



KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

Registered & Work Office: Plot No.: F-46,47,48,49, EPIP, RIICO Industrial Area, Neemrana – 301705 (RJ)

CIN No.: L29309RJ2017PLC058905

Contact No. 9116629184

Date: 25th August, 2025

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

Script Code: 544263

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

Script Symbol: KRN

Subject: Notice of 8th Annual General Meeting and Annual Report for the Financial Year 2024 - 25

Dear Sir/Madam,

This is to inform that the 8th Annual General Meeting (AGM) of the Company will be held on Tuesday, the 16th September, 2025 at 03:00 PM (IST), through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), in accordance with the applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") read with relevant Circulars issued by the Ministry of Corporate Affairs ("MCA") and the Securities and Exchange Board of India ("SEBI").

Pursuant to Regulation 34 read with Schedule V to the Listing Regulations, we submit herewith the Annual Report for the Financial Year ended 31st March, 2025 and the Notice convening the 8th AGM of the Company.

In compliance with the relevant Circulars issued by MCA and SEBI, the Annual Report for the Financial Year 2024-25 and the Notice convening the 8th AGM, is being sent to all the Members whose E-mail addresses are registered with the Company/ Depository Participant(s). The said documents are also being uploaded on the website of the Company at www.krnheatexchanger.com.

The Company has fixed Tuesday, the 9th September, 2025 as the 'cut-off date' for ascertaining the names of the Members who will be entitled to cast their votes through remote e-Voting facility during Saturday, the 13th September, 2025 from 9:00 A.M. (IST) to Monday, the 15th September, 2025 till 5:00 P.M. (IST) and through e-Voting during the AGM in respect of the business to be transacted at the aforesaid AGM.

Thanking You,

For KRN Heat Exchanger and Refrigeration Limited

Jitendra Kumar Sharma
Company Secretary



(+91)-9116629184



info@krnheatexchanger.com



www.krnheatexchanger.com

Expanding Boundaries
Sustaining
Excellence



ANNUAL REPORT
2024-2025

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Please find our online version at
<https://krnheatexchanger.com/annual-report/>
Or
Simply scan the QR code below to view our previous years report:



Investor information					
CIN	ISIN	BSE Code	NSE Code	AGM Date	AGM Venue
L29309RJ2017PLC058905	INE0Q3J01015	544263	KRN	16 September,2025	Video Conferencing (VC) / Other Audio Visual

Disclaimer
This document contains statements about expected future events and financials of KRN Heat Exchanger and Refrigeration Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

ABOUT KRN

KRN AT A *Glance*

KRN Heat Exchanger and Refrigeration Limited (KRN) is a leading manufacturer and exporter specializing in precision-engineered aluminium and copper fin heat exchangers, water coils, condensers, and evaporator coils.

Serving prestigious OEMs, KRN is a trusted partner in the HVAC&R industry, delivering customized solutions that meet diverse specifications and international quality standards.

Our state-of-the-art manufacturing facility in Neemrana, Rajasthan, integrates cutting-edge technology and advanced processes under one roof, ensuring stringent quality control and quick turnaround times. We leverage deep expertise and robust R&D capabilities to

continually expand our product portfolio and manufacturing capacities.

Committed to innovation and customer-centricity, KRN recently established its wholly owned subsidiary, KRN HVAC Products Private Limited, to broaden its value-added offerings and strengthen its market reach both domestically and internationally. Exporting over one-third of our production, we strive to consistently exceed customer expectations, reinforce long-standing supplier relationships, and enhance operational efficiencies. KRN's cohesive approach to design, manufacturing, and quality firmly positions us to expand boundaries and sustain excellence in the evolving HVAC&R global landscape.

As a leading manufacturer of precision-engineered HVAC&R heat exchangers and components, KRN leverages decades of expertise to deliver innovative, high-quality solutions that create value across diverse global industries.



Leading

Preferred Partner for HVAC System Manufacturers

Growth from a single product to a multi-product manufacturing company



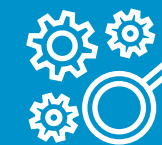
Founded in

The year 2017 in Neemrana, India



20+

Years of Experienced Leadership



150,000 Sq. ft

Factory Area



Presence in

17 Indian States 14 Countries

THEME INTRO

EXPANDING BOUNDARIES, SUSTAINING *Excellence*

In an era defined by relentless innovation and boundless opportunity, KRN Heat Exchanger and Refrigeration Limited stands as a beacon of progress—expanding boundaries and sustaining excellence at every turn. Our journey is one of purposeful evolution, where each milestone achieved becomes the foundation for new horizons and every challenge met is an invitation to redefine what's possible.

At KRN, our commitment to excellence is woven into the very fabric of our operations. As a leading manufacturer and exporter of aluminium and copper fins, copper tube heat exchangers, water coils, condensers, and evaporator coils, we have earned the trust of renowned OEMs across the HVAC&R industry. Our products power the ambitions of industry giants—testament to our unwavering dedication to quality and performance.

Our state-of-the-art manufacturing facility, equipped with cutting-edge technologies sourced globally, enables us to deliver customized, high-performance solutions that cater to the diverse needs of domestic, commercial, and industrial applications.

Whether it's optimizing climate control in residential spaces, supporting the vast cooling demands of commercial complexes, or empowering the precision required in data centres and critical infrastructure, KRN's advanced coil designs are at the heart of progress.

As the world embraces the transformative power of artificial intelligence and digital connectivity, the demand for robust, reliable cooling solutions has never been greater. KRN rises to this challenge, ensuring that data centers—the backbone of the digital age—operate seamlessly, efficiently dissipating heat and safeguarding mission-critical operations. Our expertise in thermal management not only sustains the excellence of today's infrastructure but also enables the innovations of tomorrow.

As we chart the course ahead, our vision remains clear: to expand the frontiers of what's possible, to sustain the trust we have earned, and to empower a future where excellence is not just maintained, but continually reimagined. At KRN Heat Exchanger and Refrigeration Limited, we are not just keeping pace with change—we are driving it, one innovation at a time.

We believe that true leadership is defined by the courage to push boundaries while remaining steadfast in our pursuit of excellence. Through rigorous quality standards, rapid turnaround times, and a relentless focus on customer satisfaction, we continue to exceed expectations and set new benchmarks in our industry.



Our certifications underscore a steadfast dedication to excellence, ensuring reliability and customer trust in every aspect of our operations.

VISION

To pursue and consolidate the position of Leadership through Dedication, Innovation and Passion.

MISSION

To maximize the value creation of all the clients of the company through supply of cost effective products, services through integration of people, technology, process and business system.

VALUES

To provide excellent solution to our customers in terms of customizations and in accordance with international standards. We utilize our experience for continuous improvement in our products & processes to provide long-life products to the end user.



OUR STRENGTH

OUR SOURCE OF SUSTAINING *Excellence*

Industry Leader

As a premier manufacturer and exporter of aluminium and copper fins, copper tubes, heat exchangers, water coils, condensers, and evaporator coils, we serve leading OEMs in the HVAC&R industry.

Our products consistently meet and exceed international quality standards.

Scalable Architecture

Our flexible manufacturing capabilities allow seamless adaptation to evolving design specifications and fluctuating demand, empowering us to thrive amid dynamic market conditions and promotional strategies.

Customer Driven

Delivering tailored designs that precisely align with each customer's unique requirements, we place client satisfaction at the heart of our innovation.

State-of-the-Art Facility

Equipped with cutting-edge production and testing technologies, our advanced manufacturing infrastructure ensures uncompromised quality and operational efficiency.

Design Expertise

Backed by over two decades of industry experience, our deep engineering proficiency drives innovation and excellence across all products..

Quality Assurance

Our coils rigorously comply with stringent quality, performance, and safety standards, reinforcing our commitment to reliability.

Responsiveness

We provide swift, effective support and solutions that address both ongoing and new customer demands with precision.

Quick Turnaround Time

Committed to delivering within defined timelines, our production processes ensure timely fulfilment without compromising quality.

