

(This is a public announcement for information purposes only and is not a Prospectus announcement) (This does not constitute an invitation or offer to acquire, purchase or subscribe for securities. Not for publication or distribution, directly or indirectly outside India.)



(Please scan the QR code to view the RHP)



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

Our Company was incorporated in Bhiwadi, Alwar 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 Other Corporate Matters" beginning on page 239 of Red Herring Prospectus ("RHP or Red Herring Prospectus") filed with the ROC.

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

Tel No: +91 - 9257025440 | Email: cs@krmheatexchanger.com | Website: www.krmheatexchanger.com, Contact Person: Mr. Praveen Kumar, Company Secretary and Compliance Officer | CIN: U29309RJ2017PLC058905

PROMOTERS OF OUR COMPANY: MR. SANTOSH KUMAR YADAV, MRS. ANJU DEVI AND MR. MANOHAR LAL

THE ISSUE

INITIAL PUBLIC ISSUE OF UP TO 1,55,23,000* EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF KRN HEAT EXCHANGER AND REFRIGERATION LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE), AGGREGATING TO ₹ [•] 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, has undertaken a Pre-IPO Placement of 4,77,000 Equity Shares at an Issue Price of ₹ 200/- per Equity Share (including a premium of ₹ 190/- per Equity Share) for cash consideration aggregating to ₹ 954 Lakhs, ("Pre-IPO Placement")

KRN Heat Exchanger and Refrigeration Limited is engaged in the manufacturing of fin and tube type heat exchangers for the Heat Ventilation Air Conditioning and Refrigeration Industry ("HVAC&R") in the city of Neemrana, Alwar, Rajasthan. Heat exchangers manufactured by us are made of non-ferrous metals primarily Copper and Aluminium.

The Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations.

QIB Portion: Not More Than 50% of the Issue | Retail Portion: Not Less Than 35% of the Issue | Non-Institutional Investor Portion: Not less than 15% of the Issue

PRICE BAND: ₹ 209/- TO ₹ 220/- PER EQUITY SHARE OF FACE VALUE OF ₹ 10/- EACH

THE FLOOR PRICE IS 20.90 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 22.00 TIMES OF THE FACE VALUE OF THE EQUITY SHARES

BIDS CAN BE MADE FOR A MINIMUM OF 65 EQUITY SHARES AND IN MULTIPLES OF 65 EQUITY SHARES THEREAFTER

THE PRICE TO EARNING RATIO BASED ON DILUTED EPS FOR FINANCIAL YEAR 2024 AT THE UPPER END OF THE PRICE BAND IS 25.32 TIMES AS COMPARED TO THE NIFTY 50 PE RATIO OF 22.90 TIMES

WEIGHTED AVERAGE RETURN ON NETWORTH FOR LAST THREE FINANCIAL YEARS IS 39.83%

In accordance with the recommendation of the Independent Directors of our Company, pursuant to their resolution dated August 20, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the "Basis for Issue Price" section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s) as applicable, disclosed in the "Basis for Issue Price - Explanation for Issue Price" on page 150 of the RHP and provided below in the advertisement.

In making an investment decision, potential investors must only rely on the information included in the Red Herring Prospectus and the terms of the Issue, including the merits and risks involved and not rely on any other external sources of information about the Issue available in any manner.

RISK TO INVESTORS

(For details refer to section titled "Risk Factors" on page 33 of the RHP)

1. **Sustainability of revenue growth Rate:** Our revenue from operations has significantly increased from ₹ 15,611.46 Lakhs in FY 2021-22 to ₹ 24,748.08 Lakhs in FY 2022-23 resulting in growth of over 58% (YOY). Similarly, our revenue from operations has further increased from ₹ 24,748.08 Lakhs in FY 2022-23 to ₹ 30,828.31 Lakhs in FY 2023-24 leading to growth of 24% (YOY). The details of certain of our financial parameters showcasing this growth has been set out below: (Amount in Lakhs)

Particulars	For the Year ended on March 31,			CAGR
	2024 (Consolidated)	2023 (Standalone)	2024 (Standalone)	
Revenue from Operations	30,828.31	24,748.08	15,611.46	25.46%
Growth in Revenue from Operations (%)	24.57%	58.53%	-	-

If we are unable to sustain or manage our growth rate our business operations and results of operations may be adversely affected, and this rate of growth may not be achievable in the future.

2. **Maintainability of Profit Margins:** Our Profit after Tax ("PAT") has significantly increased from ₹ 1,059.04 Lakhs in FY 2021-22 to ₹ 3,231.35 Lakhs in FY 2022-23 resulting in growth of over 205.12% (YOY). Similarly, our PAT has further increased from ₹ 3,231.35 Lakhs in FY 2022-23 to ₹ 3,906.86 Lakhs in FY 2023-24 leading to growth of 20.90% (YOY). Our PAT from the last three financial years is increasing by CAGR of 54.52%. If we are unable to maintain these profit margins in future, our financial condition may be adversely affected.

3. **Customer concentration Risk:** We are dependent on and derive 33.34%, 32.85% and 32.28% of our revenue for the Financial Year 2024, 2023 and 2022 from our single customer namely Daikin Airconditioning India Private Limited and further we derive 72.31%, 70.87% and 75.82% of our revenue from our top 10 key customers for the Financial Year 2024, 2023 and 2022 respectively.

The contribution to the revenue from operations of our Company from our top ten, top five and the largest customers is as set out below: (₹ in Lakhs)

Particular	For the Financial Year ended on March 31,					
	2024 (Consolidated)		2023 (Standalone)		2022 (Standalone)	
	Amount	% of revenue from operations	Amount	% of revenue from operations	Amount	% of revenue from operations
Largest customer Daikin Airconditioning India Private Limited	10,279.22	33.34%	8,130.92	32.85%	5,039.40	32.28%
Top 5 customers	16,993.50	55.12%	13,814.21	55.82%	9,334.00	59.79%
Top 10 customers	22,293.56	72.31%	17,540.09	70.87%	11,835.45	75.82%

Delay or Cancellation of orders by any one or all of our top customers could have a material and adverse effect on our business, results of operations and financial condition.

4. **Dependency on limited suppliers:** We rely on limited number of suppliers and procure 14.94%, 17.29% and 17.46% of our raw materials for the Financial Year 2024, 2023 and 2022 from our largest supplier and further we procure 57.73%, 57.98% and 52.38% of our raw materials from our Top 5 suppliers and 77.99%, 78.48% and 70.07% of our raw material from our top 10 key suppliers for the Financial Year 2024, 2023 and 2022 respectively.

The contribution to the raw material purchase of our Company by our top ten, top five and the largest supplier is as set out below: (₹ in Lakhs)

Particular	For the Financial Year ended on March 31,					
	2024 (Consolidated)		2023 (Standalone)		2022 (Standalone)	
	Amount	% of total purchase	Amount	% of total purchase	Amount	% of total purchase
Largest Supplier	3,759.70	14.94%	3,632.40	17.29%	2,425.46	17.46%
Top 5 Suppliers	14,525.54	57.73%	12,178.82	57.98%	7,277.01	52.38%
Top 10 Suppliers	19,620.77	77.99%	16,486.00	78.48%	9,734.18	70.07%

Any delay in the supply of our raw materials by these suppliers may adversely affect the results of operations and financial condition.

