
Total cost of raw materials consumed	11910.95	18490.16	12465.28	6110.16

- **Changes in inventories of Finished Goods, work in progress (WIP), stores & spares** – The following table sets forth a breakdown of changes in inventories of Finished Goods, WIP and stores & spares for the periods indicate

(₹ in lakhs)

Particulars	For the period ended on September 30, 2023 (Consolidated)	For the Financial Year ended March 31, (Standalone)		
		2023	2022	2021
Opening Stock				
Work-in-Progress	403.23	35.26	21.67	42.57
Finished Goods / Stores & spares	790.78	297.46	109.63	43.80
Total	1194.01	332.72	131.30	86.37
Closing Stock				
Work-in-Progress	(726.90)	(403.23)	(35.26)	(21.67)
Finished Goods / Stores & spares	(675.42)	(790.78)	(297.46)	(109.63)
Total	(1402.32)	(1194.01)	(332.72)	(131.30)
Changes at the end of the year.	(208.31)	(861.29)	(201.42)	(44.93)

The reason behind the increase in the inventory level over the past 3 financial years and stub period is as under:

a) Import of Raw materials:

Our Company uses Copper and Aluminum as its major raw material in its production process. We require the raw material in different shapes, sizes, weight and other specification. We adhere to a strict quality check and wants to maintain the quality of its products, we aim to source the best quality of raw material that is to be used in the manufacturing process. Thus, we import almost

80% of its raw materials from overseas vendors of premium quality and the specification requisite by us.

Since we import the majority of the raw material, the transit period of the consignment typically takes 30 to 45 days to reach us. Due to this, we placed bulk orders to the overseas vendors for the imports of raw material like copper and aluminum as making imports in smaller quantities and in regular intervals is not financially feasible and efficient for us as it increases the cost of the material consumed further unavailability of raw materials might halt and hamper the efficient operations of the manufacturing unit. Thus, we need to hold the inventory of the raw material for up to 2 months so that it doesn't hamper our production process due to the unviability of raw material.

b) Government and Regulatory Changes on Import Duties: -

There was a change in government and regulatory policy during FY 22 and FY 23 wherein there was an additional countervailing duty (CVD) imposed on the imports made from Asian countries which became effective from 28th of April 2022. To mitigate this increased cost of raw material, our Company adopted the strategy to import the raw materials in bulk quantities during Q4 of FY 22.

c) Increase in demand of HVAC products:

With increasing global warming and rising temperatures, the need for HVAC products increased during the last 3 financial years. Along with this, as government across the globe decreased the interest rates during the Covid-19 pandemic experienced an increased expenditure from the consumers due to increase in the real income. This led to a surge in the demand of HVAC and R products and sales for the HVAC & R products increased.

This phenomenon strengthened the sales of our company which increased from ₹ 7,582.42 Lakhs in FY 21 to ₹ 24,748.08 Lakhs in FY 23 growing at a CAGR of 48.34%. The sales made to our customers and long-term clientele increased year on year at a steady pace indicating the increase in the overall demand for the products in the market. Details of sales made to our top 5 and top 10 customers during the period ended September 30, 2023 and during the financial year ended on March 31, 2023, 2022 and 2021, details of which are as follows:

Particulars	For the period ended on September 30, 2023		For the financial year ended on March 31					
			2023		2022		2021	
	Amount	of revenue from operations	Amount	of revenue from operations	Amount	of revenue from operations	Amount	of revenue from operations
largest customer	5,444.64	33.89%	8,130.92	32.85%	5,039.40	32.28%	2,859.22	37.71%
Top 5 Customers	8,977.68	55.89%	13,814.21	55.82%	9,334.00	59.79%	4,588.56	60.51%
Top 10 Customers	12,198.82	75.94%	17,540.09	70.87%	11,835.45	75.82%	5,942.82	78.36%

With the increasing total revenue of our company, the sales made to its top 5 and 10 customers have also increased every year. This was because of the increasing demand of the HVAC products in the market.