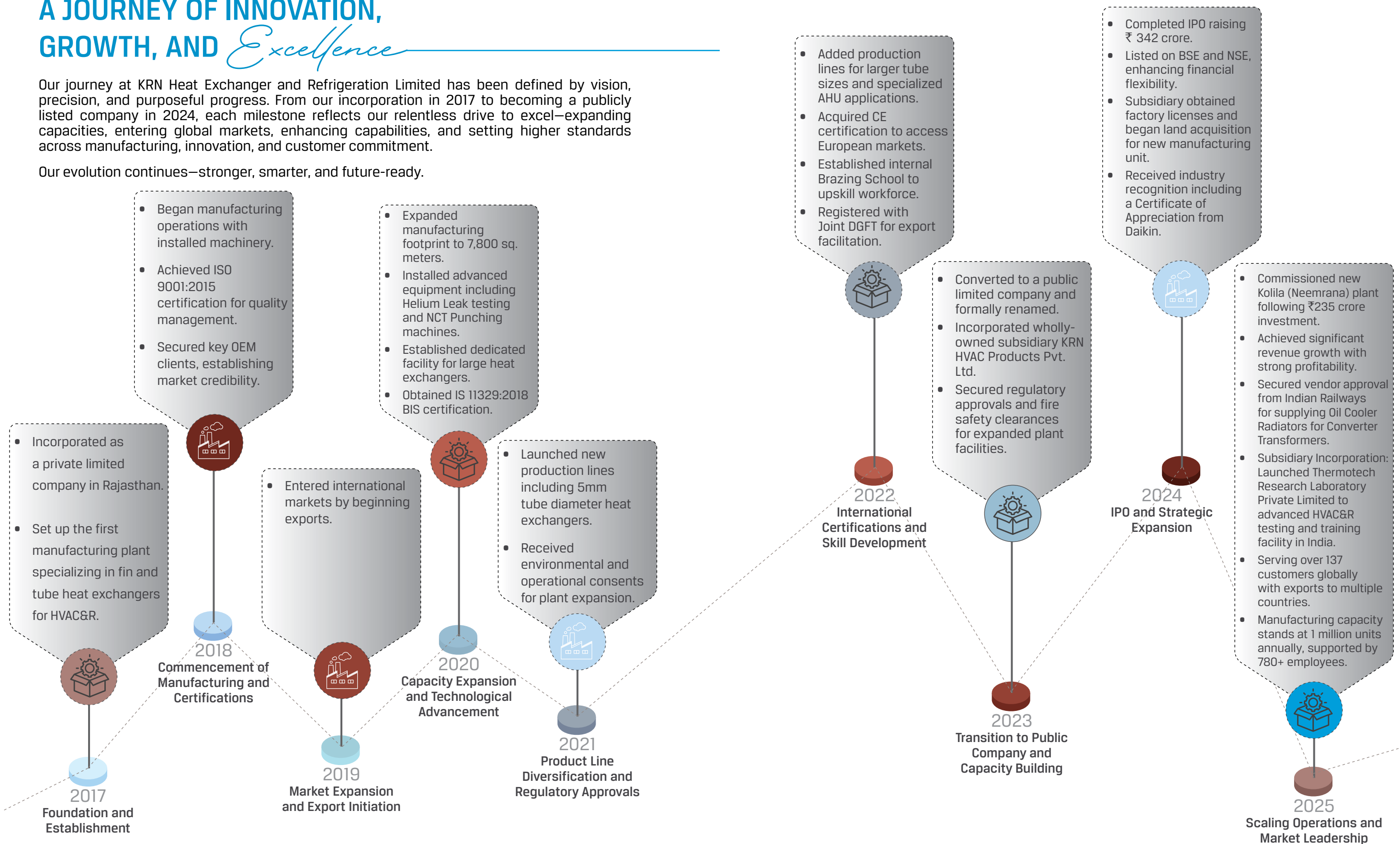


OUR STRENGTH

A JOURNEY OF INNOVATION, GROWTH, AND *Excellence*

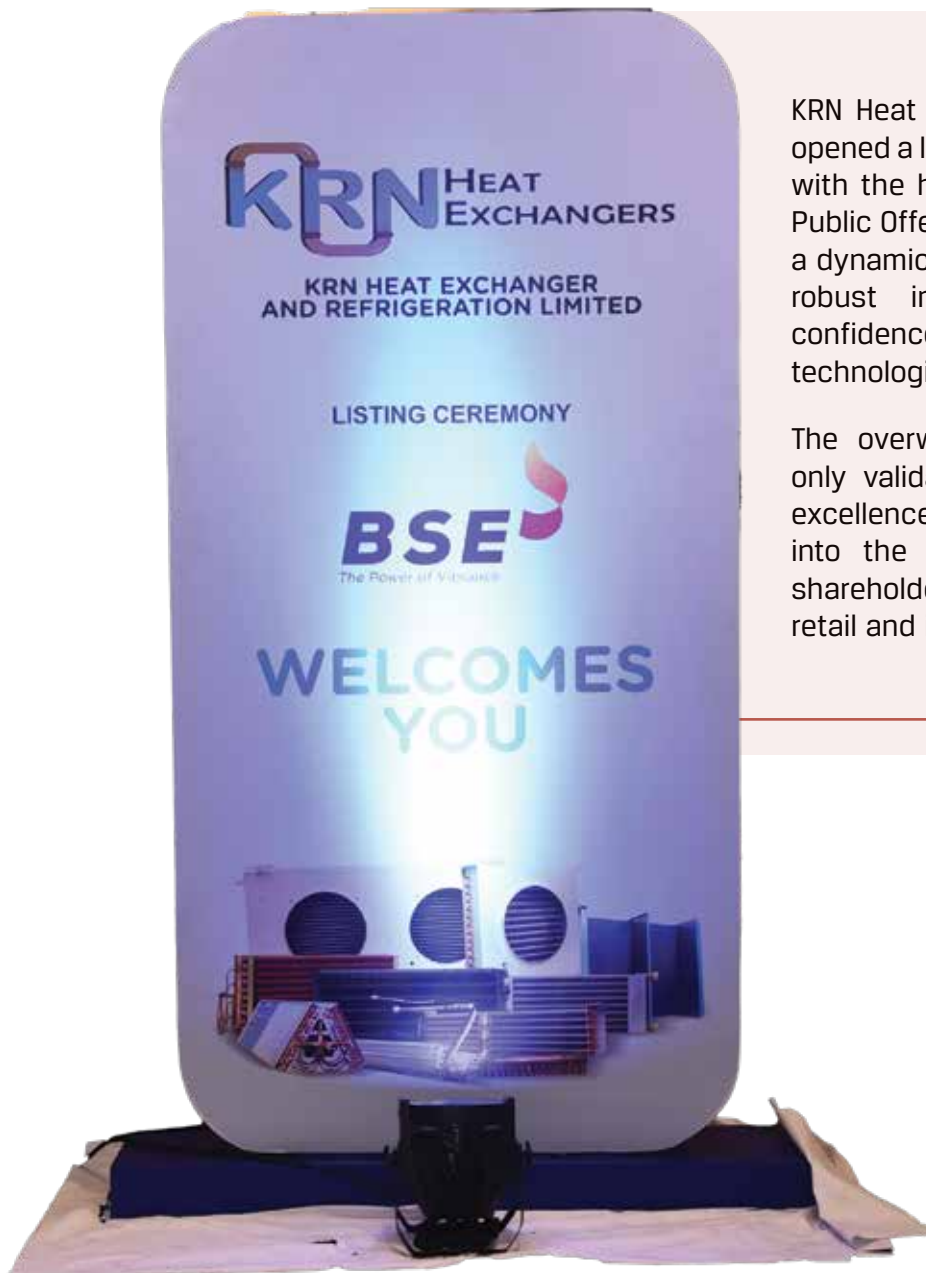
Our journey at KRN Heat Exchanger and Refrigeration Limited has been defined by vision, precision, and purposeful progress. From our incorporation in 2017 to becoming a publicly listed company in 2024, each milestone reflects our relentless drive to excel—expanding capacities, entering global markets, enhancing capabilities, and setting higher standards across manufacturing, innovation, and customer commitment.

Our evolution continues—stronger, smarter, and future-ready.



IPO

IPO LAUNCH: USHERING IN A NEW EPOCH OF *Growth*



KRN Heat Exchanger and Refrigeration Limited opened a landmark chapter in its growth journey with the highly successful launch of its Initial Public Offering (IPO) on October 3, 2024. Amidst a dynamic market landscape, the IPO attracted robust investor enthusiasm, underscoring confidence in KRN's resilient business model, technological prowess, and long-term vision.

The overwhelming response to the IPO not only validated our track record of sustained excellence but also marked our formal entry into the capital markets, broadening KRN's shareholder base to include a diverse mix of retail and institutional investors, both domestic

and global. What started as a privately held enterprise—rooted in innovation and precision engineering—now proudly welcomes new partners into its fold, united by shared aspiration and belief in KRN's future.

The listing symbolizes more than just financial achievement; it embodies our commitment to transparency, corporate governance, and inclusive value creation. The fresh capital raised will empower KRN to accelerate capacity expansion, invest in advanced technologies, and extend our global reach—fuelling the next phase of transformational growth.

As we embark on this exciting journey as a listed company, KRN pledges to deliver enduring value and make every shareholder proud to be part of our story. Together, we look forward to expanding boundaries and sustaining excellence—today and for generations to come.



03 10 2024
IPO OPENING DATE

3RD OCTOBER 2024
A MOMENTOUS DAY MARKING
KRN'S DEBUT ON NSE & BSE

214.42
TIMES

IPO SUBSCRIBED

₹ 342 Cr.
DEAL

TOTAL DEAL SIZE



PRESENCE

SUSTAINING *Excellence* ACROSS CONTINENTS

Local Roots, Global Reach

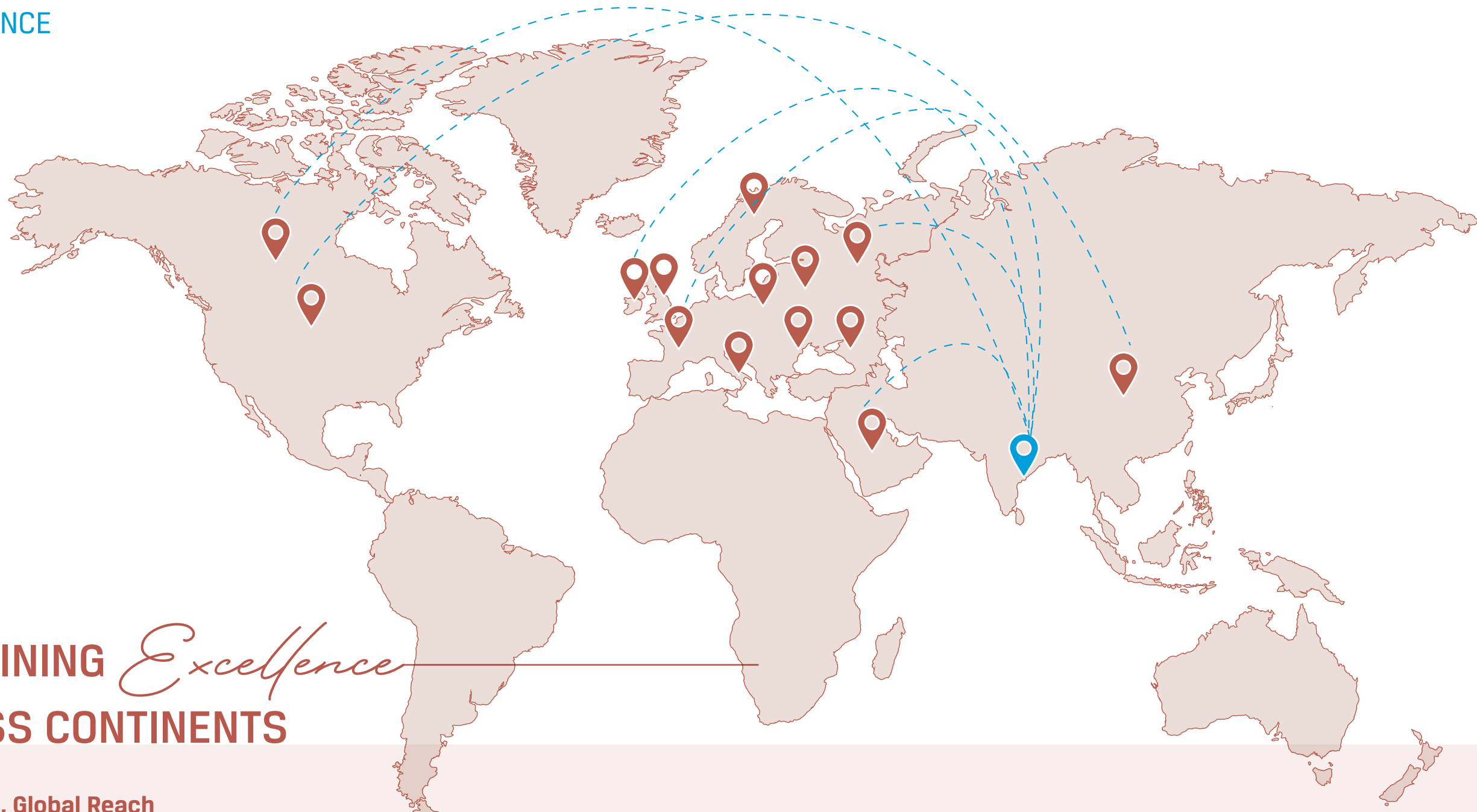
What began as a proudly Indian endeavour has evolved into a distinguished global supplier of advanced heat exchange solutions—a transformation powered by our unwavering drive for innovation, engineering finesse, and readiness to anticipate tomorrow's needs. Today, we are shaped as much by the spirit

of Atmanirbhar Bharat as by the scale and sophistication of our international presence.

With strong roots across 17 states in India and a rapidly expanding reach to 14 countries worldwide, our vision is simple yet bold: excellence knows no boundaries. KRN's integrated operations

are underpinned by an extensive multimodal supply chain network. This enables efficient raw material sourcing and ensures our products reach customers swiftly and reliably—making us a trusted partner for a diverse global clientele.

As we take Indian ingenuity to the world, we are redefining what it means to be locally rooted and globally renowned—delivering solutions that connect industries, power progress, and sustain the futures of communities near and far.

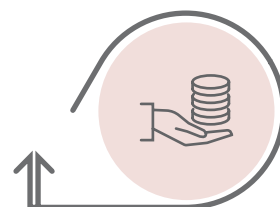


KEY HIGHLIGHTS FY 2024-25

FINANCIAL

Our broad industry presence and strategic customer base enable us to deliver consistent growth

₹ **429.85 Cr**
Revenue
39.44 % YoY



31.75%
Revenue CAGR



₹ **70.51 Cr**
EBIDTA
20.63 % YoY



19.85%
EBIDTA CAGR



₹ **52.88 Cr**
PAT
34.25 % YoY



25.55%
PAT CAGR



16.81%
ROE



14.61%
ROCE



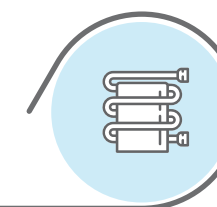
OPERATIONAL

We translate strategies into tangible outcomes, delivering excellence through our expertise, with a strong focus on quality and timely execution.

2
Manufacturing
Facilities



5 MM to 15.88 MM.
Heat exchanger tubes



1 Mn
Units annually
Total Production
Capacity



> 90%
Capacity Utilisation



7+
Certificates



780+
Team Strength



6
Product Portfolio



11
End-Use
Product Category



*Consolidated

OPERATIONAL EXCELLENCE



BUILDING SUCCESS ON OUR CORE *Strengths*

Our strengths lay the foundation for our success. We continuously enhance our capabilities across every vertical, establishing a solid base for sustainable and long-term value creation.

Strong and highly experienced Leadership

At the helm of KRN is Chairman and Managing Director Mr. Santosh Kumar Yadav, whose robust leadership drives the company's success. Holding diplomas in Business Management from the Institute of Management Technology, Ghaziabad, and Mechanical Engineering from the Board of Technical Education, Rajasthan, he combines academic excellence with over 20 years of hands-on experience in manufacturing heat exchangers and refrigeration units. His unwavering commitment to operational excellence and customer-centric, customized solutions aligned with international standards is foundational to KRN's sustained growth.



Santosh Kumar Yadav
Chairman and Managing Director

EXPERIENCED LEADERSHIP

Message from **CHAIRMAN AND MANAGING DIRECTOR**

Expanding Boundaries, Sustaining Excellence

As we close the FY 2024-25, I am honoured to address you at this time of remarkable progress and renewed ambition for KRN Heat Exchanger and Refrigeration Limited. This year, the successful completion of our Initial Public Offer (IPO) was a pivotal achievement, reflecting the deep trust of our stakeholders and the commitment of our team. The IPO not only fortified our financial position but also enhanced our reputation, unlocking new opportunities for sustainable growth and value creation.

Global and Domestic Landscape: Navigating Uncertainty with Resilience

The global economy continues to operate within a dynamic and challenging environment. Geopolitical tensions, shifting trade alignments, inflationary pressures, and supply chain recalibrations remain significant concerns. However, amidst this volatility, the industrial sector – particularly energy efficiency and climate-resilient solutions – has emerged as a resilient growth pillar. Increasing investments in decarbonization, renewable energy integration, and smart infrastructure are reshaping the heat exchanger and refrigeration industry worldwide.

On the home front, India's economic outlook is exceptionally promising. Government initiatives like "Make in India" and "Atmanirbhar Bharat" have spurred growth across manufacturing, infrastructure, and sustainable technologies. The Indian heat exchanger sector is projected to reach

USD 1.87 billion by FY 2031-32, growing at nearly 9% annually. Demand is being driven by sectors such as HVAC, food processing, cold chains, data centres, and healthcare—all areas where KRN is well positioned to provide innovative solutions.