5. **Credit Risk:** Our inability to collect receivables from our customers or default in payment by them could result in the reduction of our profits and affect our cash flows. In the period ended on Financial Year 2024, 2023, and 2022, our trade receivables were ₹ 5244.41 Lakhs, ₹ 3,865.83 Lakhs and ₹ 2979.02 Lakhs respectively, which represented 17.01%, 15.62% and 19.08% of our Revenues from Operations for such periods, respectively. An increase in bad debts or defaults may compel us to utilize greater amounts of our operating working capital and result in increased financing costs, thereby adversely affecting our results of operations and cash flows.

6. **Risk of Holding High Inventory:** Our inventory holding is ₹ 8,440.52, ₹ 5,508.43 and ₹ 2,130.85 for the Financial Year ended on March 31, 2024, 2023 and 2022 which

Continued on next page...

...continued from previous page.

tantamount to 37.02%, 29.99% and 16.42% of our Cost of Goods Sold.

The details of the inventories during past 3 Financial Years ended on March 31, 2024, 2023 and 2022 are as under:

(₹ in Lakhs)

Particulars	For the Financial Year ended on March 31		
	2024 (Consolidated)	2023 (Standalone)	2022 (Standalone)
Raw Material	6,788.74	4,314.42	1,798.13
Work in Progress	680.31	403.23	35.26
Finish Goods	971.47	790.78	297.46
Total	8,440.52	5,508.43	2,130.85
Cost of Goods Sold (COGS)	22,801.40	18,368.24	12,978.21
% of Inventory over COGS	37.02%	29.99%	16.42%

The inventory levels have increased substantially, reflecting both an overestimation of demand and potential inefficiencies in production planning. Such continuous increase has led to sub optimal utilization of resources. If we fail to manage the Inventory and forecast the demand our business operations and financial conditions may be adversely affected.

7. **Dependency on overseas Vendors for supply of raw materials:** We rely heavily for our raw materials from our vendors in Malaysia, South Korea, Thailand, Vietnam and China and in Financial Year 2024, 2023 and 2022, our import purchases accounted for 78.17%, 79.08% and 72.16% of our total raw materials purchased. The details of Raw material imports from top 5 jurisdictions for the Financial Year ended on March 31, 2024, 2023 and 2022 is as under: (₹ in Lakhs)

Name of the Country	For the Financial Year ended on March 31,					
	2024 (Consolidated)		2023 (Standalone)		2022 (Standalone)	
	Amount	%	Amount	%	Amount	%
Malaysia	8,464.56	43.04%	6,534.20	39.34%	3,381.99	33.74%
Vietnam	6,461.74	32.86%	3,104.10	18.69%	3,660.60	36.52%
South Korea	2,385.97	12.13%	2,467.47	14.85%	327.15	3.26%
Thailand	1,270.88	6.46%	2,360.20	14.21%	1,859.29	18.55%
China	1,079.57	5.49%	2,122.91	12.78%	771.46	7.70%
Total Imports from Top 5 Jurisdictions	19,662.72	99.98%	16,588.88	99.87%	10,000.49	99.77%
Total Imports	19,664.64	100.00%	16,611.12	100.00%	10,024.40	100.00%

Any country-related risk or any change in Government policies in relation to import of goods or import of goods from any specific country or region may adversely affect the sourcing of our raw materials which may have an adverse effect on our business, operations and financial condition.

8. **Risk of no long-term agreements or contracts with customers and suppliers:** We do not have any long-term agreements with any of our customers and suppliers. We primarily follow a business-to-business (B2B) model that relies on purchase orders rather than long-term contracts with our customers. If our customers choose not to source their requirements from us, it would lead to financial instability and operational uncertainty and our business and financial conditions may be adversely affected.

Further we are heavily dependent on overseas suppliers to ensure quality supplies to us as per our quality specifications. Without long-term contracts with suppliers, we may be exposed to price volatility and supply chain uncertainties, which could affect our ability to meet customer demand effectively and have an adverse effect on our business, results of operations and financial condition.

9. **Geographical Risk:** A major part of our total revenue from operations is generated from the State of Rajasthan which accounts for 41.24%, 43.79% and 49.19% respectively, of our total revenue from operations for the Financial Year ended on March 31, 2024, 2023 and 2022. The following table sets forth our revenue from operations from Rajasthan in the periods indicated: (₹ in Lakhs)

Geography	For the Financial Year ended on March 31					
	2024 (Consolidated)		2023 (Standalone)		2022 (Standalone)	
	Amount	%	Amount	%	Amount	%
Rajasthan	12,713.72	41.24%	10,837.95	43.79%	7,681.01	49.19%

Any adverse developments affecting our operations in such region, could have an adverse impact on our business, financial condition, results of operations and cash flows.

10. **Limited Operating History:** Our Company has a limited operating history, which will make it difficult for the investors to evaluate our historical performance or future prospects. Our Company was incorporated on August 25, 2017, and commenced its operations in June 2018. Due to this short period of operations, there is limited historical data available for evaluation, which increases the uncertainty regarding our business model, strategies, and potential for future success.

11. **Utilization of IPO proceeds risk:** Our Objects to issue is to make Investment in wholly owned subsidiary, incorporated on August 25, 2017 in the form of equity for setting up a manufacturing unit located at SP1-24, Kolila Joga, Neemrana, Alwar, Rajasthan-301705 which is subject to the risk of unanticipated delays in implementation, cost overruns and certain Government approvals and licenses. If we are unable to implement the expansion plans at the planned cost or time or unable to obtain Government approvals and licenses, it could materially and adversely impact our business, results of operations and financial condition.

12. **Working capital risk:** We have significant working capital requirements which are funded through bank secured borrowings for the Financial Years 2024, 2023 and 2022. Most of the working capital is funded as secured borrowings by bank loans. Such financing could cause our debt-to-equity ratio to increase. The Debt-to-Equity Ratio of our Company is 0.45, 0.62 and 0.87 for the Financial Year ended on March 31, 2024, March 31, 2023 and March 31, 2022. If we are unable to secure adequate bank borrowings for working capital on commercially reasonable terms it could have a material adverse effect on our business, financial condition, and results of operations.

13. **Competition Risk:** Our Company operates in a highly competitive HVAC industry, facing numerous international players and well-established domestic companies such as Prijai Heat Exchangers Private Limited, Spirotech Heat Exchangers Private Limited, Alfa Laval India Private Ltd, REX Heat Exchanger Private Limited, Danfoss Power Solutions India Private Ltd, Kelvion India Private Ltd. as per report titled "Industry Assessment: Indian Heat Exchanger Industry" dated August 12, 2024 ("D&B Report") exclusively commissioned and paid only for the purposes of the Issue. This intense competition presents significant risks to our business operations and financial performance. The industry is characterized by several key

competitive factors, including product quality, technical expertise, performance track record, client and vendor relationships, utilization of advanced machinery, timely delivery, and overall reliability.

14. **Dependency on Single Industry:** We are highly dependent on the HVAC industry and any unfavorable effect on HVAC industry will adversely affect our revenue generation and future growth possibilities. Our financial performance is significantly influenced by the demand and market conditions within the Heating, Ventilation, and Air Conditioning (HVAC) industry. Our revenue is derived from products and services associated with this sector. Consequently, any downturn in the HVAC industry—whether due to economic conditions, shifts in consumer preferences, technological advancements, regulatory changes, or increased competition—could adversely impact our sales and profitability.

15. **Regulatory Risk:** 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 cash flows may be adversely affected.

16. **Litigation Risk:** 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.