To cater to the demand in the market, we need to maintain an optimum level of inventory of finished goods and raw materials.

d) Continuous increase in the production capacity of the Company

To cater to the need for an increasing customer base, we have constantly increased the

production capacity to meet the demand for our products. To keep up with the increasing demand, we expanded our operations and installed technologically advanced new plant and machinery which helped in increasing the production capacity of the plant. We have a total of 214 machines installed in our manufacturing units during FY 21 which was increased to 236 machines in FY 22, and which stood at 292 machines in FY 23 and as on September 30, 2023, we have a total of 466 machines installed in our manufacturing unit. This helped to increase the installed production capacity from 3,89,718 units in FY 2020-21 to 5,66,551 units in FY 2022-23.

To increase the Capacity utilization of the installed capacity, we extended our workforce from 261 employees in FY 21 to 478 employees in FY 23 by onboarding quality workforce and increasing our production team by hiring more contractual employees and increase the efficiency in the operations of our Company. The details of the increasing production capacity and the capacity utilization is as under:

Product Name	Particulars	UOM	FY 2020-21	FY 2021-22	FY 2022-23	For the Period Ended September 30, 2023
Evaporator & Condenser Coils	Installed Capacity [#]	Nos	3,89,718	5,48,412	5,66,551	5,66,551
	Actual Production Evaporator coils	Nos	63,188	1,07,356	1,13,027	1,26,328
	Actual Production condenser coils	Nos	1,29,685	2,26,300	3,05,944	1,73,678
	Capacity Utilization (%)	Nos	49.50%	60.80%	74.00%	53.00%

[#]The Installed Capacity is based on the average size of [1500 mm L * 20 Hole * 3 Row * 11 FPI], however the actual installed capacity may depend upon the type of size of the Evaporator & Condenser Coils. The equipment's for the production of evaporator and condenser coils are common.

*The Production Capacity of our products have increased in every Financial Year due to acquisition of machines with adding specification/variety in our product range.

Our company needs to maintain this level of inventory of raw materials in its production units for continuous production of goods and running the manufacturing unit efficiently.

Tax Expenses

Our tax expenses comprise of current tax and deferred tax.

Particulars	(Amount in Lakhs)			
	September 30, 2023 consolidated	FY 2022-23 standalone	FY 2021-22 standalone	FY 2020-21 standalone
Current tax.	814.82	1325.50	433.66	77.13
Deferred tax/ (Reversal)	(15.46)	(7.18)	4.02	16.39
Total	799.36	1318.32	437.68	93.52

Reason for Increase in Gross Margin and PAT Margin of our company on year to year.

The Gross Margin and PAT Margins of the Issuer company for the past 3 financial years and stub period are as under:

S. No.	Particulars	(Amount in Lakhs)			
		Periods			
		Half year Ended September 30, 2023	2022-2023	2021-2022	2020-2021
1.	Revenue from Operations	16064.24	24748.08	15611.46	7582.42
2.	(%) Increase/Decrease in revenue	-	58.53%	105.89%	-
3.	Gross Profit	4047.06	6379.84	2633.25	1235.76
4.	Gross Margin (%)	25.19%	25.78%	16.87%	16.30%
5.	Profit After Tax	1932.97	3231.35	1059.04	246.56
6.	PAT Margin (%)	12.03%	13.06%	6.78%	3.25%

Our company is engaged in the business of manufacturing coils for the wide range of air conditioning, heating and ventilation, refrigeration, and process cooling applications for varied sizes and dimensions as per the demand of its customers and markets. We act as vendor for Original Equipment Manufacturer “OEM” such as Daikin Airconditioning India Private Ltd, Schneider Electric Business India Private Ltd, Voltas Limited, Blue Star Limited, Carrier Airconditioning & Refrigeration Limited etc.

Our company works on the pricing model wherein its selling price is determined on the basis of material used in the coil + any bought out part + approved margins with its customers. The cost and approved margins on each coil manufactured by us are different, depending upon its size, dimensions and uses cases. Also, the cost of the material used in the manufacture of coil, namely copper and aluminum is quarterly adjusted for any price fluctuations and currency fluctuations.

Our company in the last three fiscal year and the stub period ended on September 30, 2023 has started the manufacturing of commercially used heat exchangers which are used in big equipment's or vehicles for example we pivoted to manufacture cassette size evaporator coils that are used in cassette Acs, Condenser coils used in Air Handling Units which are used in providing comfort cooling to industrial and commercial buildings, large evaporator coils used big vehicles like railways, buses and metros and data centre evaporator coils which are used in data centres. We also developed expertise to manufacture special purpose coils for VRV applications of Daikin where in the coils in each IDU in VRV installation maintains different temperature and all IDU are connected to single ODU located outside the premises in which coil of our company is fitted.