At KRN, we are deeply embedded in this evolving landscape – both as a contributor and a beneficiary.

Industry Landscape: Opportunities in Transition

The Indian Heat Exchanger industry is undergoing a transformation. From being cost-driven and commodity-focused, it is now pivoting toward customized, efficient, and sustainable solutions. With increasing adoption of international standards, digital monitoring technologies, and low-GWP refrigerants, the market is expanding in both scope and sophistication.

In this vibrant landscape, KRN stands out – as a partner of choice for OEMs and industrial customers – with a product portfolio that balances scale, precision, and performance. Our six product lines, backed by two manufacturing facilities, are capable of catering to a wide range of applications, from air-conditioning and refrigeration to process cooling.

Strategic Strengths and Growth Roadmap: Building on a Strong Foundation

FY 2024-25 has been a defining year for us. Our consolidated revenue reached ₹ 429.85 Cr, with EBITDA of ₹ 70.51 Cr and net profit of ₹ 52.88 Cr –

underscoring our operational strength and market relevance. Our ROE of 16.81% and ROCE of 14.61% reflect healthy capital efficiency.

But beyond numbers lies the core of our strategy – differentiation through innovation, customer intimacy, and operational excellence.

We continue to invest in product innovation and R&D – from frost-free evaporators and wire-on-tube condensers to roll bond evaporators and finned tubes – aimed at enabling energy-efficient, compact, and environmentally responsible solutions. Our dedicated in-house R&D centre has a specialized team focuses on innovative heat exchanger designs to improve efficiency and meet customized customer specifications. This centre underpins our commitment to quality, product innovation, and aligning with international standards. Our rigorous testing protocols and proprietary coatings stand as proof of our commitment to quality. Our commitment to quality is unwavering, with our products undergoing stringent quality checks and adhering to industry accreditations such as BIS Product Certification (IS 11329: 2018), SZUTEST Conformity Certificate (2215001), and ISO 9001:2015 for manufacturing excellence

The recent green light as an approved vendor by the Ministry of Indian Railways is a testament to our quality and reliability, opening avenues in high-growth sectors such as railway electrification. By venturing into distribution and sales channels through forward integration, we will gain greater control over marketing and customer engagement, enhancing brand visibility and fostering direct relationships with end-users. This initiative will not only improve operational efficiency but also strengthen KRN's position across the value chain, supporting sustainable growth and increased revenue potential domestically and internationally.

Further, our diversified customer base across 11 end-use segments and robust production capacity of 1 million units annually positions us well to scale new frontiers. With upcoming products and

enhanced automation, we are well-poised to tap into both domestic and international demand.

Performance and Future Growth

FY 2024-25 was marked by strong financial results and strategic investments. Our revenue from operations for FY 2024-25 reached ₹ 429.85 Cr, representing healthy year-on-year growth. Net profit rose to ₹ 52.88 Cr, and our net profit ratio was a robust 12.30 %. Over the years, we have achieved a revenue CAGR of nearly 31.75 % and a net profit CAGR exceeding 25.55 %. Our improved debt-to-equity ratio of 0.07 highlights our sound financial management.

To expand the business of our Company and to reap the benefits of forward integration, the funds raised through our IPO are being invested in expanding our manufacturing capabilities via our wholly-owned subsidiary, KRN HVAC Products Private Limited. The new facility in Neemrana, Alwar, will allow us to introduce new products such as roll bond evaporators, oil cooling units, and bar and plate heat exchangers—addressing the evolving needs of sectors like railways, compressor manufacturing, and refrigeration.

ESG Commitment: Growth with Responsibility

At KRN, growth is not just about economic performance – it is about purpose. Our ESG agenda reflects our belief that responsible business is sustainable business.

We are focused on reducing our energy, carbon and water footprint, minimizing waste, and adopting green energy solutions in our facilities. We support community upliftment through education, vocational training, and health initiatives, while ensuring inclusivity and safety within our workforce. Our Board-led frameworks ensure transparency, risk management, and stakeholder accountability – guided by integrity and long-term orientation.

We have mapped our ESG efforts to the UN Sustainable Development Goals and will continue to deepen our impact.



“In this vibrant landscape, KRN stands out – as a partner of choice for OEMs and industrial customers – with a product portfolio that balances scale, precision, and performance. Our six product lines, backed by two manufacturing facilities, are capable of catering to a wide range of applications, from air-conditioning and refrigeration to process cooling.”

Looking Ahead

I extend my sincerest gratitude to our dedicated employees, whose hard work and commitment are the driving force behind our success. We are equally thankful to our valued customers, suppliers, and all stakeholders for their continued trust and support. Together, we will continue to expand boundaries and sustain excellence, driving KRN towards a future defined by innovation, resilience, and shared success.

Warm Regards,

Santosh Kumar Yadav
Chairman and Managing Director

PRODUCTION CAPABILITY

ENGINEERING *Excellence* THROUGH STRATEGIC INTEGRATION OF CAPACITIES

Established in August 2017, KRN's manufacturing facility spans over an extensive area of 150,000 Sq Ft. It is strategically located in the E.P.I.P. Zone of RIICO Neemrana, Rajasthan, which holds significance as part of the Delhi-Mumbai Industrial Corridor (DMIC) and the Delhi-Mumbai Freight Corridor.



KRN's manufacturing facility stands at the core of our business excellence—designed to deliver precision, scalability, and reliability in line with the evolving needs of our global clientele. Our entire manufacturing operations are carried out at our consolidated manufacturing facility comprising 2 industrial plots situated in the RIICO Industrial Area, Neemrana, Rajasthan. Built on a strong foundation of over two decades of engineering expertise, our state-of-the-art manufacturing unit is equipped to seamlessly carry out end-to-end processes—from product design and development to material sourcing, precision assembly, testing, and final packaging—all under one roof.

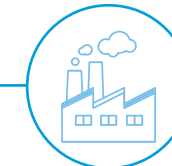
We operate a dynamic, technology-driven setup that ensures better control over quality, consistency, and efficiency. Our advanced machinery and infrastructure not only enable us to cater to bespoke and highly stringent specifications across HVAC&R applications but also give us a competitive edge through reduced reliance on external job work—translating into cost advantages for our customers without compromising on quality.

Strategically located and built for scale, our facility empowers us to serve a diverse, global customer base with tailored solutions delivered on time and to exacting standards. Every component that leaves our floor is a reflection of our commitment to excellence, innovation, and customer-centric manufacturing.

Aligned with the vision of Atma Nirbhar Bharat, we continue to build a resilient, future-ready manufacturing foundation that meets growing domestic needs and bolsters our presence in global HVAC&R supply chains.



150,000 Sq ft
Manufacturing Facility



1 million units
Installed production capacity



Machineries

We have modern, well-equipped manufacturing facilities featuring a strategic mix of indigenous and imported machinery. Our core equipment includes:

- **Fin Processing Machines:** Specialized units that form and press fins onto tubes to maximize heat transfer efficiency.
- **Brazing Processing Machines:** Essential for joining fin and tube assemblies, ensuring strong, leak-proof bonds.
- **Vertical Expansion Machines:** Used to expand tubes vertically for tight fitting with fins, enhancing assembly integrity.
- **Tube Processing Machines:** High-precision equipment for cutting, bending, and end-forming tubes used as headers or coils.
- **Bending Machines:** For accurate shaping of tubes and headers to custom designs without material compromise.

- **Drying & Cleaning Machines:** Maintain surface quality by removing contaminants and preparing components for coating.
- **Header (Piping) Processing Machines:** Dedicated to fabricating and assembling fluid distribution headers within heat exchangers.
- **Painting Machines:** Automated units that apply protective coatings for corrosion resistance and finish.
- **Material Handling Equipment:** A broad range of machines facilitating efficient movement of components and finished goods.
- **Testing Machines:** Including helium leak detection and pressure testing devices to ensure product quality and compliance.
- **Sheet Metal Processing Machines:** Such as punching, cutting, and CNC bending machines for fabricating casings and structural parts.
- **Tools and Utility Machines:** Support equipment enabling smooth and efficient production processes.

This robust machinery portfolio reflects our continuous investment in technology upgrades and underpins its capability to deliver reliable, high-quality, customized heat exchanger solutions to global clients.



PRODUCT PORTFOLIO

Excellence ENGINEERED

Evaporator Coils



KRN's evaporator coils are manufactured using high-grade copper tubing and aluminum fins, ensuring faster cooling cycles and efficient refrigerant flow. These coils are engineered for maximum thermal efficiency and are ideal for both industrial and commercial refrigeration systems.

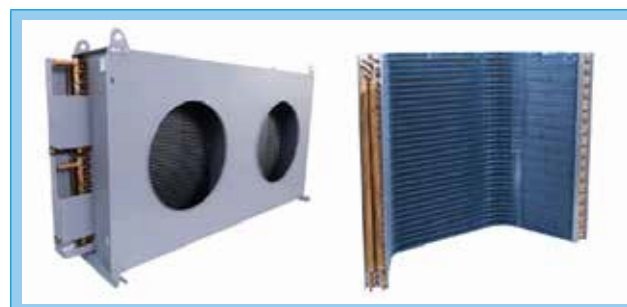
Key Features:

- Fin spacing from 1.15 to 8.5 mm for various HVAC and refrigeration systems; Customizable fin patterns
- Hydrophilic coating prevents water droplets in refrigerated spaces.
- Multiple refrigerant circuits ensure balanced distribution.
- Dual evaporators for industrial and transport use.
- Defrosting with electrical heaters or hot gas circuits.
- Bent coils with end plates for heat pumps.
- High heat transfer efficiency
- Low pressure drop
- Customizable fin patterns

Applications:

- Cold rooms
- Commercial freezers
- Process chillers
- Food and dairy storage units

Condenser Coils



KRN offers high-performance condenser coils that provide excellent corrosion resistance and mechanical strength. Suitable for various refrigerants, these coils are ideal for demanding cooling applications.

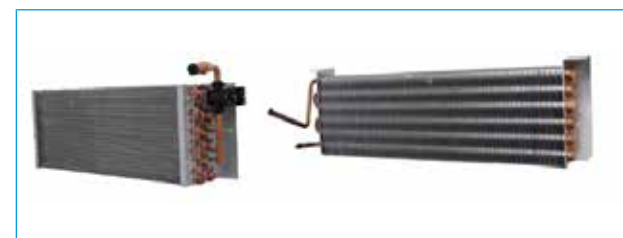
Key Features:

- Designs include end plates, frames, or casings for fan mounting,
- Made from galvanized steel, aluminum, stainless steel, brass, and copper.
- Custom painting and bent coils for compact units.
- Subcooling circuits and additional valves optional.
- In-house production ensures quality control.
- Anti-corrosion coatings available
- Seamless copper tubing
- Enhanced fin geometry

Applications:

- Used in HVAC, refrigeration, and transport for heat dissipation
- Heat recovery systems
- Supermarket refrigeration

Fluid and Steam Coils



Built for steam and hot water applications, KRN's fluid and steam coils are designed to deliver consistent performance in high-temperature and industrial environments.

Key Features:

- Fluid coils heat or cool air by circulating fluid through finned tubes.
- Working fluids include water, glycol solutions, brine, or other viscous fluids.
- Designed to handle high temperature, pressure, and condensate removal.
- Compatible with high-temperature fluids
- Multiple row configurations
- Leak-proof headers and end-plates

Applications:

- Fluid Coils are used in AHUs, dry-coolers, fan-coils, oil coolers, and other systems
- Steam coils are used for heating and processing in HVAC and industrial applications
- Textile and dyeing industry
- Hospitals and laboratories
- Process heating plants

KRN Heat Exchanger and Refrigeration Limited's product portfolio exemplifies the company's commitment to quality, engineering precision, and customer-centric innovation. Designed to meet the evolving needs of industries across HVAC, refrigeration, and process cooling, each product category is manufactured with a focus on performance, energy efficiency, and durability.

Condensing Units & Air-Cooling Units



KRN manufactures compact and energy-efficient condensing and air-cooling units, tailored for modern commercial refrigeration applications.

Key Features:

- A refrigeration circuit includes a compressor, condenser, throttle device, and evaporator.
- The compressor sends refrigerant to the condenser to release heat.
- Refrigerant passes through the expansion valve into the evaporator to absorb heat.

- The condensing unit consists of a compressor, condenser coil, and fan motor.
- The air-cooling unit consists of an evaporator coil, fan motor, controls, and optional defrost heaters.
- Custom units available in various sizes and designs.
- Compact footprint
- High static fan motors
- Environmentally friendly refrigerants

Applications:

- Undercounter chillers
- Display cabinets
- Ice-cream freezers
- Pharmaceutical coolers

Sheet Metal Parts



KRN's sheet metal components are custom-fabricated for strength and reliability. These parts support structural and protective requirements in thermal systems.

Key Features:

- Produce custom sheet metal components (e.g., end plates) for coils and condensing units.