17. The Weighted Average Cost of Acquisition of all Equity Shares transacted in 1 year, 18 months and in last 3 years preceding the date of the RHP:

Period	Weighted Average Cost of Acquisition on (WACA)	Upper end of the Price Band is 'X' times the WACA (in ₹)*	Lower end of the Price Band is 'X' times the WACA	Range of acquisition price: Lowest Price – Highest Price (in ₹)*
Last 1 Year	160.76	1.37	1.30	160.76
Last 18 Months	160.76	1.37	1.30	160.76
Last 3 Years	160.76	1.37	1.30	160.76

*As certified by the Statutory Auditor, pursuant to the certificate dated September 12, 2024.

Note: Our Company, in consultation with the BRLM, has undertaken a Pre-IPO Placement of 4,77,000 Equity Shares aggregating to ₹ 954 Lakhs ("Pre-IPO Placement"). The proceeds of the Pre-IPO Placement shall be utilized towards General Corporate purposes and the fresh issue size disclosed in the Draft Red Herring Prospectus is reduced by 4,77,000 equity shares, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement has not exceeded 20% of the size of the Fresh Issue.

18. The Price-Earning (P/E) Ratio based on Diluted EPS for Financial Year 2024 for our Company at upper end of the Price Band is as high as 25.32 times as compared to the PE Ratio of 22.90 of Nifty 50.

19. The average cost of acquisition of Equity Shares by Promoters may be less than the Issue Price.

20. Weighted Average Cost of Acquisition compared to Floor Price and Cap Price:

Past Transactions	Weighted Average Cost of Acquisition (in ₹)*	Floor Price	Cap Price
Based on Primary Issuance (except for bonus issue)	160.76/-	1.30	1.37
Based on secondary transactions in last 3 years	100.00/-	2.09	2.20

*As certified by the Statutory Auditor, pursuant to the certificate dated September 12, 2024.

Continued on next page...

...continued from previous page.

21. Weighted Average Return on Net Worth for Fiscals 2024, 2023 and 2022 is 39.83%.

22. The BRLM associated with the Issue have handled Nine public issues in the past three Financial Years.

Name of the BRLM	Total Public Issues	Issue Closed below the Issue Price on Listing Date
Holani Consultants Private Limited	9	NIL
Total	9	NIL

The Objects of the proposed Issue is (i) 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") (ii) General corporate purposes. For further details on the objects of the Company, please refer to the section titled "Objects of the Issue" beginning on Page 118 of the RHP.

BID/ISSUE PROGRAMME

BID/ISSUE OPENS FOR ANCHOR INVESTORS ON, TUESDAY, SEPTEMBER 24, 2024*

BID/ISSUE OPENS ON WEDNESDAY, SEPTEMBER 25, 2024

BID/ISSUE CLOSES ON FRIDAY, SEPTEMBER 27, 2024**

*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.

DETAILS OF PRE-IPO PLACEMENT

Our Company, in consultation with the BRLM, has undertaken a Pre-IPO Placement of 4,77,000 Equity Shares aggregating to ₹ 954 Lakhs ("Pre-IPO Placement") on August 14, 2024. The proceeds of the Pre-IPO Placement shall be utilized towards General Corporate purposes and the fresh issue size disclosed in the Draft Red Herring Prospectus is reduced by 4,77,000 equity shares, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement has not exceeded 20% of the size of the Fresh Issue. For the details of the list of allottees, please refer "Capital Structure" section on page 108-109.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Book Running Lead Manager on the basis of assessment of market demand for the Equity Shares issued in the Issue through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is 20.90 times the face value at the lower end of the Price Band and 22.00 times the face value at the higher end of the Price Band.

The financial data presented in this section are based on our Company's Restated Financial Information. Investors should also refer to the sections titled "Risk Factors", "Our Business", "Restated Financial Information" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 33, 202, 270 and 346 respectively, to get a more informed view before making the investment decision.

QUALITATIVE FACTORS

Some of the qualitative factors which form the basis for computing the Issue Price are:

Promoters exhibit strong leadership and are supported by highly experienced senior management.

Our management team comprised of our Promoters who are a qualified engineers and have extensive experience and know-how in the engineering sector, including, business development, operations, administration, marketing, and human resource management.

We leverage the understanding and experience of our management to successfully oversee our operations and growth. Our founder, Promoter and Director Santosh Kumar Yadav has an experience of over 19 years in the business of manufacturing heat exchangers and refrigeration units. His responsibilities encompassed overseeing production processes, ensuring quality standards, and leading a team of engineers. We also benefit significantly from the qualified and experienced employees and workforce who possess the technical capability to further expand our business and operations. The details of technically qualified personnel in our Company are as under:

Particulars	Number of Qualified Employees
Diploma in Mechanical Engineering	29
Bachelors of Technology	16

We continuously strengthen our engineering expertise by providing in-house training to our workforce, to diversify and update their skill sets and keep them updated with the latest changes in manufacturing technologies and processes. The faith of the management in the workforce and their dedicated performance have enabled us to build a niche presence in the market.

Long-standing business relationships with leading clientele

We focus on building sustained and long-term client relationships with our clients and constantly try to cater to customer needs with products in demand. Our experience in automated production facilities is focused on research and development, coupled with technologically advanced, quality consistency on-time delivery and cost-competitive manufacturing technology processes has resulted in repeat orders from our key customer groups. The table set forth represents the continuous and long-standing business relationship of our customers with us since the incorporation of our Company:

Client's Name	Association Since
Daikin Airconditioning India Private Limited	2018
Schnieder Electric IT Business India Private Limited	2019
Kirtoskar Chillers Private Limited	2020
Blue Star Limited	2021
Climaventa Climate Technologies Private Limited	2021

Our long-term relationship with our customers allows us to understand and cater to their diverse requirements, including the development of new products and helps us solicit new business from potential customers in the same industry.

Effective quality control checks

We maintain an in-house facility for checking the quality of our manufactured products. Our products go through stringent quality control checks such as Helium Leak Test, Water Leak Test, Contamination Test, Salt Spray Testing, Burst Pressure Testing and Pressure Cyclic Testing to ensure the best quality products are supplied to our customers. Key employees of our production team hold BS EN ISO-13585 certification, which specifies the basic requirements for the qualification testing of brazers and brazing operators which is one of the key processes of manufacturing heat exchangers.

We have a dedicated quality management team consisting of 48 employees including 19 contractual employees. The raw materials undergo a quality check, and we have internal procedures in place for procurement of the raw materials as the quality of the final product is dependent on them. Similarly for the quality checks of our final products, our units have dedicated personnel responsible for monitoring the parameters of equipment and strength of materials, reporting any irregularities in the manufacturing process and making adjustments accordingly. These multi-level quality checks ensure that we consistently provide good quality products, enhancing our brand value. For further details on the quality control measures undertaken by us, please refer to "Our Business-Quality Management" on page 224-225.

Consistent financial performance

Our Company has grown from a single product to a multi-product manufacturing Company. We have demonstrated consistent growth in terms of revenues and profitability. The recognition of our product quality has enabled us to penetrate the heat exchanger products market and cater to new customers in addition to our existing customer network. Increased acceptance of newer product categories due to improved designs and efficient pricing has further established our reputation. A summary of our financial performance as per the Consolidated Restated Information for the financial year ended on March 31, 2024, and as per Standalone Restated Financial Information for the Financial Years ended March 31, 2023 and 2022 is as under:

Particulars	For the Financial Years ended March 31			CAGR Growth
	2024 (Consolidated)	2023 (Standalone)	2022 (Standalone)	
Revenue from Operations	30,828.31	24,748.08	15,611.46	25.46%
EBITDA	5,845.24	4,931.75	1,693.56	51.12%
EBITDA Margin (%)	18.96%	19.93%	10.85%	20.45%
Profit After Tax	3,906.86	3,231.35	1,059.04	54.52%
Profit after Tax Margin (%)	12.67%	13.06%	6.78%	23.16%
Return on Equity	40.86%	75.94%	54.88%	(9.37)%
Return on Capital Employed	31.21%	50.46%	34.65%	(3.42)%

(₹ in Lakhs)

For further details, please refer to "Key Financials and Operating Performance Indicators" of "Our Business" page 208-210.