Similarly, we have developed the expertise of manufacturing coils having a length of 12 Meters. As there are a few players in India which are manufacturing condenser or evaporator coils of these sizes in India. Our company through its OEM partner Schneider Electric business India Private Limited supplying these type of coils for the big data centre for the cooling applications and big commercial or industrial buildings.

These large coils are very critical in nature as they have a very specific and heavy use case and the manufacturing process involved is pretty complex. These coils have to be durable in nature as they have to perform in different intensities and weather conditions and any leakages in them can hamper the overall air-conditioning unit and disturb the productivity of the end users. That's why the OEMs of these coils only prefer manufacturers with good quality measures and great performance record along with technical expertise to undertake this assignment.

The demand for these special-use case coils is increasing year to year and our company is regularly supplying these types of coils to the customers which has increased the gross and PAT margins on year-to-year basis. The cost of these special use cases coil is also high in comparison to normal air conditioner coils which has provided significant boost to our turnover over the years reported in DRHP.

Further our Company is also focusing on making export sales of the products and has made significant progress in efforts. The export turnover has increased from Rs. 405.95 Lakhs in FY 2020-21 to 2788.75 Lakhs in FY 2022-2023. In the first half year of FY 2023-24, the export turnover reached Rs. 2368.74 Lakh.

Others Key Factors leading to growth in revenue and better gross and PAT margins

We have an experience team of more than 45 engineers along with promoter of company to manage the manufacturing and administrative function of the company, refer ***“Our Business - Our Strength - Promoters exhibit strong leadership and are supported by highly experienced senior management” on Page 197.***

Also, our company since incorporation has been able to onboard all the major OEM players of HVAC

& R Industry. This is mainly due to the best quality practices adopted by us and each product manufactured by our company goes through the stringent process of checking and validation. Our company has implemented several quality testing measures like Helium leak test, water leak test, contamination test, salt spray Test, Burst pressure test and pressure cyclic test. These quality measures and uses good quality of raw material, which is majorly sourced from outside India which helps them to reduce leakages in their products, which enabled us to produce good quality of commercial heat exchanger units of different sizes and use cases, refer ***“Our Business - Quality Management” on Page 211 and 212.***

With the already established relationship with our customers and proven track record, refer ***“Our Business – Our Strength - Long standing business relationship with leading clientele” on Page 197,*** our company managed to sell these commercial units to our customers as per their requirements of sizes and use cases and with approved quality checks, it helped us to increase the sale of these products in the recent financial years. As these coils are tailored specifically for the customer use, the company was able to charge higher prices for the same which ultimately increased their margins.

SECTION VII – LEGAL AND OTHER INFORMATION

GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein, we have obtained all material consents, licenses, registrations, permissions and approvals from various governmental, statutory and regulatory authorities, which are necessary for undertaking the current business activities and operations of our Company. Except as disclosed below, no further approvals are material for carrying on the present business operations of our Company. In the event any of the approvals and licenses that are required for our business operations expire in the ordinary course, we make applications for their renewal from time to time.

Our Company has a Subsidiary named “KRN HVAC Products Private Limited” as on the date of this Draft Red Herring Prospectus.

For details in connection with the regulatory and legal framework within which our Company operates, see “**Key Regulations and Policies**” on page 216.

APPROVALS IN RELATION TO THE ISSUE

For details regarding the approvals and authorisations obtained by our Company in relation to the Issue, see “**Other Regulatory and Statutory Disclosures - Authority for the Issue**” on page 372.

INCORPORATION RELATED APPROVALS

I. OUR COMPANY:

S. No.	Details of Registration/ Certificate	Registration No./ Reference No./ License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Incorporation as “KRN Heat Exchanger and Refrigeration Private Limited”	U29309RJ2017PT C058905	Companies Act, 2013	Central Registration Centre, Manesar	25.08.2017	03.04.2023
2.	Certificate of Incorporation as “KRN Heat Exchanger and Refrigeration Limited”	U29309RJ2017PL C058905	Companies Act, 2013	Registrar of Companies, Jaipur, Rajasthan	03.04.2023	Valid till cancelled