- Utilize advanced hydraulic and CNC punching machines for precision.
- Provide tailor-made parts for in-house assembly with high-quality materials
- Galvanized/stainless steel options
- Corrosion-resistant powder coating
- Light-weight and structurally sound

Applications:

- Equipment housing
- Mounting frames
- Enclosures and support structures

Headers / Copper Parts



KRN's copper headers and branch circuits ensure precise refrigerant distribution and high system integrity. Each unit is built to meet stringent customer specifications.

Key Features:

- Capable of manufacturing copper headers in various shapes, sizes, and fits.

- Utilize advanced machines like CNC tube bender, CNC end forming, CNC flute punching, and Tube T-drill.
- Primarily produce headers for captive consumption, with customized options available per client specifications
- High brazing strength
- Leak-resistant joints
- Precision-drilled distribution holes

Applications:

- HVAC systems
- Multi-circuit cooling modules
- OEM assemblies

At KRN, we tailor our products' dimensions and capacities to precisely meet customer requirements, ensuring bespoke solutions across the HVAC&R industry. Rigorous testing and adherence to international standards, including UL certifications, guarantee the safety, durability, and performance of every product. This unwavering commitment to quality has established KRN as a trusted partner.

As we expand our product portfolio, we remain dedicated to "Expanding Boundaries, Sustaining Excellence," consistently delivering high-value solutions to global customers.



R&D AND DESIGN CAPABILITIES

Effective **QUALITY CONTROL AND CHECKS**



Our products are designed to meet international quality standards and offer customization based on client needs. Key aspects of our quality and operational excellence include:

1. **Advanced Coatings:** We apply nano coating and powder coating to copper tubes, brazing joints, and fin sheets to improve longevity and corrosion resistance, ensuring efficient heat exchanger operation and reduced maintenance costs
2. **Stringent Testing:** We maintain an in-house facility for checking the quality of the manufactured products. The 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 their customers.
3. **Certifications:** We hold various industry certifications, demonstrating our commitment to quality and compliance. We produce coils of international standards, in terms of performance, quality and safety. The company adheres to some of the industry's best-quality product accreditations.
4. **Trained Personnel:** Key employees of the 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 established an internal Brazing school in 2022 to enhance staff skills.
5. **Multilevel Quality Checks:** We have a dedicated quality management team consisting of 41 employees including 25 contractual employees. The raw materials undergo a quality check, and they 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 their final products, the 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 consistent delivery of good quality products, enhancing their brand value.
6. **Latest Technology:** We have integrated the latest technology in plant and machinery to deliver exceptional products. Committed to maintaining high-quality standards, we have established a well-equipped quality control lab featuring cutting-edge testing equipment for comprehensive assessments.



At KRN, innovation is woven into our DNA—driving progress as an ongoing mindset rather than a single achievement. Our unwavering commitment to research and development, alongside cutting-edge design capabilities, keeps us at the leading edge of technological advancement. By continually investing in R&D and state-of-the-art manufacturing, we are primed to anticipate and address the evolving requirements of our diverse customers.

Driven by vision of "Expanding Boundaries, Sustaining Excellence", we are actively pursuing a robust growth strategy that involves expanding product portfolio, increasing market footprint, and enhancing operational efficiencies through continuous innovation and adherence to stringent quality standard.

Product innovation and development as a core competency, we have a dedicated in-house product design and development centre located at our manufacturing facilities in Neemrana, Rajasthan. This team focuses on creating new heat exchanger designs based on customer specifications to enhance product efficiency.

KRN acknowledges the need to continually invest in R&D and adapt to new technologies, such as microchannel heat exchangers (MCHX), to avoid product obsolescence and maintain competitiveness. The design team, consisting of skilled and experienced professionals, utilizes 2D design software such as AUTO CAD, as well as 3D design software like SOLID WORKS and Unilab SRL. These two are Heat Transfer Software for design optimization. They evaluate the technical specifications and applications of your new products and accordingly offer the design recommendation for high performance products. These also assist in improving the system performance of their existing products.



ROBUST R&D AND DESIGN *Capabilities*

Our research and development team drives progress by pioneering next-generation solutions. Through relentless innovation, we enhance our manufacturing strengths, accelerate product evolution, and generate sustained, meaningful value for our stakeholders.

MARQUEE CLIENTELE

PARTNERS IN *Progress*



“By aligning with the global outsourcing strategies of OEMs, we have positioned ourselves as a preferred partner in their value chain. These relationships fortify our market strength, deepen industry connections, and allow us to scale with confidence—ensuring that as our clients grow, we grow with them, as true partners in progress.”

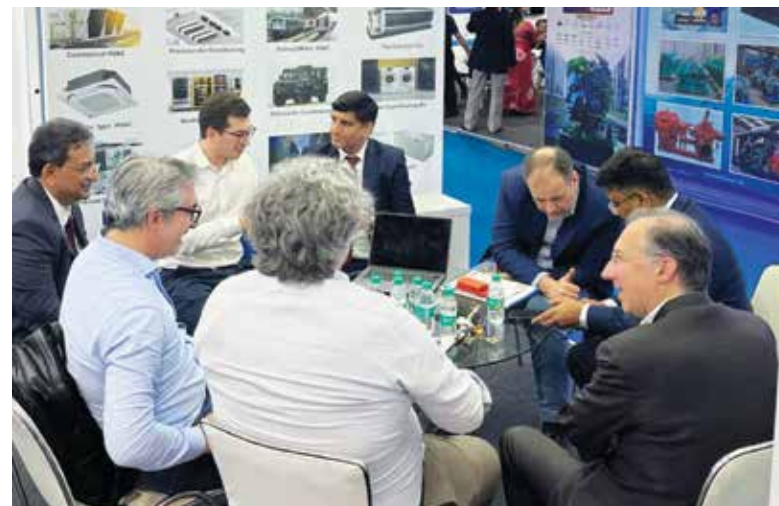
At KRN Heat Exchanger and Refrigeration Limited, building sustained, long-term relationships with our customers is at the core of our business philosophy. From our inception, we have focused on understanding client requirements and consistently meeting market demand with precision-engineered, high-quality products.

Our state-of-the-art, automated manufacturing facilities are designed for scalable, cost-competitive production supported by rigorous research and development. This, coupled with consistent quality, on-time delivery, and advanced testing processes, has earned us the trust of marquee OEMs and resulted in repeat orders across product categories.

These long-standing relationships enable us to better anticipate evolving client needs, facilitate co-development of innovative solutions, and attract new business opportunities within the same industry. The strength and continuity of our customer

partnerships—some of which have endured since our incorporation—stand as a testament to our unwavering commitment to excellence, reliability, and mutual growth.

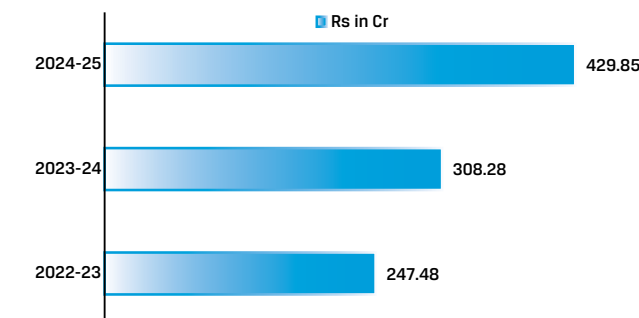
Together with our clients, we continue to shape the future of HVAC&R solutions—one partnership at a time.



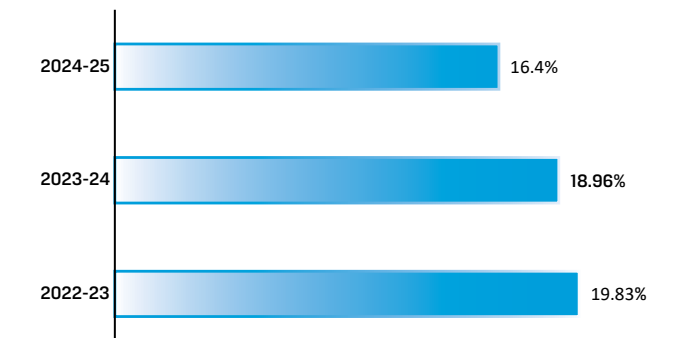
FINANCIAL PERFORMANCE

FINANCIAL *Performance*

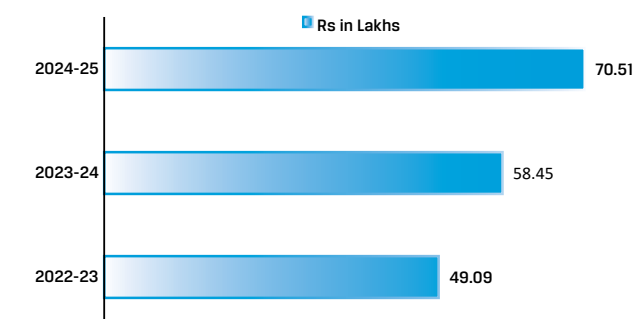
Consolidated Revenue from Operations (₹ in Cr)



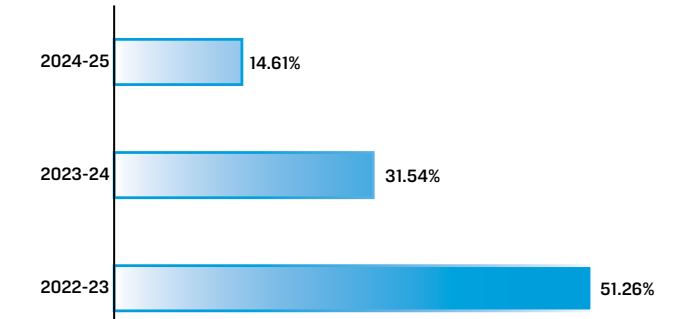
EBITDA Margin (%)



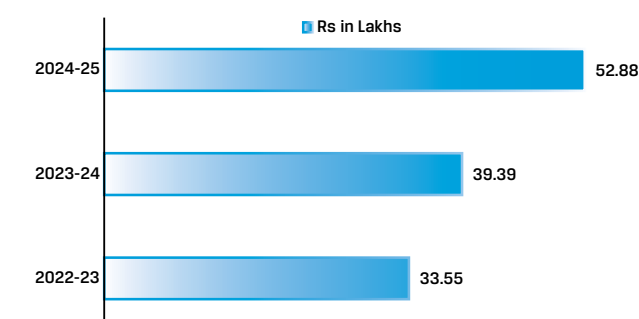
EBITDA (₹ in Lakhs)



RoCE (%)



PAT (₹ in Lakhs)



EPS (₹)



EBITDA: Earnings before interest, taxes, depreciation and amortisation
PAT: Profit after Tax

ROCE: Return on Capital Employed
EPS: Earning Per Share

¹ The FY23 figures are standalone, while the FY24 and FY25 figures are consolidated

STRATEGIC EXCELLENCE

EXPANDING GROWTH WITH STRATEGIC *Imperatives*

At KRN, we foresee a future filled with remarkable possibilities in precision-engineered HVAC&R components. Driven by multiple growth catalysts, we are strategically positioned to harness these opportunities and strengthen our leadership in the evolving engineering landscape. In this section, we present the strategic imperatives that shape our approach to capturing value and driving sustained success.

Expanding our customer base

We are strategically deepening our reach within existing markets while aggressively widening our customer network to reduce dependency risks and tap new growth avenues. Leveraging our expanding manufacturing capacities—including a major sixfold scale-up—and investments in a state-of-the-art subsidiary facility, we are poised to meet surging demand domestically and internationally. By enhancing product distribution and diversifying our portfolio across new sizes and applications, we are unlocking significant market potential and reinforcing our position as a trusted leader in heat exchangers. This robust expansion framework aligns with our commitment to capturing emerging opportunities in the rapidly growing HVAC&R sector, ensuring sustained value creation for customers and stakeholders alike.

137 customers

Served in FY 2024-25

73.21% of revenue

From Top 10 customers

Driving Operational Excellence to Enhance Returns

Delivering high-quality products at competitive prices is fundamental to sustaining and expanding our operations. We are committed to continuously enhancing cost efficiency through targeted initiatives across manufacturing, sourcing, and operational strategies. By optimizing manpower, implementing rigorous cost reduction measures, and applying value analysis techniques, we aim to strengthen our operational efficiencies as a core business strategy—ensuring long-term competitiveness and value creation for our customers and stakeholders alike.

Strengthening Our Product Portfolio with Quality Focus

At KRN, delivering high-quality, safety-compliant products is vital for customer loyalty and sustained repeat business. We prioritize close collaboration with our customers to deepen relationships and gain critical insights into market perceptions and evolving demand. To broaden our product portfolio, we established our wholly owned subsidiary, KRN

HVAC Products Private Limited, on April 7, 2023, to set up a new manufacturing facility focused on producing products beyond our current range using the Net Proceeds of the Issue. Our strategic focus remains on launching innovative product designs tailored to customer needs while attracting new clientele. This approach not only strengthens ties with our existing customer base through an expanded offering but also enables us to tap into new geographies. Driven by an ever-evolving global demand for unique, high-quality, and competitively priced products, our management team continuously pursues the identification and development of novel products and designs to sustain growth and market relevance.