Established Manufacturing facility

Our registered office and the manufacturing facilities are located at renowned RIICO industrial areas of Neemrana, Rajasthan. Our manufacturing unit is equipped and capable of carrying out end-to-end manufacturing activities. For further information regarding the manufacturing units of our Company, please refer to "Our Business- Our Manufacturing Facilities" on page 221.

Our years of experience in precision engineering, strategically located production facilities, and focus on design, coupled with technologically advanced and cost-competitive manufacturing technology processes have enabled us to meet our customers' bespoke and stringent requirements. We have full-service capabilities across the product cycle including product design and development, material sourcing, designing, testing and measurement infrastructure, all under one roof to meet the requirement of our global customers. The entire process is carried out under one roof. Our dynamic setup not only gives us better control over quality but also benefits us with cost advantages compared to our competitors who resort to job work for various activities in the complete manufacturing process. Our engineering expertise and technology-driven manufacturing processes have enabled us to deliver our products and provide timely solution to our customers in accordance with their designs and specifications, in a cost-effective manner without compromising on quality. For further information regarding the manufacturing units of our Company, please refer to "Our Business- Capacity Utilization" on page 220-221.

For further details, see "Our Business - Our Strength" on page 210.

QUANTITATIVE FACTORS

Some of the information presented in this section relating to our Company is derived from the Restated Financial Information. For details, see the chapter titled "Restated Financial Information" beginning on page 270.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

I. **Basic and Diluted Earnings per share ("EPS") as per the Restated Financial Information.**
(Pre-Issue and as adjusted for changes in capital after last balance sheet date).

Financial Year	Basic EPS (₹)	Diluted EPS (₹)	Weights
March 31, 2024	8.69	8.69	3
March 31, 2023	7.34	7.34	2
March 31, 2022	2.41	2.41	1
Weighted Average EPS		7.19	

II. **Price to Earning ("P/E") ratio in relation to Price Band of ₹ 209/- to ₹ 220/- per Equity Share:**

Particulars	P/E at Floor Price (Number of times)	P/E at Cap Price (Number of times)
P/E based on Basic & Diluted EPS for FY 2023-24	24.05	25.32
P/E based on weighted average Basic and Diluted EPS	29.07	30.60

Industry Peer Group P/E ratio

There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

III. **Return on Net Worth ("RoNW")**

As derived from the Restated Financial Information of our Company:

Financial Year	RoNW (%)	Weight
March 31, 2024	29.68%	3
March 31, 2023	54.24%	2
March 31, 2022	41.48%	1
Weighted Average RoNW	39.83%	

IV. **Net Asset Value per Equity Share (Face Value of ₹ 10/- each)**

Net Asset Value per Equity Share	NAV derived from Restated Financial Information (₹)
Net Asset Value per Equity Share as on March 31, 2024	28.53
Net Asset Value per Equity Share after the Issue - At Cap Price	77.68
Net Asset Value per Equity Share after the Issue - At Floor Price	74.93
Issue Price per Equity Share	•

V. Comparison of Accounting Ratios with Listed Industry Peers:

There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

The Issue Price is [•] times of the face value of the Equity Shares.

The Issue Price of ₹ [•] has been determined by our Company in consultation with the BRLM, on the basis of assessment of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with chapters titled "Our Business" and "Management's Discussion and Analysis of Financial Position and Results of Operations" and sections titled "Risk Factors" and "Restated Financial Information" beginning on pages 202, 346, 33 and 270 respectively to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the section titled "Risk Factors" and you may lose all or part of your investments.

KEY FINANCIAL AND OPERATIONAL PERFORMANCE INDICATORS ("KPIs")

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated August 20, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of the RHP. Further, the KPIs herein have been certified by M/s Keyur Shah & Co., Chartered Accountants, by their certificate dated August 20, 2024.

The KPIs of our Company have been disclosed in the sections "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" starting on pages 202 and 346, respectively. We have described and defined the KPIs, as applicable, in "Definitions and Abbreviations" beginning on page 2. Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

Explanation for KPI metrics

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Growth in Revenue from Operations	Growth in Revenue from Operations provides information regarding the growth of our business for the respective year.
Gross Profit	Gross Profit provides information regarding the profits from manufacturing of products by our Company.
Gross Profit Margin	Gross Profit Margin is an indicator of the profitability on sale of products manufactured by our Company.
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Profit After Tax	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin	PAT Margin is an indicator of the overall profitability and financial performance of our business.
RoE	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Net Fixed Asset Turnover	Net Fixed Asset turnover ratio is indicator of the efficiency with which our Company is able to leverage its assets to generate revenue from operations.
Net Working Capital Days	Net working capital days indicates the working capital requirements of our Company in relation to revenue generated from operations.
Operating Cash Flows	Operating cash flows provides how efficiently our company generates cash through its core business activities.
Inventory Turnover Days	Inventory Turnover Days provides information regarding how many days a company turned over its inventory relative to its cost of goods sold (COGS).
Earnings per Share (Basic & Diluted)	Earnings per Share provides information regarding how efficiently our company generate earnings on each weighted average number of Equity Shares outstanding.
Operating Profit before Working Capital Changes	Operating Profit before Working Capital Changes provides information regarding how much cash profit generated by our company from his business operations.
Debt/EBITDA Ratio	Debt/EBITDA Ratio provides information regarding to the actual cash generated by our company to pay of his total debt.
NAV per Equity Share	NAV per Equity Share provides information regarding how much our company net assets value on each weighted average number of Equity Shares outstanding.
Net Worth	Net Worth represent value of our company.
Return on Net Worth	Return on Net Worth ratio is indicator of how efficiently our Company generates earnings from the Net Worth in the business.
Debt to Equity Ratio	Debt to Equity Ratio Depicts our financial health compare to its outstanding debt.
Debt Service coverage ratio	Debt Service Coverage Ratio measures Company's available cashflow to pay its current debt obligation
Total Quantity Sold (in Units)	This metric indicates the volume of the goods sold by us according to its various product offerings
Total Quantity Produced (in Units)	This metric indicates the quantity of the products produced by our company according to its various product offerings
Total number of customers served during the year	This metric indicates the total number of customers served by us further divided into International and Domestic clients showing the diversification in the customer base
Total Number of Employees	This metric indicates the total number of Employees hired by us categorized into employees on company's payroll, Trainees and contractual employees hired.