II. OUR MATERIAL SUBSIDIARY COMPANY:

S. No.	Details of Registration/ Certificate	Registration No./ Reference No./ License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Incorporation as “KRN HVAC Products Private Limited”	U28191RJ2023PT C086784	Companies Act, 2013	Central Registration Centre, Manesar	07.04.2023	Valid till cancelled

APPROVALS IN RELATION TO OUR BUSINESS OPERATIONS

(a) Registrations under Labour Laws

I. OUR COMPANY:

S. No.	Details of Registration/ Certificate	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue/ Renewal	Date of Expiry
1.	Registration under Employees’ State Insurance	Regional Office, Employees’ State Insurance Corporation,	15000597900000699	18.07.2018	Valid till cancelled

S. No.	Details of Registration/ Certificate	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue/ Renewal	Date of Expiry
		Jaipur.			
2.	Registration under Employee Provident Fund	Employees Provident Fund Organisation	RJRAJ1749445000	18.07.2018	Valid till cancelled
3.	Registration under Apprenticeship Portal	Ministry of Skill Development and Entrepreneurship	E01200800002	04.01.2020	Valid till cancelled
4.	Approval of factory building drawings for Plot F 46 to 49, EPIP, Neemrana, Alwar- 301705	Chief Inspector of Factories and Boilers Rajasthan, Jaipur	P-49621/CIFB/2023	22.09.2023	Valid till cancelled
5.	Registration & Licence to Work a Factory for Plot F 46 to 49, EPIP, Neemrana, Alwar- 301705	Chief Inspector of Factories and Boilers, Rajasthan, Jaipur.	RJ/32525	25.11.2023	31.03.2027
6.	Certificate of structural stability for Plot F 46 to 49, EPIP, Neemrana, Alwar- 301705	Goyal N Associates, Alwar, Rajasthan	GNA-080(Rev-01)/Amd	27.11.2023	Valid till cancelled
7.	Approval of factory building drawings for Plot F 44, EPIP, Neemrana, Alwar- 301705	Deputy Chief Inspector of Factories and Boilers, Alwar, Rajasthan	P – 49890/CIFB/2023	29.12.2023	Valid till cancelled
8.	Registration & License to Work a Factory for Plot F 44, EPIP, Neemrana, Alwar- 301705	Chief Inspector of Factories and Boilers, Rajasthan, Jaipur	RJ/35787	04.01.2024	31.03.2028
9.	Certificate of structural stability for Plot F 44, EPIP, Neemrana, Alwar- 301705	Goyal N Associates, Alwar, Rajasthan	GNA-092	05.01.2024	Valid till cancelled
10.	Labour Identification Number	Ministry of Labour & Employment, Government of India	1-9904-9310-3	24.07.2018	Valid till cancelled
11.	Certificate of Registration under Contract Labour (Regulation and Abolition) Act, 1970	Department of Labour, Government of Rajasthan	CLPE/2019/2/132598	20.05.2019	Valid till cancelled
12.	Registration as a principal employer under Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979	Inspector, Inter-State Migrant Workmen (RE & CS) Act, 1979 (Principal Employer), Rajasthan	ISMWP/2023/2/132545	27.10.2023	Valid till cancelled

II. OUR MATERIAL SUBSIDIARY COMPANY:

S. No.	Details of Registration/ Certificate	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue/ Renewal	Date of Expiry
1.	Registration under Employees' State Insurance	Regional Office, Employees' State Insurance Corporation, Jaipur	15000951350000999	10.04.2023	Valid till cancelled
2.	Registration under Employee Provident Fund	Employees Provident Fund Organisation	RJRAJ2894493000	December 2023**	Valid till cancelled
3.	Labour Identification Number	Ministry of Labour & Employment, Government of India	1-3157-0234-9	10.04.2023	Valid till cancelled
4.	Approval of factory building drawings for Plot F 50, RIICO Industrial Area, Neemrana, Behror, Alwar, Rajasthan- 301705	Deputy Chief Inspector of Factories and Boilers, Alwar, Rajasthan	P-49895/CIFB/2023	29.12.2023	Valid till cancelled
5.	Registration & License to Work a Factory for Plot F 50, RIICO Industrial Area, Neemrana, Behror, Alwar, Rajasthan- 301705	Chief Inspector of Factories and Boilers, Rajasthan, Jaipur	RJ/35788	04.01.2024	31.03.2030
6.	Certificate of structural stability for Plot F 50, RIICO Industrial Area, Neemrana, Behror, Alwar, Rajasthan- 301705	Goyal N Associates, Alwar, Rajasthan	GNA--091	05.01.2024	Valid till cancelled