Continuous Advancement in Design and Development

At KRN, we pride ourselves on a dedicated in-house product design and development centre integrated within our manufacturing facilities. Our skilled design team specializes in creating innovative heat exchanger designs tailored to the precise specifications of our customers, aiming to enhance their product efficiency. Looking ahead, we are committed to expanding our design and development capabilities to deliver industry-leading heat exchangers—strengthening our ability to achieve our strategic business objectives and consistently exceed customer expectations.

This strategic investment aims to better serve existing customers, address the requirements of large customers, and facilitate expansion into new verticals such as railways (for electric engines), compressor manufacturing, and refrigerator manufacturing companies.

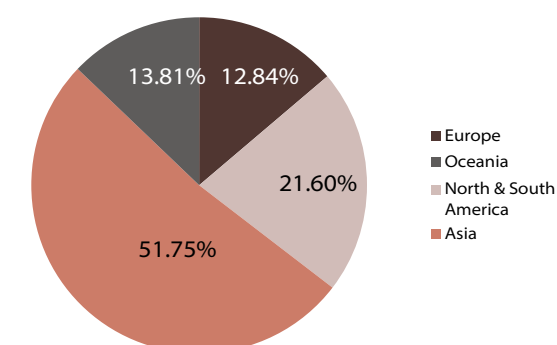
Along with these new products we aims to:

- Expand its customer base and deepen its market penetration, both domestically and internationally, to reduce dependency on its top customer
- Increase operational efficiencies through various manufacturing, sourcing, and cost reduction strategies, including manpower optimization and value analysis techniques
- Enhance existing product offerings and quality by interacting closely with customers to understand market needs and introducing new product designs.

Expanding Boundaries and Fortifying Presence

We are committed to broadening our customer base and increasing market share by intensifying sales efforts in existing territories while strategically entering new geographies. Over the years, we have successfully expanded our customer network across Europe, which remains a cornerstone of our growth strategy. Our extensive product portfolio and strong brand recognition instill confidence in new customers, encouraging deeper engagement. Moving forward, we will concentrate on key markets like North America and Europe, building a robust local presence, nurturing strategic partnerships, and leveraging our development expertise to fully capture growth opportunities. Central to this approach is our unwavering focus on acquiring new clients, strengthening existing relationships, and consistently delivering high-quality products that drive lasting value.

Continent Wise Revenue Breakup



CHARTING NEW *Frontiers*

Globally there is rising demand for energy-efficient refrigeration, expansion of the food and beverage sector, and adoption of eco-friendly refrigerants. In response to growth opportunities KRN has incorporated a wholly-owned subsidiary, KRN HVAC Products Private Limited, on April 7, 2023, to set up a new manufacturing facility in Neemrana, Alwar, Rajasthan. This facility will enable KRN to manufacture heat exchanger types not currently in its product line, specifically:

Project	Description	Application
Roll Bond Evaporators	Lightweight, aluminum-based heat exchangers for refrigerators and coolers. Supports energy efficiency & cost competitiveness	Ensure optimal performance in a variety of applications, from domestic refrigerators to industrial cooling systems.
Oil Cooling Unit with Blower & Motor	maintains an oil supply at a consistent, optimal temperature. Its purpose is to cool the oil passing through the coils, thus improving the engine and the transmission's lifetime. They are situated in front of an engine's cooling system.	It is specifically used as a cooling unit for locomotives/railways also used in automotive vehicles as a cooling unit.
Frost-Free Evaporators	High-performance evaporators for no-frost refrigeration systems. They maintain optimal airflow and temperature.	They are ideal for application refrigerators and freezers .
Bar and Plate Heat Exchanger	Compact, high-efficiency units designed for high performance heat transfer. They provide durability and efficiency under extreme conditions.	Widely used in automotive, aerospace, railways and power generation.
Ammonia Evaporator (Air Cooling Unit)	Specialized heat exchange components used in industrial and commercial refrigeration systems. Designed for compatibility with ammonia as a refrigerant, they are engineered for high thermal conductivity, durability, and energy efficiency.	Widely used in cold storage, food processing, and other applications requiring reliable and eco-friendly cooling solutions.
Finned Tubes	Customizable tubes for steam/air heat transfer designed to enhance efficiency of heating and cooling systems.	Valued for their durability, thermal performance and versatility across various application.
Wire-on-Tube Condensers	Used in refrigeration and cooling systems they are designed with a network of wires wound around a tubular structure. They are lightweight, cost effective and durable.	Ideal choice for applications in domestic refrigerators, freezers and other cooling appliances.



Roll Bond Evaporators



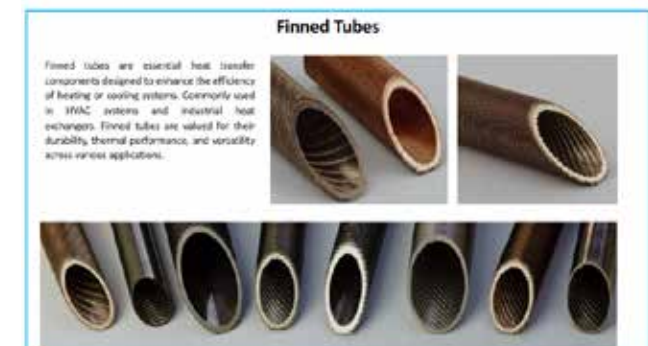
Bar and Plate Heat Exchanger



Ammonia Evaporator (Air Cooling Unit)



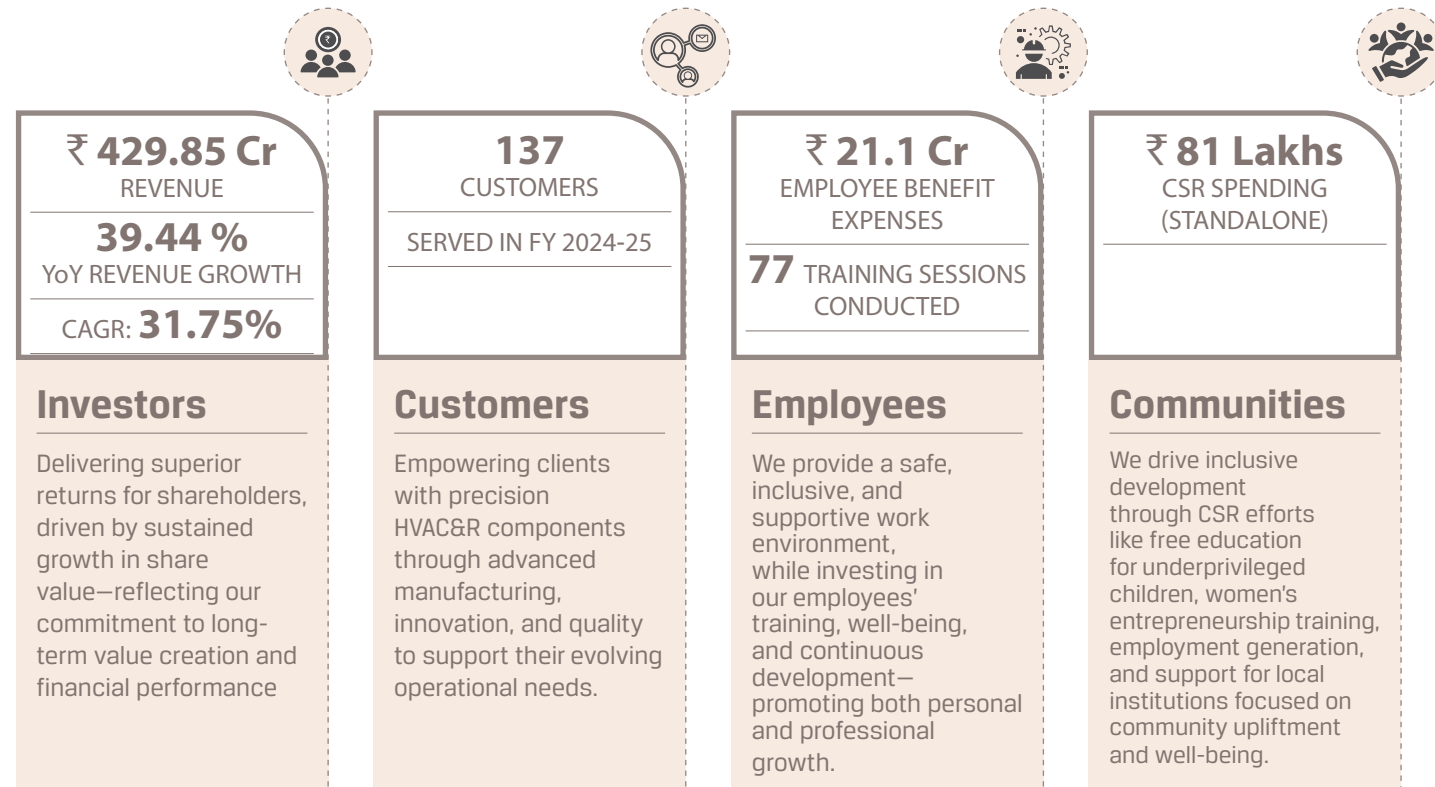
Finned Tubes



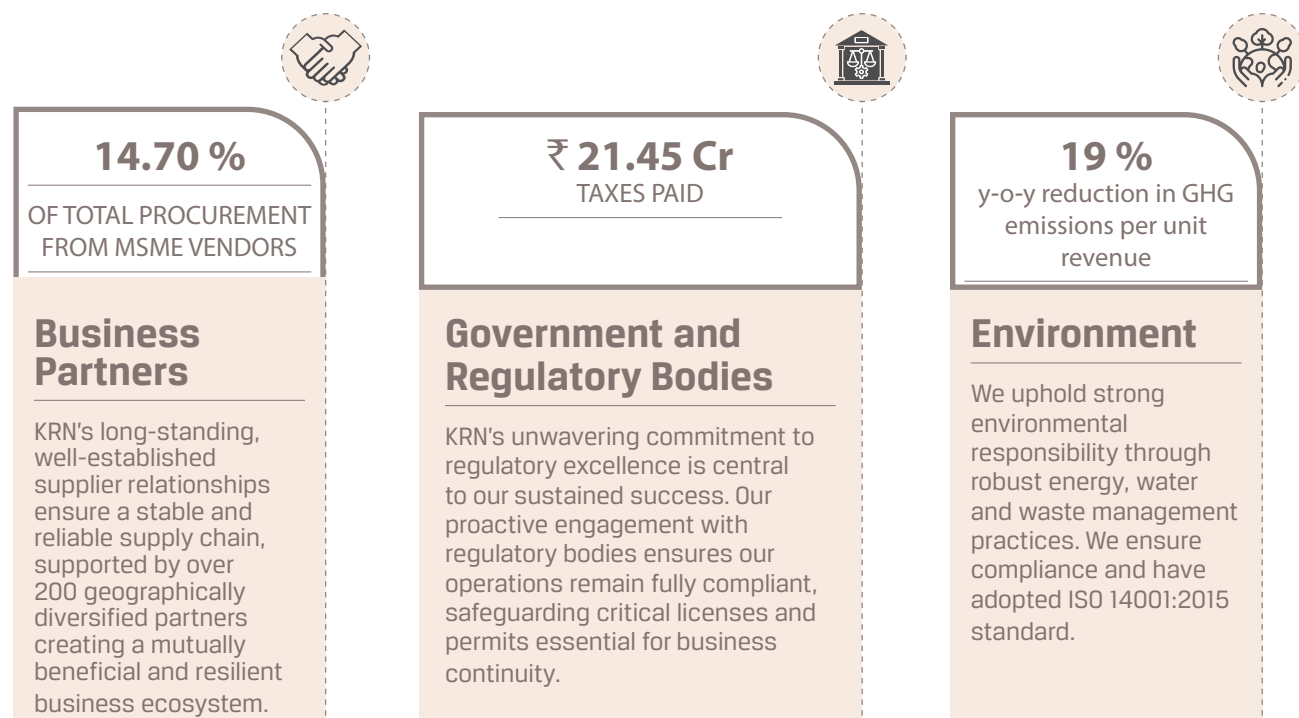
VALUE CREATION

CREATING SHARED VALUE THAT PROPEL PROGRESS

At KRN, we remain deeply committed to understanding and addressing the evolving needs of our stakeholders. Through consistent innovation, reliable quality, and long-term partnerships, we strive to create enduring value and generate positive outcomes for all those connected to our growth journey.



Value Generated for Our Stakeholders in 2024-25



Stakeholder Engagement

KRN believes that working closely with every stakeholder of the company is essential for long-term success. We build strong relationships with all our stakeholders, including customers, suppliers, regulators, and local communities, because we know their input is critical.