Financial KPIs of our Company

Particulars	For the Fiscal Year ended on March 31		
	2024	2023	2022
Revenue from Operations ⁽¹⁾ (₹ in Lakhs)	30,828.31	24,748.08	15,611.46
Growth in Revenue from Operations ⁽²⁾ (%)	24.57%	58.53%	105.89%
Gross Profit ⁽³⁾ (₹ in Lakhs)	8,026.91	6,379.84	2,633.25
Gross Profit Margin ⁽⁴⁾ (%)	26.04%	25.78%	16.87%
EBITDA ⁽⁵⁾ (₹ in Lakhs)	5,845.24	4,931.75	1,693.56
EBITDA Margin ⁽⁶⁾ (%)	18.96%	19.93%	10.85%
Profit After Tax ⁽⁷⁾ (₹ in Lakhs)	3,906.86	3,231.35	1,059.04
PAT Margin ⁽⁸⁾ (%)	12.67%	13.06%	6.78%
RoE ⁽⁹⁾ (%)	40.86%	75.94%	54.88%
RoCE ⁽¹⁰⁾ (%)	31.21%	50.46%	34.65%
Net Fixed Asset Turnover ⁽¹¹⁾ (In Times)	5.48	7.70	7.32
Net Working Capital Days ⁽¹²⁾	88	65	36
Operating Cash Flows ⁽¹³⁾ (₹ in Lakhs)	275.88	507.25	448.35
Inventory Turnover Days ⁽¹⁴⁾	112	76	38
Earnings per Share (Basic & Diluted)			
Basic ⁽¹⁵⁾	8.69	7.34	2.41
Diluted ⁽¹⁶⁾	8.69	7.34	2.41
Operating Profit before Working Capital Changes ⁽¹⁷⁾ (₹ in Lakhs)	6,303.72	5,136.99	1,874.51
Debt/EBITDA Ratio ⁽¹⁸⁾ (In Times)	1.02	0.74	1.31
NAV per Equity Share ⁽¹⁹⁾	28.53	13.54	5.80
Net Worth ⁽²⁰⁾ (₹ in Lakhs)	13,164.71	5,957.01	2,553.15
Return on Net Worth ⁽²¹⁾ (%)	29.68%	54.24%	41.48%
Debt Service Coverage Ratio ⁽²²⁾	8.64	8.46	6.16
Debt to Equity Ratio ⁽²³⁾	0.45	0.62	0.87

The Figure has been certified by our statutory auditors M/s. Keyur Shah & Co. Chartered Accountants vide their certificate dated August 20, 2024.

Our company has incurred a bonus issue of 3,96,00,000 equity shares having face value of ₹ 10/- each in the ratio of 9:1 i.e 9 equity shares for every 1 equity shares on February 23, 2023.

Notes:

- Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Information.
- Growth in Revenue from Operations (%) is calculated as a percentage of Revenue from Operations of the relevant year minus Revenue from Operations of the preceding year, divided by Revenue from Operations of the preceding year.
- Gross Profit is calculated as Revenue from Operations less Cost of Materials consumed, Purchase of Traded goods, Changes in inventories of finished goods and work-in-progress.
- Gross Profit Margin (%) is calculated as Gross Profit divided by Revenue from Operations.
- EBITDA is calculated as profit for the year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortisation expenses, less other income.
- EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.
- Profit After Tax Means Profit for the year as appearing in the Restated Financial Information.
- PAT Margin (%) is calculated as Profit for the year as a percentage of Revenue from Operations.
- RoE (Return on Equity) (%) is calculated as net profit after tax for the year divided by Average Shareholder Equity.
- RoCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes divided by capital employed.
- Net Fixed Asset Turnover is calculated as Net Turnover divided by Fixed Assets which consists of property, plant and equipment and capital work-in-progress.
- Net Working Capital Days is calculated as working capital (current assets minus current liabilities) as at the end of the year divided by revenue from operations multiplied by number of days in a year.

Continued on next page...

...continued from previous page.

- (13) Operating cash flows means net cash generated from operating activities as mentioned in the Restated Financial Information.
 (14) Inventory Turnover Days is calculated as average inventory as at the end of the year divided by cost of goods sold multiplied by number of days in the year
 (15) Earnings per Share (Basic) is calculated as Net profit/ (loss) after tax, as restated attributable to equity shareholders divided by weighted average number of Equity Shares outstanding during the year.
 (16) Earnings per Share (Diluted) is calculated from Net profit/ (loss) after tax, as restated attributable to equity shareholders divided by weighted average number of diluted Equity Shares outstanding during the year.
 (17) Operating Profit before Working Capital Changes means cash generated before change of working capital adjustments.
 (18) Debt/EBITDA Ratio is calculated as total Debts (includes Long term and short term borrowings) divided by EBITDA.
 (19) NAV per Equity Share is calculated as Net Assets Value divided by No. of Equity Shares.
 (20) Net Worth means Total Equity as mentioned in the Restated Financial Information.
 (21) Return on Net Worth is calculated as profit after tax before exceptional items and other comprehensive income/ expenses divided by net worth.
 (22) Debt Service Coverage Ratio is calculated by Earning available for debt service divided by interest and instalment paid during the year on borrowing repayable in installment.
 (23) Debt to Equity Ratio is calculated as total debt of our company divided by Total shareholders equity which includes share capital and reserves and surplus.

Operational KPIs of our Company

Particulars	For the Fiscal Year ended on March 31		
	2024	2023	2022
Total Quantity Sold (in Units)			
Evaporator Coils	2,02,273	1,13,182	1,07,564
Condenser Coils	2,45,950	2,74,890	2,25,063
Headers/ Copper Parts	1,29,580	96,630	14,977
Sheet Metal Parts	1,141	7,138	652
Total Quantity Produced (In units)			
Evaporator Coils	2,20,152	1,13,027	1,07,356
Condenser Coils	2,56,264	3,05,944	2,26,300
Headers/ Copper Parts	6,06,854	4,85,552	3,60,118
Sheet Metal Parts	4,77,557	4,22,214	3,34,090
Total Number of Customers served during the year	113	112	95
International Clients	32	16	10
Domestic Clients	81	96	85
Total Number of Employees	538	478	307
Permanent Employees	147	124	92
Trainee	24	32	38
Contractual Employees	367	322	177

The Figure has been certified by our statutory auditors M/s. Keyur Shah & Co. Chartered Accountants vide their certificate dated August 20, 2024.

Comparison of financial KPIs of our Company and our listed peers:

There are no listed companies in India that engage in a business like that of our Company. Accordingly, it is not possible to provide a comparison of key performance indicators of the industry with our Company.

Weighted average cost of acquisition:

a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities).

The details of issuance of Equity Shares or any convertible securities, during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted equity paid up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding Bonus Issue and employee stock options), in a single transaction or multiple transactions combined together over a span of rolling 30 days is as follows:

S. No.	Name of Allottees	Date of Allotment of Equity Shares	Number of Equity Shares Allotted	Nature of Allotment	Nature of Consideration	Issue Price (in ₹)	Total Consideration (in ₹)
1	Unlisted Assets Private Limited	21.10.2023	9,44,000	Private Placement	Cash	152.00/-	14,34,88,000
2	Lokesh Arora	21.10.2023	95,000	Private Placement	Cash	152.00/-	1,44,40,000
3	Alpana	21.10.2023	90,000	Private Placement	Cash	152.00/-	1,36,80,000
4	Gobind Rai Verma	21.10.2023	90,000	Private Placement	Cash	152.00/-	1,36,80,000
5	Raj Khandaria	21.10.2023	75,000	Private Placement	Cash	152.00/-	1,14,00,000
6	Satish Chand Yadav	21.10.2023	70,000	Private Placement	Cash	152.00/-	1,06,40,000
7	Ram Singh Meena	21.10.2023	70,000	Private Placement	Cash	152.00/-	1,06,40,000
8	Dinesh Kumar Goel	21.10.2023	70,000	Private Placement	Cash	152.00/-	1,06,40,000
9	Suryaprakash Yadav	21.10.2023	50,000	Private Placement	Cash	152.00/-	76,00,000
10	Pramesh Goyal	21.10.2023	45,000	Private Placement	Cash	152.00/-	68,40,000
11	Rajesh Goyal	21.10.2023	45,000	Private Placement	Cash	152.00/-	68,40,000
12	Lokesh Goyal	21.10.2023	45,000	Private Placement	Cash	152.00/-	68,40,000
13	Raunak Aggarwal	21.10.2023	40,000	Private Placement	Cash	152.00/-	60,80,000
14	Adheshwar Kant	21.10.2023	35,000	Private Placement	Cash	152.00/-	53,20,000
15	Basant Daultani	21.10.2023	35,000	Private Placement	Cash	152.00/-	53,20,000
16	Utkarsh Sharma	21.10.2023	32,000	Private Placement	Cash	152.00/-	48,64,000
17	Sarla Sharma	21.10.2023	32,000	Private Placement	Cash	152.00/-	48,64,000
18	Ramphal Yadav	21.10.2023	30,000	Private Placement	Cash	152.00/-	45,60,000
19	Rachna Jain	21.10.2023	29,000	Private Placement	Cash	152.00/-	44,08,000
20	Muskan Aggarwal	21.10.2023	26,000	Private Placement	Cash	152.00/-	39,52,000
21	Darshan Parikh HUF	21.10.2023	25,000	Private Placement	Cash	152.00/-	38,00,000
22	Gajraj Singh	21.10.2023	23,000	Private Placement	Cash	152.00/-	34,96,000
23	Yash Vardhan Goel	21.10.2023	20,000	Private Placement	Cash	152.00/-	30,40,000
24	Promod Kumar Yadav	21.10.2023	16,500	Private Placement	Cash	152.00/-	25,08,000
25	Rajpal	21.10.2023	16,500	Private Placement	Cash	152.00/-	25,08,000
26	Abhishek Yadav	21.10.2023	16,500	Private Placement	Cash	152.00/-	25,08,000
27	Seema	21.10.2023	16,500	Private Placement	Cash	152.00/-	25,08,000
28	Promod Kumar Sultani and Sons HUF	21.10.2023	16,000	Private Placement	Cash	152.00/-	24,32,000
29	Shazad Kahn	21.10.2023	12,000	Private Placement	Cash	152.00/-	18,24,000
30	Sanjiv Kumar Sinha	21.10.2023	10,000	Private Placement	Cash	152.00/-	15,20,000
31	Anubha Dusad	21.10.2023	10,000	Private Placement	Cash	152.00/-	15,20,000
32	Sunil Kumar Yadav	21.10.2023	6,600	Private Placement	Cash	152.00/-	10,03,200
33	Surya Prakash Yadav	14.08.2024	70,000	Pre-IPO Placement	Cash	200.00/-	1,40,00,000
34	Ramesh Kumar Mantri	14.08.2024	50,000	Pre-IPO Placement	Cash	200.00/-	1,00,00,000
35	NVM Capital Private Limited	14.08.2024	36,000	Pre-IPO Placement	Cash	200.00/-	72,00,000
36	Sarita	14.08.2024	35,000	Pre-IPO Placement	Cash	200.00/-	70,00,000
37	Kamal Singh	14.08.2024	25,000	Pre-IPO Placement	Cash	200.00/-	50,00,000
38	Alpana	14.08.2024	20,800	Pre-IPO Placement	Cash	200.00/-	41,60,000
39	Maya Devi	14.08.2024	20,000	Pre-IPO Placement	Cash	200.00/-	40,00,000
40	Tek Chand Yadav	14.08.2024	20,000	Pre-IPO Placement	Cash	200.00/-	40,00,000
41	Ramphal Yadav	14.08.2024	15,000	Pre-IPO Placement	Cash	200.00/-	30,00,000
42	Ruchi Sharma	14.08.2024	14,000	Pre-IPO Placement	Cash	200.00/-	28,00,000
43	Prakash Singh Shekhawat	14.08.2024	13,500	Pre-IPO Placement	Cash	200.00/-	27,00,000

44	Hitesh Kumar	14.08.2024	13,000	Pre-IPO Placement	Cash	200.00/-	26,00,000
45	Dushyant Kumar	14.08.2024	12,050	Pre-IPO Placement	Cash	200.00/-	24,10,000
46	Dexter Capital Advisors Private Limited	14.08.2024	11,650	Pre-IPO Placement	Cash	200.00/-	23,30,000
47	Manjeet Dharampal Choudhary	14.08.2024	10,000	Pre-IPO Placement	Cash	200.00/-	20,00,000
48	Tanmay Sankrot	14.08.2024	10,000	Pre-IPO Placement	Cash	200.00/-	20,00,000
49	Anoj Kumar	14.08.2024	10,000	Pre-IPO Placement	Cash	200.00/-	20,00,000
50	Bhim Singh Chaudhary HUF	14.08.2024	10,000	Pre-IPO Placement	Cash	200.00/-	20,00,000
51	Divyesh Agrawal	14.08.2024	10,000	Pre-IPO Placement	Cash	200.00/-	20,00,000
52	Pramod Kumar Yadav	14.08.2024	9,000	Pre-IPO Placement	Cash	200.00/-	18,00,000
53	Seema	14.08.2024	7,500	Pre-IPO Placement	Cash	200.00/-	15,00,000
54	Laxmi	14.08.2024	7,000	Pre-IPO Placement	Cash	200.00/-	14,00,000
55	Umesh Chandra Vashishtha	14.08.2024	7,000	Pre-IPO Placement	Cash	200.00/-	14,00,000
56	Nisha Taneja	14.08.2024	7,000	Pre-IPO Placement	Cash	200.00/-	14,00,000
57	Kurmum	14.08.2024	6,000	Pre-IPO Placement	Cash	200.00/-	12,00,000
58	Satya Prakash Soni	14.08.2024	5,000	Pre-IPO Placement	Cash	200.00/-	10,00,000
59	Utkarsh Sharma	14.08.2024	5,000	Pre-IPO Placement	Cash	200.00/-	10,00,000
60	Alpa Raju Suchde	14.08.2024	5,000	Pre-IPO Placement	Cash	200.00/-	10,00,000
61	Sabnani Amit Ramesh	14.08.2024	5,000	Pre-IPO Placement	Cash	200.00/-	10,00,000
62	Anil Kumar	14.08.2024	4,000	Pre-IPO Placement	Cash	200.00/-	8,00,000
63	Sunil Kumar Yadav	14.08.2024	3,500	Pre-IPO Placement	Cash	200.00/-	7,00,000
	Total		26,13,600				42,01,63,200

Weighted average cost of acquisition (WACA)

b) The price per share of our Company based on the secondary sale / acquisition of shares (equity / convertible securities).