S. No.	Details of Registration/ Certificate	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue/ Renewal	Date of Expiry
7.	Approval of factory building drawings for Plot No. SP1-24, Kolila Joga, Neemrana, Alwar, Rajasthan-301705	Chief Inspector of Factories and Boilers, Rajasthan, Jaipur	P-50294/CIFB/2024	05.04.2024	Valid till cancelled
8.	Registration & License to Work a Factory for Plot No. SP1-24, Kolila Joga, Neemrana, Alwar, Rajasthan-301705	Chief Inspector of Factories and Boilers, Rajasthan, Jaipur	RJ/35989	24.04.2024	31.03.2030
9.	Certificate of Registration under Contract Labour (Regulation and Abolition) Act, 1970	Department of Labour, Government of Rajasthan	CLPE/2024/2/132645	11.06.2024	Valid till cancelled

***Our Subsidiary is providing provident fund facility since December 2023. As of April 2024, 25 (twenty Five) employees are covered under the provident fund facility.*

(b) Environmental Approvals

I. OUR COMPANY:

S. No.	Details of Registration/ Certificate	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue/ Renewal	Date of Expiry
1.	Consent to Establish for Plot F 46 to 49, EPIP, Neemrana, Alwar- 301705	Rajasthan State Pollution Control Board	2021-2022/HDF/3400	27.07.2021	31.12.2025
2.	Consent to Operate for Plot F 46 to 49, EPIP, Neemrana, Alwar- 301705	Rajasthan State Pollution Control Board	2021-2022/HDF/3401	27.07.2021	31.01.2026
3.	Acknowledgement of Consent to establish for Plot F 44, EPIP, Neemrana, Alwar- 301705	Rajasthan Pollution Control Board	2023-2024/Alwar/12392	07.11.2023	06.11.2028
4.	Consent to establish in respect of expansion (Plot 46, 47, 48 and 49, EPIP RIICO, Neemrana, Alwar, Rajasthan)	Rajasthan Pollution Control Board	2023-2024/HDF/12417	28.12.2023	30.11.2028
5.	Consent to Operate establish in respect of expansion (Plot 46, 47, 48 and 49, EPIP RIICO, Neemrana, Alwar, Rajasthan)	Rajasthan Pollution Control Board	2023-2024/HDF/12416	28.12.2023	31.08.2028
6.	Acknowledgement of Consent to operate for Plot No F-44 EPIP, RIICO Industrial Area, Neemrana Raj, Alwar- 301705	Rajasthan State Pollution Control Board	2023-2024/Alwar/12619	02.02.2024	02.02.2039
7.	Authorisation under Hazardous & others Waste (Management & Transboundary Movement) Rules, 2016	Rajasthan State Pollution Control Board	RPCB/HWM/2024-2025/Alwar/HSW/1	27.02.2024	31.01.2029

II. OUR MATERIAL SUBSIDIARY COMPANY:

S. No.	Details of Registration/ Certificate	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue/ Renewal	Date of Expiry
1.	Consent to Establish for Plot F 50, RIICO Industrial Area, Neemrana, Behror, Alwar, Rajasthan- 301705	Rajasthan State Pollution Control Board	2023-2024/Alwar/12565	08.01.2024	30.11.2028
2.	Consent to Operate for Plot F 50, RIICO Industrial Area, Neemrana, Behror, Alwar, Rajasthan- 301705	Rajasthan State Pollution Control Board	2023-2024/Alwar/12739	19.03.2024	31.12.2033
3.	Consent to Establish for Plot No. SP1-24, Kolila Joga, Neemrana, Alwar, Rajasthan- 301705	Rajasthan State Pollution Control Board	2024-2025/HDF/12458	18.04.2024	31.01.2029

(c) Foreign Trade Related Approvals

I. OUR COMPANY:

S. No.	Details of Registration/ Certificate/	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue/ Renewal	Date of Expiry
1.	Importer-Exporter Code Certificate (IEC)	Office of the Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India	AAGCK7380J	24.10.2017	Valid till cancelled
2.	Authorization under Zero Duty EPCG Scheme	Office of the Joint Director General of Foreign Trade, Jaipur	1331001463	20.09.2022	20.09.2028