Through transparent communication and consistent, timely interactions, we nurture trust and mutual respect, empowering our businesses to navigate challenges and seize new opportunities. We make sure we listen to different points of view that each stakeholder brings on the table and their changing needs, so we can be flexible and continue to grow responsibly.

Our commitment to ongoing, meaningful conversations with everyone helps us create lasting value, build a resilient business, and make sustainable progress for everyone involved with KRN.

Customers

What customers expect from us	What we expect from customers	How we engage	
- High-quality, safe, and dependable products; confidentiality in every transaction; consistent innovation and differentiated offerings; - swift, efficient, and attentive service; - proactive engagement on queries, feedback, and grievances.	- Constructive feedback to drive continuous improvement; - responsible use of our products; - active engagement through digital and direct channels; - timely demand insights;	- One-to-one interactions - Site-visits - Customer meetings - E-mails - Feedback Mechanism- Online Survey - Digital Channels - Trial and improvement programmes	- Continuous - Periodic - Periodic - Need based - Annually - Continuous - Continuous

Business Partners

What Business Partners expect from us	What we expect from Business Partners	How we engage	
- Fair and enduring contractual relationships; - full transparency in all dealings; - proactive support for capacity-building and mutual growth; - clear, open, and reliable business processes; - engagement in supplier-driven innovation; - adherence to agreed-upon quality, delivery schedules, and payment terms.	- Strict compliance with ethical and legal frameworks; - dependable, efficient, and cost-effective supply chains; - drive for innovation and continuous value creation; - shared commitment to sustainability; - active participation in training, audits, and capability development;	- E-mail communication - Site visits - One-to-one interactions - Business partner surveys - Structured meetings	- Need based - Periodic - Continuous - Annually - Periodic

Employees

What Employees expect from us	What we expect from Employees	How we engage	
- Competitive compensation and comprehensive benefits; - a safe, inclusive, and supportive work environment that champions well-being; - continuous learning, and professional development; - transparent communication of policies and values;	- Consistent productivity aligned with company objectives; - commitment to our core values and ethical standards; - an open mindset embracing innovation, agility, and adaptability to change; - a collaborative spirit that fosters teamwork, - knowledge sharing, and collective success.	- E-mail communication - Presentations, - One-to-one interactions - Notice Board - Trainings and workshops - Grievance mechanism - Rewards and Recognition	- Continuous - Event based - Periodic - Annually

Communities

What Communities expect from us	What we expect from Communities	How we engage	
- Meaningful contributions to local development initiatives; - creation of sustainable job and livelihood opportunities; - initiatives that effectively address local challenges and improve quality of life.	- Provision of regular updates and transparent reports on community initiatives; - collaboration with local organisations and stakeholders to maximize impact; - active engagement of community members in awareness campaigns and events; - cooperation in fostering inclusive growth; - active involvement in CSR initiatives to build shared value.	- CSR Initiatives - Field visits by project representatives - Face to face interactions - Collaboration through NGOs - Community meetings	Engagement as per need

Government and Regulatory Bodies

What Government and Regulatory Bodies expect from us	What we expect from Government and Regulatory Bodies	How we engage	
- Rigorous compliance with laws, industry standards, and taxation policies; - timely, transparent reporting and adherence to ethical governance practices; - meaningful contributions towards national economic, social, and sustainability objectives; - active participation in policy dialogues and public initiatives;	- Timely and comprehensive updates on policy changes and key disclosures; - constructive engagement and open dialogue on industry issues; - active participation in industry associations and forums; establishment of clear, fair, and supportive regulatory frameworks; - encouragement and facilitation of business growth and industry development;	- E-mail communication - One-to-one interactions - Events - Letters - Reports	Engagement as per need

Shareholders and Investors

What Shareholders and Investors expect from us	What we expect from Shareholders and Investors	How we engage	
- Robust and consistent financial performance with reliable returns; - unwavering commitment to transparent corporate governance; - effective risk management and business resilience; - proactive delivery of long-term value creation; - demonstrated progress on environmental, social, and governance (ESG) matters.	- Enduring support and alignment with our company's vision; - active engagement in governance and meaningful participation in strategic decision-making;	- Annual general meetings - Conference call - Press releases - Annual reports - News channels - Website updates - Stock Exchange releases - Investors Grievances and Redressal Mechanism	- Annually - Quarterly - Quarterly - Annually - Event based - Continuous - Periodic - Event based

Materiality Assessment

Materiality Assessment approach at KRN forms the foundation of our sustainability effort, enabling us to identify and prioritize the key environmental, social, and governance topics that are relevant to our business, significantly impact our stakeholders and can help shape our future. We conduct materiality assessment in line with regulatory standards and frameworks such as the NGRBC, SASB, and MSCI.

We started by identifying a wide range of potential topics across our business

and value chain, from environmental to social and governance issues. The process involved talking to our internal teams, peer benchmarking, and reviewing international/national frameworks.

This was followed by workshops with our internal departments and leadership team to evaluate strategic importance of each topic, from a business and a stakeholder perspective. The insights gathered through this exercise were synthesized into a prioritized list of the most critical issues. These issues now form the core of our ESG strategy and reporting.

By anchoring our ESG material topics through this process, we ensure we continuously create value for everyone connected to KRN.

List of material issues

- Energy management
- Product design
- Product quality and safety
- Health, safety and well-being
- Human rights
- Responsible supply chain
- Business Ethics and governance

Our Business Model at a *Glance*

"Expanding Boundaries, Sustaining Excellence"

KRN transforms diverse capitals through operational excellence like experienced leadership, end-to-end integrated manufacturing capability, innovation, R&D and Design, , and long-standing clientele into multi-faceted outcomes and enduring value for all stakeholders.

Inputs	How we create value across our business verticals	Outputs and Outcomes	Stakeholders Impacted	SDGs Impacted
Financial Capital We drive robust financial growth through disciplined capital management and strategic investments,consistently generating sustainable value for our stakeholders and reinforcing the long-term strength of our balance sheet. ₹ 498.63 Cr Net Worth ₹ 23.2 Cr Net Debt	VISION To pursue and consolidate the position of Leadership through Dedication, Innovation and Passion. MISSION To maximize the value creation of all the clients of the company through supply of cost-effective products, services through integration of people, technology, process and business system. VALUES To provide excellent solution to our customers in terms of customizations and in accordance with international standards. We utilize our experience for continuous improvement in our products & processes to provide long-life products to the end user.	- robust order book ensuring business sustainability - Enhanced profitability and operational efficiency - Consistent value creation for the investors and shareholders 429.85 Cr Revenue 70.51 Cr EBITDA 16.40% EBITDA Margin 21.44 Cr Cashflow from Operations 21.45 Cr Tax Paid		
Manufactured Capital We leverage our state-of-the-art manufacturing facilities and in house R&D centre as critical inputs to drive operational excellence,enhance product quality,optimize production efficiency, and support sustainable value creation for long-term business growth. 2 State-of-the-art manufacturing facilities	OUR STRENGTHS Industry Leader Scalable Architecture Quality Assurance Quick Turnaround Time Customer Driven Design Expertise FLEXIBLE TECHNOLOGY Responsiveness	- New plants commissioned and improved production processes - Strengthened forward integration for control on the marketing and distribution of complete product range of heat exchangers and supply of HVAC industry products. - Operational oversight and process optimisation 3.64 Inventory turnover ratio		
Intellectual Capital We fuel innovation, resulting in new products and a stronger competitive advantage. Dedicated in-house product design and development center 45+ R&D Team Size	OUR MANUFACTURING PROCESS Fin Press The fin press method involves stamping and shaping fins on aluminum sheets to create fins for heat exchangers. Hair Tube Bending An automated CNC controlled hairpin bender precisely bends copper tubes into desired shapes and sizes. Expander Vertical and horizontal expanders are used to join fin sheets and copper tubes Coil Bending Bending is done to fold or bend the heat exchanger in the desired shape. This allows to optimize the space utilization and offers a compact design. Leak Testing Helium Leak Test and Water Leak Testidentify leaks in heat exchangers using highly pressurized helium gas and water immersion, respectively. Brazing This is the process of joining the U-bend, Header, and Distributor to the heat exchanger. As these components are crucial for ensuring efficient refrigerant flow and heat transfer in heat exchanger. Dry Oven and flushing Dry oven treatment removes moisture and contaminants from heat exchangers to prevent corrosion and enhance product life. Coating Nano-coatings and powder coatings protect heat exchangers from corrosion and enhance their longevity. Final Inspection and Packaging Heat exchanger are validated and tested as per the defined standards. Post validation the parts are charged with the dry nitrogen and packed carefully for safe shipping.	- automated production facilities - Quality consistency on-time delivery ensuring repeat orders from key customer groups - cost-competitive manufacturing technology processes - Continuous innovation to stay ahead of industry trends - Diversified product portfolio - Seizing new opportunities through technological developments - Quality Testing and Quality Control - SAP software for inventory Management		
Human Capital We invest in our wokforce to empower it, fostering higher productivity and employee well-being. 780+ Team Size 77 Training Programmes Conducted ₹ 21.1 Cr Employee Benefit expenditure		- Cultivated highly skilled workforce - Motivated employees - Enhanced productivity		
Social and Relationship Capital We build trust through continuous stakeholder engagements and community services, yielding elevated customer satisfaction,social responsibility and a stronger brand image. 81 Lakhs CSR spending (standalone)		- Enhanced relationships with all key stakeholders - Long-term relationships with key Original Equipment Manufacturers (OEMs) such as Daikin, Carrier - Community Building with ESG initiatives like Free education - Skill Development		
Natural Capital We strive to use natural resources responsibly to minimize environmental impact,contributing to overall sustainability. Renewable electricity usage 14,623 GJ/ annum Total Energy Consumption 36% Total Electricity consumption	Key Products - Evaporator Coils - Condenser Coils - Fluid and Steam Coils - Condensing and Air-cooling units - Headers/ Copper Parts - Sheet Metal Parts.	- Reduced Carbon Footprint - Reduced water consumption - Reduced regulatory & reputational risks, - Installation of solar panels - Energy efficient operations - Energy efficient products - Rainwater harvesting - Waste segregation and recycling		

ENVIRONMENT, SOCIAL & GOVERNANCE



EMBEDDING *Sustainability* FOR LASTING IMPACT

At KRN, we remain deeply committed to understanding and addressing the evolving needs of our stakeholders. Through consistent innovation, reliable quality, and long-term partnerships, we strive to create enduring value and generate positive outcomes for all those connected to our growth journey.

ENVIRONMENT

At KRN, we remain deeply committed to understanding and addressing the evolving needs of our stakeholders. Through consistent innovation, reliable quality, and long-term partnerships, we strive to create enduring value and generate positive outcomes for all those connected to our growth journey.

Environmental Stewardship

KRN recognises that integrating environmental, social, and governance (ESG) principles is vital to our responsibility as a socially conscious and sustainable organization. We are committed to minimizing our environmental footprint through innovative practices and operational excellence. This commitment drives our efforts to create lasting positive impact, setting new standards for responsible corporate citizenship and contributing to a resilient, sustainable future.

Renewable Energy for Captive Consumption

Sustainability is woven into the fabric of our vision for future growth. This year, we took decisive steps to elevate our environmental impact by dramatically scaling up our reliance on renewable energy—boosting our clean electricity generation to 1,530 GJ in 2024-25. This achievement exemplifies our proactive approach to environmental stewardship, where every initiative is designed not only to enhance cost-efficiency but also to advance our collective responsibility to the planet.

Incorporation of renewable energy sources into our operations ensures integration of cleaner energy alternatives, reducing our carbon footprint, and lower the greenhouse gas emissions.

36%

of Total Electricity Was Sourced From Renewable Sources leading to 293 tCO₂e/annum avoidance

Transition to LED Lights

We have replaced conventional lights with LED lighting solutions, thus reducing energy use and CO₂ emissions.

KRN is certified to ISO 14001:2015 Environmental Management System requirements and undergoes third party audits as a part of the certification.

Energy Efficiency & Carbon Footprint Reduction:

Innovations in heat exchanger technology at KRN are focused on enhancing thermal efficiency, which directly contributes to reducing energy costs and minimizing carbon footprints for its customers. This aligns with broader sustainability goals and positions KRN as a vital component in India's sustainable development journey, driven by an increasing focus on efficient energy usage to contain carbon emissions.

KRN emphasizes eco-friendly manufacturing practices and energy efficiency in distribution as key aspects of its sustainability strategy.

Air Emissions

We have instituted strategies to minimize air emissions from our operations ensuring regulatory adherence and best-in-class practices. Regular monitoring by third party validate the efficacy of our emissions controls, underscoring our dedication to transparency and continuous improvement.

Water Stewardship

We understand that safeguarding water resources is essential for thriving communities and resilient ecosystems. Guided by this responsibility, we are committed to embed water management practices into every layer of our operations. We have instituted rainwater harvesting at plant sites to actively reduce surface runoff and preserve valuable rainwater resources. KRN ensures adequate water sources for both domestic and



industrial purposes at its existing premises through government supply and RO water in campers.