There have been no secondary sale / acquisitions of Equity Shares or any convertible securities, where the promoters, members of the promoter group, selling shareholders, or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of the Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding Bonus Issue and employee stock options), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

c) Since there is no promoter transaction to report to under (a) and (b) therefore, information based on last 5 primary and secondary transactions (secondary transactions where Promoter / Promoter Group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to the date of the Red Herring Prospectus irrespective of the size of transactions, is as below:

Secondary acquisition:

Except as disclosed below, there have been no secondary transactions by the Promoters, members of the Promoter Group, Selling Shareholder, or shareholder(s) having the right to nominate director(s) in the Board of Directors of our Company are a party to the transaction, in the last three years preceding the date of the Red Herring Prospectus:

Date of Transfer	Name of Transferor	Name of Transferee	No. of Securities	Nature of Securities	Face Value of Securities (₹)	Price per Security (₹)	Nature of Transaction	Nature of Consideration	Total Consideration (in ₹)
March 09, 2023	Santosh Kumar Yadav	Vivek Chauhan	(10)	Equity Shares	10/-	100/-	Acquisition of Shares by way of Cash	Cash	1,000
March 09, 2023	Santosh Kumar Yadav	Yashpal Yadav	(10)	Equity Shares	10/-	100/-	Acquisition of Shares by way of Cash	Cash	1,000
March 09, 2023	Santosh Kumar Yadav	Komal Yadav	(10)	Equity Shares	10/-	100/-	Acquisition of Shares by way of Cash	Cash	1,000
March 09, 2023	Santosh Kumar Yadav	Manohar Lal	(10)	Equity Shares	10/-	100/-	Acquisition of Shares by way of Cash	Cash	1,000
March 11, 2023	Santosh Kumar Yadav	Basti Ram Yadav	(10)	Equity Shares	10/-	100/-	Acquisition of Shares by way of Cash	Cash	1,000
Total			50						5,000

Weighted average cost of acquisition (WACA)

d) Weighted average cost of acquisition, floor price and cap price:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor price (i.e. ₹ 209/-)	Cap price (i.e. ₹ 220/-)
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options), in a single transaction or multiple transactions combined together over a span of rolling 30 days	160.76/-	1.3 times	1.4 times
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity / convertible securities), where promoters / promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA ^a	NA ^a	NA ^a
Since there were no primary and secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of the Red Herring Prospectus, which are equal to or more than 5% of the fully diluted paid-up share capital of our Company, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where promoters / promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction, not older than three years prior to the date of filing of the Red Herring Prospectus irrespective of the size of the transaction.			
Types of Transactions	Weighted average cost of acquisition (₹ per equity share)	Floor price (i.e., ₹ 209/-)	Cap price (i.e., ₹ 220/-)
Based on secondary transactions	100.00	2.09	2.20

Note:

There were no secondary sales / acquisition of shares (equity/ convertible securities) transactions in last 18 months from the date of the Red Herring Prospectus which are equal to or more than 5% of the fully diluted paid-up share capital of our Company.

Explanation for Cap Price being 1.37 times of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares along with our Company's key performance indicators and financial ratios for the Financial Years 2024, 2023 and 2022.

Please note the following rationale in relation to the justification of the Issue Price:

- **Effective quality control checks:** We maintain an in-house facility for checking the quality of our manufactured products. Our products go through stringent quality control checks such as Helium Leak Test, Water Leak Test, Contamination Test, Salt Spray Testing, Burst Pressure Testing and Pressure Cyclic Testing to ensure the best quality products are supplied to our customers.
- **Long-standing business relationships with leading clientele:** Our long-term relationship with our customers allows us to understand and cater to their diverse requirements, including the development of new products and helps us solicit new business from potential customers in the same industry.
- **Consistent financial performance:** Our Company has grown from a single product to a multi-product manufacturing Company. We have demonstrated consistent growth in terms of revenues and profitability. The recognition of our product quality has enabled us to penetrate the heat exchanger products market and cater to new customers in addition to our existing customer network.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE

ASBA[#]

Simple, Safe, Smart way of Application!!!

*Application Supported by Block Amount is a better way of applying to issues by simply blocking the fund in the bank account. For details, check section on ASBA. Mandatory in Public Issues. No Cheque will be accepted.



UPI - Now available in ASBA for Retail Individual Investors and Non-Institutional Investor applying in public issues where the application amount is up to ₹ 500,000, applying through Registered Brokers, Syndicate, CDPs & RTAs. Retail Individual Investors and Non-Institutional Investors also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 read with press release dated September 17, 2021. CBDT circular no. 7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023.

ASBA has to be availed by all the investors except Anchor Investors. UPI may be availed by (i) Retail Individual Investors in the Retail Portion; (ii) Non-Institutional Investors with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI process, please refer to the details given in the Bid Cum Application Form and abridged prospectus and also please refer to the section "Issue Procedure" on page 410 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. The Bid Cum Application Form and the Abridged Prospectus can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges" and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35 and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=43>, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. HDFC Bank Limited and Kotak Mahindra Bank Limited has been appointed as the Sponsor Bank for the Issue, in accordance with the requirements of SEBI circular dated November 1, 2018 as amended. For Offer related queries, please contact the Book Running Lead Manager ("BRLM") on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll-free number: 18001201740 and mail id: ipo.upi@npci.org.in.

NOTICE TO INVESTORS : CORRIGENDUM TO THE RHP ("THE CORRIGENDUM")

With reference to the Red Herring Prospectus dated September 14, 2024 filed with Registrar of Companies, Jaipur ("RHP") and submitted with SEBI and Stock Exchanges, Price Band Advertisement dated September 19, 2024 and Statutory Advertisement dated September 19, 2024 published in the Financial Express (all editions), Jansatta (all editions), Dainik Bhaskar (all editions), potential investors may note the following:

Due to an inadvertent error, the information on number of equity shares of face value of ₹ 10/- each in the Initial Public Offer mentioned in the Red Herring Prospectus was incorrect. Accordingly, the information on number of equity shares of face value of ₹ 10/- each in the Initial Public Offer mentioned in the Red Herring Prospectus shall be replaced with the following information set out below:

"Initial Public Offer of up to 1,55,43,000 Equity Shares"

"Retail Portion: not less than 54,98,330 Equity Shares"

The above changes are to be read in conjunction with the Red Herring Prospectus and accordingly their references in the Red Herring Prospectus, the Advertisements, the Bid cum Application Form, the Abridged Prospectus and any other material issued in respect of the Issue stand updated pursuant to this Corrigendum.

Please note that the changes pursuant to this Corrigendum supplements the RHP and updates the information in the RHP, as applicable. Investors should read the corrigendum in conjunction with the RHP, before making an investment decision in the offer.

All capitalized terms used in this Corrigendum shall, unless the context otherwise requires, have the meaning ascribed to them in the RHP.

Please note that the Corrigendum does not reflect all the changes that have been occurred between the date of filing of the RHP with the ROC and the date hereof, and accordingly does not include all the

...continued from previous page.

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 Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(ii) 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 413 of the RHP.

Bidders/Applicants should ensure that DP ID, PAN and the Client ID and UPI ID (for UPI Bidders bidding through UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID and UPI ID available (for UPI Bidders bidding through the UPI Mechanism) in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for RBs and NIs bidding through the UPI mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Issue. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE	COMPANY SECRETARY AND COMPLIANCE OFFICER
		
HOLANI CONSULTANTS PRIVATE LIMITED 401-405 & 416-418, 4 th Floor, Soni Paris Point, Jai Singh Highway, Bank Park, Jaipur – 302016 Tel No. : +91 0141-2203996; 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 Rupaheal C. SEBI Registration Number: INR000001385	Praveen Kumar Plot No. F - 46, 47, 48, 49 EPIP, RIICO Industrial Area, Neemrana, Alwar Rajasthan-301705, India Tel: +91 – 9257025440 Email: cs@krnheatexchanger.com

AVAILABILITY OF RHP: Investors should note that Investment in Equity Shares involves a high degree of risk and investors are advised to refer to the RHP and the Risk Factors contained herein, before applying in the Issue. Full copy of the RHP will be available at the website of SEBI at www.sebi.gov.in, the website of Stock Exchanges at www.nseindia.com and www.bseindia.com the website of our Company at www.krnheatexchanger.com and the website of BRLM at www.holaniconsultants.co.in

AVAILABILITY OF BID CUM APPLICATION FORMS: Application forms can be obtained from the Registered and Corporate office of **KRN Heat Exchanger and Refrigeration Limited**, Tel No: +91-9257025440 and the **BRLM – Holani Consultants Private Limited**, Tel No: +91 0141-2203996. Bid Cum Application form shall be available at selective location of registered brokers, Bankers to the Issue, RTA and Depository Participants. Also, the Forms can be obtained from the website of Stock Exchange and at the Designated Branches of SCSBs, the list of which is available on the website of BSE, NSE and SEBI.

APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA): Investors have to apply through the ASBA process. ASBA has to be availed by all the investors. For details on ASBA process, please refer to the details given in the ASBA Form and Abridged Prospectus and also please refer to "Issue Procedure" on Page No. 410 of RHP. Further ASBA Application forms can be obtained from Designated Branches of SCSBs, the list of banks that are available on website of SEBI at www.sebi.gov.in and website of Stock Exchanges at www.nseindia.com and www.bseindia.com. The investors are required to fill the Bid Cum Application form and submit the same to the relevant SCSBs at the specific locations or registered brokers at the broker centers or RTA or DPs. The SCSBs will block the amount in the account as per the authority contained in application form. On allotment, amount will be unblocked and account will be debited only to the extent required to be paid for allotment of shares. Hence, there will be no need of refund.

BANKERS TO THE ISSUE/REFUND BANK: HDFC Bank Limited and Kotak Mahindra Bank Limited.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in RHP.

Place: Neemrana, Alwar

Date: September 19, 2024

Disclaimer: KRN Heat Exchanger and Refrigeration Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an Initial Public Issue of its Equity Shares and has filed the RHP with Registrar of Companies, Jaipur. The RHP will be available on the websites of SEBI at www.sebi.gov.in, BSE Ltd at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com respectively and is available on the websites of Holani Consultants Private Limited at www.holaniconsultants.co.in. The potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, refer to the Section titled "Risk Factors" on page 33 of the RHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision and instead should place reliance on the RHP.

The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended ("**U.S. Securities Act**"), and may not be issued or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold outside the United States in offshore transactions in reliance on Regulation under the U.S. Securities Act and applicable laws of the jurisdictions where such issues and sales occur. There will be no public issuing in the United States.

Adfactors

For KRN Heat Exchanger and Refrigeration Limited

On behalf of the Board of Directors

Sd/-

Santosh Kumar Yadav

Chairman & Managing Director

क्लिवक्स कैपिटल सर्विसेज प्राइवेट लिमिटेड (क्लिवक्स)

पंजीकृत कार्यालय: अखला कॉर्पोरेट टॉवर, प्लॉट नं. 23, 50th मॉडल, गोविंद लाल सिन्हा मार्ग, गार्डन रोड, नई दिल्ली-110008

ताबा नोटिस (परिशिष्ट IV) नियम 8 (1)

जबकि, अधोहस्ताक्षरी वित्तीय परिस्थितियों को प्रभाविकरण एवं पुनर्निर्माण और प्रतिक्रिया हेतु प्रवर्तन अधिनियम, 2002 (2002 का 54) (इसके बाद इसे "अधिनियम" कहा जाएगा) के तहत क्लिवक्स कैपिटल सर्विसेज प्राइवेट लिमिटेड (क्लिवक्स) कंपनी अधिनियम, 1956 के तहत विधिवत निर्माणित और पंजीकृत एक नॉन-बैंकिंग वित्तीय कंपनी है, जिसका पंजीकृत कार्यालय: अखला कॉर्पोरेट टॉवर, प्लॉट नंबर 23, 50th मॉडल, गोविंद लाल सिन्हा मार्ग, गार्डन रोड, नई दिल्ली-110008 है, के तहत अधिकृत अधिकारी होने के नाते और प्रतिक्रिया हेतु (प्रवर्तन) नियम, 2002 के नियम 3 के साथ पंजीकृत, अधिनियम की धारा 13(2) के तहत प्रदत्त शक्तियों का प्रयोग करते हुए, निम्नलिखित उधारकर्ताओं और सह-उधारकर्ताओं को नोटिस में उल्लिखित शर्तों को उक्त नोटिस की प्राप्ति की तारीख से 60 दिनों के भीतर चुकाने के लिए डिमांड नोटिस जारी किया गया है। उधारकर्ता/गारंट/गारंटर द्वारा राशि का भुगतान करने में विकल रहने पर, उधारकर्ता और आम जनता को एट्टेनरना नोटिस दिया जाता है कि अधोहस्ताक्षरी ने प्रतिक्रिया हेतु (प्रवर्तन) नियम, 2002 के नियम 8 के साथ परिलक्षित अधिनियम की धारा 13 की उप धारा (4) के तहत उसे प्रदान की गई शक्तियों का प्रयोग करते हुए निम्नलिखित शर्तों को नीचे वर्णित संघर्ष पर कब्जा कर लिया है। विशेष रूप से उधारकर्ता और आम जनता को एट्टेनरना घेतावनी दी जाती है कि वे उक्त संघर्ष का लेन-देन न करें और संघर्ष के साथ किसी भी तरह का लेन-देन करने पर क्लिवक्स को निम्नलिखित चुकाने और उस पर ब्याज और अन्य शुल्क का भुगतान करना होगा। प्रतिक्रिया संघर्षों को भुगतान के लिए उपलब्ध समर्थ के संबंध में अधिनियम की धारा 13 के उप-धारा (6) के प्रावधानों के तहत उधारकर्ता का ध्यान आकर्षित किया जाता है।

उधारकर्ता/सह-उधारकर्ता का नाम और पता: 1. नूर मोहम्मद पुत्र इब्राहिम, 2. रूना पत्नी नूर मोहम्मद, 3. दीन मोहम्मद पुत्र नूर मोहम्मद, 4. ताज मोहम्मद पुत्र नूर मोहम्मद, 5. समी निवासी-1949, आर्य नगर, मुराद नगर, गाजियाबाद, उत्तर प्रदेश, भारत, 201206, क्रम सं. 1 पर भी यहाँ- 343, आर्य नगर, मेन रोड मुरादनगर, गाजियाबाद

मार्ग सूचना दिनांक: 24-मई-2024, कबजे की तिथि: 17.09.2024

मार्ग नोटिस की राशि: रु. 24-मई-2024 तक रु. 74,01,589.21/- (रुपये चौहत्तर लाख एक हजार पाँच सौ नवासी और इक्कीस पैसे मात्र)

संपत्ति का विवरण: संपत्ति नं.343, (पुरानी संपत्ति नं.-1949), खसरा नंबर 734, गाँव सतनगर, आर्य नगर, मुरादनगर, परमना जलाबाद, तहसील मोदी नगर, गाजियाबाद, उत्तर प्रदेश में स्थित संपत्ति का वह सम्पूर्ण टुकड़ा और अंश जिसकी मात्रा 299 वर्ग गज है।

दिनांक: 20.09.2024

स्थान: गाजियाबाद

क्लिवक्स कैपिटल सर्विसेज प्राइवेट लिमिटेड

प्राधिकृत अधिकारी

हस्ताक्षर: गाजियाबाद

क्लिवक्स कैपिटल सर्विसेज प्राइवेट लिमिटेड

हस्ताक्षर: गाजियाबाद

हस्ताक्षर: गाजियाबाद