II. OUR MATERIAL SUBSIDIARY COMPANY:

S. No.	Details of Registration/ Certificate/	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue/ Renewal	Date of Expiry
1.	Importer-Exporter Code Certificate (IEC)	Office of the Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India	AAKCK1357R	30.05.2023	Valid till cancelled

(d) Tax Related Approvals

I. OUR COMPANY:

S. No	Nature of Registration/License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Expiry
1.	Permanent Account Number (PAN)	AAGCK7380J	Income Tax Act, 1961	Income Tax Department	Valid till cancelled
Tax Deduction Account Number					
2.	TAN (Tax Deduction Account Number)	JPRK05200G	Income Tax Act, 1961	Income Tax Department	Valid till cancelled
Goods and Services Tax					
3.	GST Registration	08AAGCK7380J1Z2	Central Goods and Services Tax Act, 2017 and Rajasthan Goods and Services Tax Act, 2017	Government of India	Valid till cancelled

II. OUR MATERIAL SUBSIDIARY COMPANY:

S. No	Nature of Registration/License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Expiry
1.	Permanent Account Number (PAN)	AAKCK1357R	Income Tax Act, 1961	Income Tax Department	Valid till cancelled
Tax Deduction Account Number					
2.	TAN (Tax Deduction Account Number)	JPRK07758C	Income Tax Act, 1961	Income Tax Department	Valid till cancelled
Goods and Services Tax					
3.	GST Registration	08AAKCK1357R1ZT	Central Goods and Services Tax Act, 2017 and Rajasthan Goods and Services Tax Act, 2017	Government of India	Valid till cancelled

(e) Other Approvals

I. OUR COMPANY:

S. No.	Details of Registration / Certificate	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue/ Renewal	Date of Expiry
1.	Business Registration Number for Plot F 46 to 49, EPIP, Neemrana, Alwar- 301705	Directorate of Economics & Statistics, Rajasthan	0718140000000003	04.01.2018	Valid till cancelled

S. No.	Details of Registration / Certificate	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue/ Renewal	Date of Expiry
2.	Business Registration Number for Plot F 44, EPIP, Neemrana, Alwar- 301705	Directorate of Economics & Statistics, Rajasthan	0718540000000023	05.12.2023	Valid till cancelled
3.	Udyam Registration	Ministry of Micro, Small and Medium Enterprises	UDYAM-RJ-02-0001832	11.09.2020	Valid till cancelled
4.	Fire NOC for Plot F 46-49, EPIP, Neemrana, Alwar- 301705	Nagar Palika, Neemrana	LSG/NEEMRANA/FIRE NOC/2023-24/24617	29.12.2023	29.12.2024
5.	Fire NOC for Plot F 44, EPIP, Neemrana, Alwar- 301705	Nagar Palika, Neemrana	LSG/NEEMRANA/FIRE NOC/2023-24/24385	29.12.2023	29.12.2024
6.	Permission of Self-Sealing of containers	Office of the Commissioner of Customs, Jodhpur	VIII(H)48/CT/SSP-Jaipur/22/2019/Part/5685	21.08.2019	Valid till cancelled
7.	Certificate for Commencement of production for its Plot F 48 and 49, EPIP, Neemrana, Alwar- 301705	Rajasthan State Industrial Development & Investment Corporation Ltd (RIICO)	U(28)-3/2018-2019/5270	12.12.2018	Valid till cancelled
8.	Certificate for Commencement of production for its Plot F 46 and 47, EPIP, Neemrana, Alwar- 301705	Rajasthan State Industrial Development & Investment Corporation Ltd (RIICO)	4444	10.02.2023	Valid till cancelled
9.	Certificate for Commencement of production for its Plot F 44, EPIP, Neemrana, Alwar- 301705	Rajasthan State Industrial Development & Investment Corporation Ltd (RIICO)	4565	23.02.2023	Valid till cancelled
10.	Periodical Inspection Report under Regulation 32 of CEA (Measures relating to safety and Electric Supply) Regulation, 2010	Electrical Inspector, Bharatpur (Office of the Electrical Inspector, Government of Rajasthan)	El/Bharatpur/F105/D	13.04.2023	March, 2028
11.	Occupancy cum completion certificate for its Plot F 44, EPIP, Neemrana, Alwar- 301705	Rajasthan State Industrial Development & Investment Corporation Ltd (RIICO)	2563	04.10.2023	Valid till cancelled
12.	Occupancy cum Completion certificate for its Plot F 46 and 47, EPIP, Neemrana, Alwar- 301705	Rajasthan State Industrial Development & Investment Corporation Ltd (RIICO)	2565	04.10.2023	Valid till cancelled
13.	Occupancy cum Completion certificate for its Plot F 48 and 49, EPIP, Neemrana, Alwar- 301705	Rajasthan State Industrial Development & Investment Corporation Ltd (RIICO)	2564	04.10.2023	Valid till cancelled
14.	Periodical inspection report under regulation 20/32/43 of Central Electricity Authority (Measures relating to safety and electric supply) Regulations, 2010 (Installation of voltage above 650 V)	Electrical Inspectorate, Assistant Electrical inspector, Behror, Alwar	Not available	13.10.2023	March 2028