ISO 14001:2015 Environmental Management System

Waste Management

We are redefining waste management by uniting operational excellence with responsible stewardship. Our approach focuses on minimizing waste generation at the source, streamlining disposal processes, and maximizing resource recovery. We have strengthened recycling frameworks by identifying reusable materials and channelling them back into the value chain. Empowering our workforce through targeted awareness campaigns has further amplified our

impact, fostering a culture of accountability and sustainable practices throughout our organization.

246 tonnes

Waste recycled

By prioritizing sustainable innovation across our operations, we are shaping an enterprise that balances financial success with positive environmental outcomes. Our unwavering focus on integrating eco-friendly practices ensures that KRN remains a responsible industry leader—delivering enduring value for our stakeholders and contributing to a cleaner, more sustainable world.

SOCIAL

Community

At KRN, we believe true progress is defined not just by our business growth, but by the positive difference we make in the lives around us. We are deeply committed to advancing social equity and fostering inclusivity within the industry and beyond. Our philosophy extends well beyond financial results, measuring achievement by the tangible benefits we bring to our communities. Through thoughtfully designed initiatives focused on education, health, and community development, we invest in transformative programmes and partnerships that uplift people and accelerate social progress. This holistic, purpose-driven approach is at the heart of KRN's mission—ensuring every milestone we reach strengthens the fabric of the societies we serve.

Building stronger communities

Empowering communities goes beyond providing support—it means cultivating the conditions for individuals to actively shape their own destinies. By forging meaningful engagement and enduring partnerships, we are committed to fostering sustainable progress that delivers lasting benefits far beyond the present moment.

Education

We recognize that education and healthcare are foundational drivers of inclusive growth and lasting social transformation. By modernizing school infrastructure in underserved communities, we are dedicated to building secure, functional, and inspiring spaces that ignite a passion for learning. Our efforts are especially concentrated on expanding educational access in areas, where opportunities have historically been scarce. By delivering targeted educational support in these regions, we seek to dismantle entrenched barriers and empower individuals toward upward social mobility. Our overarching

goal is to equip students with the resources and opportunities needed to realize their fullest potential and champion progress within their communities.

Supporting Underprivileged Students

Sustainability represents more than a duty—it is a powerful avenue for forging enduring change. By partnering with communities, schools, and organizations, we champion awareness, empower individuals with practical sustainable solutions, and cultivate a culture of conscientious environmental stewardship for generations to come.

Our commitment extends across diverse CSR initiatives, including providing free education through tuition, uniforms, conveyance, and books to children in need. Most recently, we have strengthened women's empowerment by offering targeted training that encourages entrepreneurship, helping women unlock their potential and create sustainable livelihoods.



Healthcare

Robust healthcare systems are the foundation of thriving communities. Over the year, we launched multiple initiatives aimed at strengthening medical infrastructure and broadening healthcare access, with special emphasis on underserved regions. This included modernizing hospital facilities and acquiring critical medical equipment to enhance diagnostic and treatment capabilities. Our efforts extended to expanding healthcare outreach in remote areas, delivering vital services to underprivileged populations and ensuring they receive timely, quality medical care.

We actively implement healthcare programs within the schools and hospitals we support, safeguarding the health and well-being of both students and the broader community.

Skill Development

At KRN, we are steadfast in our commitment to bridging India's skill gap by empowering rural communities with meaningful opportunities. Through the strategic adoption of the National Apprenticeship Training Scheme (NATS) and the National Apprenticeship Promotion Scheme (NAPS), we address the rising demand for skilled talent by equipping individuals with hands-on training and real-world experience. These schemes not only enhance employability by aligning practical skills with industry requirements but also foster inclusive growth by enabling youth to thrive in their chosen fields.

By leveraging NATS and NAPS, KRN plays a vital role in nurturing a skilled workforce that drives sustainable economic development and uplifts rural livelihoods.

₹ 81 Lakhs
Annual CSR Expenditure

SOCIAL

Human Resources

KRN Heat Exchanger and Refrigeration Limited recognizes that our people are our greatest asset and essential to delivering sustained business performance. Our people management strategy is deeply aligned with our values and the United Nations Sustainable Development Goals (SDGs), underlining our emphasis on decent work, economic growth, and lifelong learning.

Talent Acquisition, Development, & Retention

Attracting and retaining the best talent is fundamental to our success. Our Company seeks individuals with the skill-sets, interests, and backgrounds most suited to our business, especially as we expand our technological edge. We promote a culture of empowerment and innovation, enabling employees at every level to contribute ideas and drive improvement. We believe our ability to attract, develop, motivate, and retain highly skilled, multi-dimensional talent is a critical differentiator.

Key People Management Pillars:

1. Recruiting: Robust, bias-free hiring processes to ensure diverse and qualified talent pipelines.
2. Training & Development: Structured onboarding, mentorship, and continuous in-house technical training for workforce upskilling.
3. Compensation: Competitive pay, performance-linked incentives, and comprehensive benefits.
4. Retention: Recognition, internal mobility, and career development opportunities.

Skill, Qualification & Workforce Statistics

We benefit significantly from a technically qualified workforce that supports business growth and operational excellence.

- Quality Team: 41 employees (including 25 contractual), dedicated solely to quality

management and process improvement.

- Brazing Certification: Key production employees hold BS EN ISO-13585 certification, underscoring proficiency in core heat exchanger manufacturing processes.
- Continuous Training: In-house programs regularly update skills, reinforce process discipline, and promote safety best practices.

77

Number of training and development sessions conducted

Safety, Health & Wellbeing

We are committed to providing a safe, supportive, and healthy work environment for all employees—across factory floors and offices alike. Our operations adhere to the highest standards:

- ISO 45001:2018 Certified: Our Occupational Health & Safety Management System ensures safe and healthy workplaces, focused on proactive accident prevention and continuous performance improvement.
- Incident-Free Workplace: We have witnessed zero incidents of strikes, work stoppages, or employee actions, reflecting the positive and trust-based relationship with our workforce.
- No Instances of Sexual Harassment: We uphold a zero-tolerance policy; all employees complete annual training on workplace ethics and the Code of Conduct.

Safety Measures & Employee Benefits:

- Personal Protective Equipment: Safety shoes, glasses, gloves, and other equipment provided, with regular awareness and compliance checks.
- Employee Insurance: Group Personal Accident and Group Health (Floater) Insurance covers all

Our workforce is the cornerstone of our performance, innovation, and sustained growth. Their expertise, dedication, and sense of responsibility empower us to execute effectively at scale. We are committed to nurturing leadership, fostering continuous development, and cultivating a culture of ownership that equips our teams to excel, evolve, and succeed in a dynamic, competitive landscape.



employees and their dependents.

- Wellness Facilities: Nutritious food, access to clean drinking water, and resources for physical, mental, and emotional well-being.

Diversity, Inclusion & Workplace Culture

We foster an inclusive, merit-based culture where every employee's contribution is valued. Employees are encouraged to speak up, innovate, and take initiative. Our management practices ensure a transparent work environment committed to fairness, respect, and growth for all.

Employee Relations

We pride ourselves on harmonious industrial relations and an open dialogue with all employees.

The Company has not experienced any strikes, stoppages, or major disputes. Workers' voices are heard and issues are resolved promptly through formal and informal channels. Code of Conduct compliance is mandatory—and reinforced through recurring, practical training.

Looking Ahead

Our ongoing investments in talent, training, and technology will ensure that our employees remain at the leading edge of the HVAC&R industry. We aim to further increase our training initiatives, introduce digital learning platforms, and strengthen our practices on diversity, inclusion, and wellbeing.

At KRN, we are committed to building a workplace where every team member feels empowered to learn, contribute, and succeed together.



GOVERNANCE

Responsible Governance



Our robust governance framework promotes fairness, timely disclosures, and effective oversight by an independent and diverse Board. This unwavering commitment to principled governance not only builds lasting trust among our stakeholders, but also underpins sustainable growth and long-term value creation for all. Guided by our strong corporate governance principles, we align our business strategies with financial responsibility and ethical stewardship, delivering consistent value in an ever-evolving marketplace.

Governance structure

The Board plays a pivotal role in overseeing the Corporate Governance framework, exercising independent judgement to monitor management performance on behalf of shareholders and stakeholders alike. The Board is entrusted with steering overall strategic direction, fostering key alliances, cultivating leadership talent, pursuing international growth opportunities, and continuously strengthening governance practices. It also safeguards and enhances our brand reputation and global standing.

Our governance structure clearly delineates the roles and responsibilities across business entities, empowering them with the authority needed to execute their duties effectively. This framework preserves the unique core values of KRN while enabling efficient delegation of authority and fostering empowerment at every level of the organisation.

Code of Conduct

Our Code of Conduct sets the uncompromising standards that guide the actions and decisions of every employee across the organization. We underpin this with a robust integrity and compliance program, equipping our teams through comprehensive education and training

Exemplary governance is the cornerstone of our enduring success at KRN. Our Board of Directors comprises accomplished leaders whose deep industry expertise and diverse perspectives chart a decisive course for the Company amidst a dynamic and competitive environment. Their collective vision, sound judgement, and unwavering integrity drive strategic decision-making, ensuring that our organization remains resilient, forward-looking, and agile. We hold ourselves to the highest standards of corporate governance—anchored in transparency, accountability, and ethical conduct.

on core principles, legal obligations, and ethical expectations. This program empowers employees to recognize and navigate potential conflicts of interest, uphold workplace safety and well-being, safeguard company assets and information, and utilize technology responsibly, while ensuring they can confidently report suspected misconduct without fear of retaliation.

To reinforce these values, annual affirmations are obtained from all employees, complemented by periodic assessments to monitor the effectiveness and implementation of the Code. Our unwavering commitment to integrity, sound governance, and ethical conduct is reflected in stringent internal controls, risk management, and continual strengthening of our ESG practices. By adopting a firm zero-tolerance approach to unethical behaviour and fostering a culture rooted in transparency and accountability, we protect stakeholder interests and uphold the trust that forms the foundation of our sustainable growth.

Whistle-blower policy

KRN has instituted a robust Whistle Blower Policy, ratified by the Board of Directors, to uphold the highest standards of integrity and ethical conduct. This policy establishes a clear and secure channel for directors and employees to confidentially report any unethical behaviour, suspected fraud, or violations of our Code of Conduct and Ethics.

It guarantees protection from retaliation for those who raise genuine concerns and, in exceptional circumstances, provides direct access to the Chairperson of the Audit Committee. We ensure that every employee has unrestricted and safe access to this mechanism. Through this steadfast commitment to fairness, transparency, and ethical accountability, we nurture a culture grounded in trust and principled governance.

Our Policies

- Code of Conduct for Directors and Senior Management Personnel Policy
- Code of Practices and Procedures for fair disclosure of unpublished price sensitive information Policy
- Corporate Social Responsibility Policy
- Determination of Materiality of information or Event Policy
- Diversity on Board of Directors Policy
- Dividend Distribution Policy
- Material Policy (Group Companies-Creditors-Litigation)
- Nomination And Remuneration Policy
- Policy for Prevention of Insider Trading Policy
- Policy on Material Subsidiary
- Policy on Sexual Harassment of Women at Workplace
- Preservation of Documents Policy
- Related Party Transaction Policy
- Risk Management Policy
- Whistle Blower and Vigil Mechanism

BOARD PROFILE

A well-balanced Board

The Board is composed of a balanced blend of Executive, Non-Executive, and Independent Directors, whose collective expertise spans mechanical engineering, business management, manufacturing, finance, and capital markets. This diverse array of experience provides invaluable insights that drive strategic decision-making and fuel sustainable business growth.

Board and Board Committees

The Board of Directors bears the crucial responsibility of guiding the Company's strategic direction and rigorously overseeing its economic, financial, and non-financial performance. It exercises stewardship by appointing and assessing members of the Executive Board and thoughtfully deliberating corporate policies, among other key functions. The Board's committees serve a vital role in elevating governance standards and driving greater effectiveness throughout the organization, ensuring robust oversight and sustained value creation.