II. OUR MATERIAL SUBSIDIARY COMPANY:

S. No.	Details of Registration / Certificate	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue/ Renewal	Date of Expiry
1.	Udyam Registration	Ministry of Micro, Small and Medium Enterprises	UDYAM-RJ-02-0058312	31.05.2023	Valid till cancelled
2.	Fire NOC for Plot No. F 50, RIICO Industrial Area, Neemrana, Behror, Alwar, Rajasthan- 301705	Nagar Palika, Neemrana	LSG/NEEMRANA/FIRE NOC/2023-24/24609	29.12.2023	29.12.2024
3.	Approval of building layout plan for Plot F 50, RIICO Industrial Area, Neemrana, Behror, Alwar, Rajasthan- 301705	RIICO Authorities (Neemrana)	2154	05.09.2023	Valid till cancelled
4.	Approval of building layout plan for Plot No. SP1-24, Kolila Joga, Neemrana, Alwar, Rajasthan- 301705	RIICO Authorities (Neemrana)	3287	04.01.2024	Valid till cancelled

S. No.	Details of Registration / Certificate	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue/ Renewal	Date of Expiry
5.	Occupancy cum completion certificate for Plot F 50, RIICO Industrial Area, Neemrana, Behror, Alwar, Rajasthan- 301705	RIICO Authorities (Neemrana)	25	04.04.2024	Valid till cancelled
6.	Business Registration Number for A 60, Green Acre Kali Pahari Ranoth Mundawar, Alwar - 301705	Directorate of Economics & Statistics, Rajasthan	0720600000000005	10.04.2023	Valid till cancelled
7.	Business Registration Number for Plot No. SP1-24, Kolila Joga, Neemrana, Alwar, Rajasthan- 301705	Directorate of Economics & Statistics, Rajasthan	07188000000000042	01.03.2024	Valid till cancelled

(f) Certifications and Memberships

I. OUR COMPANY:

S. No.	Nature of Certification/Issuing Authority	Registration/ License No. / Reference No.	Issuing Authority	Date of Expiry
Certification				
1.	BIS Product Certification licence as per IS 11329: 2018	8400168514	Bureau of Indian Standards.	18.10.2024
2.	Conformity Certificate in respect of heat exchanger	2215001	SZUTEST	29.05.2025
3.	ISO 9001: 2015 for Manufacturing of heat exchanger (Fin and tube type) condenser coils, Evaporator coils, Refrigeration unit, Condensing unit, Sheet metal parts and copper fittings	IN/14506103/2104	ICV Assessments Pvt. Ltd	10.10.2025
4.	ISO 14001:2015 for Manufacturing of heat exchanger (Fin and tube type) condenser coils, Evaporator coils, Refrigeration unit, Condensing unit, Sheet metal parts and copper fittings	IN/17016104/5560	ICV Assessments Pvt. Ltd	10.10.2025
5.	ISO 45001:2018 for Manufacturing of heat exchanger (Fin and tube type) condenser coils, Evaporator coils, Refrigeration unit, Condensing unit, Sheet metal parts and copper fittings	IN/78016105/2104	ICV Assessments Pvt. Ltd	10.10.2025
6.	Certificate of Compliance	UL-US-2141932-0	UL LCC	Valid till cancelled
7.	Certificate of Compliance	UL-US-2140355-0	UL LCC	Valid till cancelled
8.	Certificate of Compliance	UL-US-2141923-0	UL LCC	Valid till cancelled
9.	BS EN ISO 13134 for approved brazing procedure	Not available	TUV Rheinland (India) Pvt Ltd	Valid till cancelled
10.	Certificate of product ratings (AHRI certification)	133549774755123614	Air-conditioning, Heating, & Refrigeration Institute (AHRI)	Valid till cancelled
Membership				
11.	Registration cum membership certificate	RCMCRENEWEEPCIND I00089406AM24	Engineering Export Promotion Council (EEPC India)	31.03.2025

II. OUR MATERIAL SUBSIDIARY COMPANY:

S. No.	Nature of Certification/Issuing Authority	Registration/ License No. / Reference No.	Issuing Authority	Date of Expiry
Certification				
1.	ISO 9001: 2015 for Manufacturing of heat exchanger (Fin and tube type), wire on tube condenser, roll bond evaporator, micro channel type heat exchanger, bar & plate type heat exchanger, frost free evaporator, condenser coils,	305024053168Q	QRO Certification LLP	30.05.2027

S. No.	Nature of Certification/Issuing Authority	Registration/ License No. / Reference No.	Issuing Authority	Date of Expiry
	evaporator coils, refrigeration unit, condensing unit, sheet metal parts & copper fittings.			
Membership				
2.	Registration cum membership certificate	RCMCRENEWEEPCIND I00089406AM24	Engineering Export Promotion Council (EEPC India)	31.03.2024

MATERIAL APPROVALS WHICH HAVE BEEN APPLIED FOR BUT NOT RECEIVED

I. OUR COMPANY:

Nil

II. OUR MATERIAL SUBSIDIARY COMPANY:

S. No.	Nature of Registration/Approval		Date of Application/ Application number
1.	Environmental Approvals	Consent to Operate for Plot No. SP1-24, Kolila Joga, Neemrana, Alwar, Rajasthan-301705	07.05.2024

MATERIAL APPROVALS FOR WHICH NO FRESH OR RENEWAL APPLICATIONS HAVE BEEN MADE

I. OUR COMPANY:

S. No.	Nature of Registration/Approval	
1.	Environmental Approvals	Registration under E-Waste (Management) Rules, 2022

INTELLECTUAL PROPERTY RELATED APPROVALS

I. OUR COMPANY:

(a) Trademarks

Our Company has made applications for the registration of the following trademarks:

S. No.	Trademark	Class	Application Number	Date of Application	Status	Applicant Name
1.	KRN Heat Exchangers 	11	4905919	15.03.2021	Registered	KRN Heat Exchanger and Refrigeration Private Limited
2	KRN 	11	6321118	26.02.2024	Accepted and Advertised	KRN Heat Exchanger and Refrigeration Limited

(b) Domain Name

Our Company has domain name 'krnheatexchanger.com', and 'krnheatexchangers.com' registered under its name.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements made in this Addendum are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY



Sonu Gupta

Chief Financial Officer

Place: Neemrana

Date: June 15, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements made in this Addendum are true and correct.

SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY



Praveen Kumar

Company Secretary and Compliance Officer

Place: Neemrana

Date: June 15, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements made in this Addendum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Santosh Kumar Yadav
Chairman and Managing Director

Place: Neemrana

Date: June 15, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements made in this Addendum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Anju Devi

Whole-Time Director

Place: Neemrana

Date: June, 15 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements made in this Addendum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Manohar Lal

Non - Executive Director

Place: Neemrana

Date: June 15, 2024

DECLARATION

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SIGNED BY THE DIRECTOR OF OUR COMPANY



Srinivasa Rao Anasingaraju

Non - Executive Independent Director

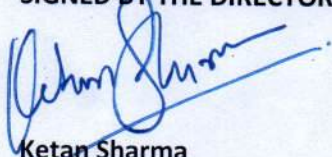
Place: Neemrana

Date: June 15, 2024

DECLARATION

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SIGNED BY THE DIRECTOR OF OUR COMPANY



Ketan Sharma

Non - Executive Independent Director

Place: Neemrana

Date: June 15, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements made in this Addendum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Deepak Batheja

Non - Executive Independent Director

Place: Neemrana

Date: June 15, 2024