Independence

57%

of the Board comprises Independent Directors

5

Board Committees to oversee the operations and decision-making process

100%

Employees trained on Code of Conduct

AWARDS



ARCHITECTS OF GOVERNANCE *Excellence*

BOARD OF DIRECTORS



MR. SANTOSH KUMAR YADAV
CHAIRMAN AND MANAGING DIRECTOR



MRS. ANJU DEVI
WHOLE TIME DIRECTOR



MR. MANOHAR LAL
NON-EXECUTIVE DIRECTOR



CA DEEPAK BATHEJA
INDEPENDENT DIRECTOR

BOARD OF DIRECTORS



MR. SRINIVASA RAO ANASINGARAJU
INDEPENDENT DIRECTOR



MRS. MEENAKSHI SHARMA
NON - EXECUTIVE INDEPENDENT DIRECTOR



MR. KETAN SHARMA
INDEPENDENT DIRECTOR

MANAGEMENT TEAM



MR. JITENDRA KUMAR SHARMA
COMPANY SECRETARY & COMPLIANCE OFFICER



MR. SONU GUPTA
CHIEF FINANCIAL OFFICER

CORPORATE INFORMATION

Board of Directors

Mr. Santosh Kumar Yadav

Executive Director-Chairperson related to Promoter-MD

Mrs. Anju Devi

Executive Director

Mr. Manohar Lal

Non-Executive – Non-Independent Director

Mr. Srinivasa Rao Anasingaraju

Non-Executive - Independent Director

Mr. Ketan Sharma

Non-Executive - Independent Director

Mr. Deepak Batheja

Non-Executive - Independent Director

Mrs. Meenakshi Sharma

Non - Executive Independent Director

Chief Financial Officer

Mr. Sonu Gupta

Company Secretary & Compliance Officer

Mr. Jitendra Kumar Sharma

Bankers

Citi Bank

HDFC Bank

REGISTERED OFFICE:

Plot No. F-46,47,48,49, EPIP, RIICO Industrial Area, Neemrana, Alwar, Rajasthan, India, 301705

Phone: +919255025440

Email:- cs@krnheatexchanger.com

STATUTORY AUDITORS

Keyur Shah & Co.

(Chartered Accountants)

INTERNAL AUDITORS

Sharma Shankar & Co.

(Chartered Accountants)

SECRETARIAL AUDITORS

S Khatri & Associates

(Company Secretaries)

COST AUDITORS

R S Chauhan & Associates

(Cost Accountants)

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Private Limited

Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India, Tel. + 91-22-6263 8200

Management Discussion & Analysis

ECONOMIC OVERVIEW

GLOBAL ECONOMY: FY 2024–25

At a Critical Crossroads

The global economy demonstrated considerable resilience in 2024, maintaining an annualised growth rate of 3.2% (CY 2024)¹ through the second half of the year. This performance reflects the adaptability of businesses and consumers in the face of higher interest rates, persistent supply chain realignments, and evolving geopolitical dynamics. Growth is forecast to ease only slightly to 3.1% in 2025 (CY)¹ and 3.0% in 2026 (CY)¹, signalling that the world economy is entering a phase of stable, sustainable expansion rather than sharp deceleration.

While global trade volumes have moderated due to higher trade barriers in several G20 economies, services trade and cross-border investment flows remain supportive of overall activity. The United States, after a period of exceptional growth momentum, is expected to normalise to 2.2% in 2025 (CY)¹ and 1.6% in 2026 (CY)¹. The Euro Area will continue to expand at a measured pace – 1.0% in 2025 (CY)¹ and 1.2% in 2026 (CY)¹ – as policy uncertainty and cautious consumer spending temper demand, but fiscal support and gradual recovery in industrial activity provide a floor to growth.

Inflation remains a focal point for policymakers. Services price inflation across OECD economies is still elevated, with a median of 3.6% (CY 2024)¹, highlighting continued tightness in labour markets and robust wage growth in some sectors. Nevertheless, headline inflation in G20 economies is expected to fall from 3.8% in 2025 (CY)¹ to 3.2% in 2026 (CY)¹, aided by easing energy prices, improved supply conditions, and prudent monetary policy. Underlying inflation, while declining, is projected to remain marginally above central bank targets in several advanced and emerging economies in 2026, indicating that interest rate normalisation will likely remain gradual.

Despite these headwinds, global economic sentiment is supported by continued technological innovation, expanding renewable energy investments, and infrastructure modernisation in many emerging markets – all of which create a constructive backdrop for long-term growth.

INDIAN ECONOMY

Resilience Amid Global Headwinds

India continues to stand out as one of the most dynamic large economies globally. While growth momentum eased slightly at the start of 2025, following a healthy recovery in the last quarter of 2024, the medium-term trajectory remains robust. GDP growth is projected at 6.5% in 2025 (CY)¹ and 6.6% in

2026 (CY)¹, with FY 2025–26 growth expected at 6.4%² – more than double the forecast global average.

The moderation in early 2025 reflects both external and domestic factors. On the external side, a slowdown in U.S. imports and weaker Chinese demand are expected to weigh on merchandise exports. Global trade softness, particularly in manufacturing-intensive sectors, could also limit short-term growth impulses. Domestically, private consumption has shown signs of softening, influenced by elevated unemployment of around 8% (CY 2025)¹ and a degree of job security concerns in urban areas.

Nevertheless, the overall outlook remains favourable. Stable food and fuel prices are expected to support real household incomes, while government-led infrastructure investment – in transport corridors, renewable energy, and digital connectivity – should underpin both near-term activity and longer-term productivity gains. Financial system stability, expanding credit availability, and robust corporate earnings growth further enhance India's resilience.

From a structural perspective, India benefits from a large and youthful population, ongoing digital transformation, and policy initiatives aimed at manufacturing competitiveness and green energy transition. These strengths position the country well to sustain growth above the global average, even amid a more challenging external environment.

INDUSTRY OVERVIEW

HEAT EXCHANGER INDUSTRY

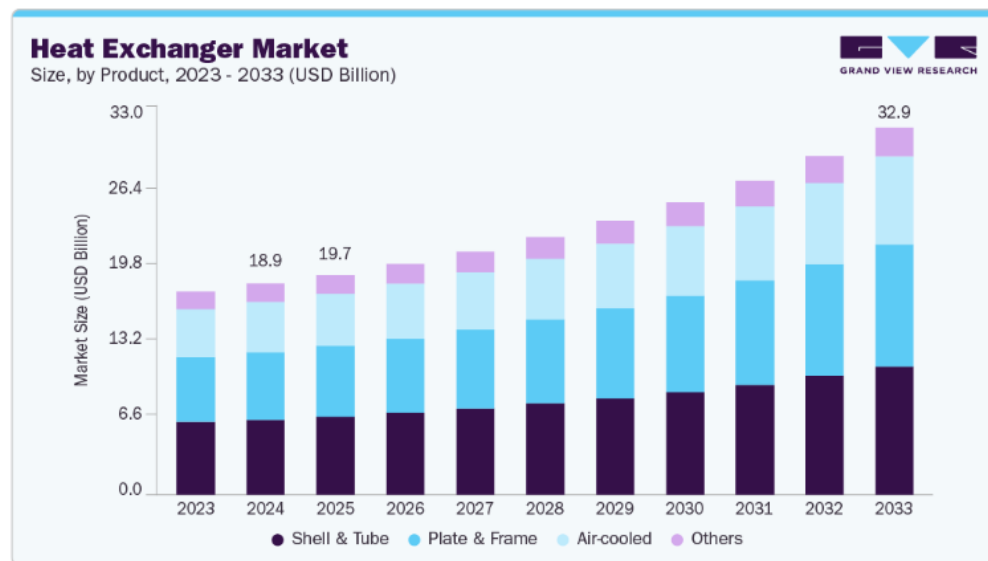
The global heat exchanger market, intrinsically linked to the broader Heating, Ventilation, Air Conditioning, and Refrigeration (HVAC&R) industry, is experiencing robust growth driven by a confluence of technological advancements, increasing demand for energy-efficient solutions, and supportive regulatory frameworks worldwide. Heat exchangers are critical components enabling efficient thermal energy transfer across diverse industrial, commercial, and residential applications.

The global heat exchanger market was valued at approximately USD 18.9 billion in 2024 and is projected to reach around **USD 33 billion by 2033**, growing at a CAGR ranging from 5.3% to 6.6% during the forecast period (2025–2033/2034). Growth is being driven by expanding energy efficiency mandates, rising industrialization, and ongoing infrastructure development across emerging and advanced economies.

¹ OECD Economic Outlook, Interim Report March 2025 – Projections on a Calendar Year (CY) basis for Global, U.S., Euro Area, G20, and India.

² OECD Economic Outlook, Interim Report March 2025 – India projections on a Fiscal Year (FY, April–March) basis.

Management Discussion & Analysis



Geographical Landscape:

While North America and Europe have traditionally been strong markets due to their industrial bases and manufacturing innovations, the global landscape is shifting. **The Asia-Pacific (APAC) region has emerged as a key market**, driven by large-scale industrialization in countries like China, India, and Southeast Asian nations. APAC was the **fastest-growing heat exchanger market between 2019 and 2023, with a compounded growth rate of 7.3%**. India's market, for example, reached USD 689 million in 2023, growing at a CAGR of 10% between 2019 and 2023, and is projected to reach USD 1,487 million by 2030.

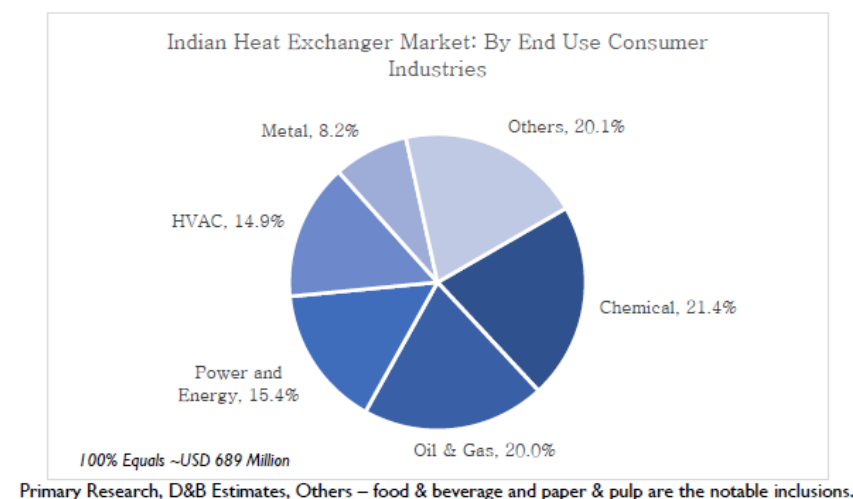
Key usage sectors:

Heat exchangers are extensively used across various sectors including chemical and petrochemicals, oil and gas, power generation, HVAC&R (heating, ventilation, air conditioning, and refrigeration), food and beverages, pharmaceuticals, aerospace and defence, automotive, renewable energy, waste heat recovery, wastewater treatment, and data centers.

Drivers of Growth:

- rising regulatory pressure for energy efficiency and emissions reduction,
- industrial expansion and urbanization—especially in APAC,
- growing investments in renewable energy projects, and
- technological innovation focused on compact designs, smart sensors, and advanced manufacturing (e.g., additive manufacturing and IoT-enabled predictive monitoring).

Looking ahead, the sector's growth is expected to be supported by stricter global energy policies like Europe's Green Deal, the U.S. focus on industrial emission cuts, and emerging-market investments in clean infrastructure. Markets in the Middle East & Africa, Latin America, and North America are projected to grow at 5–7% CAGR through 2033–2034, fueled by energy projects, desalination, and heating/cooling infrastructure development. Meanwhile, Europe's dominant



Management Discussion & Analysis

position stems from strong regulation, innovation, and demand from the data center and renewable-energy sectors.

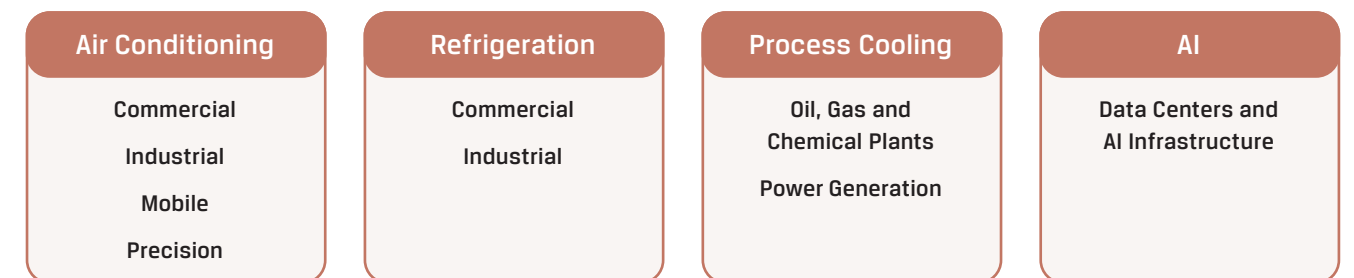
The India Story

The Indian heat exchanger market, a significant regional segment, is also projected for strong growth. Its valuation stood at USD 856.4 million in 2024, with a projected CAGR of 5.56% to reach USD 1,428.4 million by 2033. A more optimistic forecast estimates the Indian market at USD 1384.2 million in 2023, expanding to USD 3102.0 million by 2030 with a robust CAGR of 11.5%. The Indian heat exchanger sector is projected to reach USD 1.87 billion by FY2032, growing at nearly 9% annually. The primary drivers for this growth include accelerating industrialization and urbanization, escalating demand for power, the burgeoning chemical and petrochemical sectors, and the continuous upgradation of conventional heat exchangers with more efficient variants. Moreover, stringent government regulations aimed at improving energy efficiency are playing a crucial role in boosting market expansion. In terms of materials, stainless steel currently holds a dominant position, while the chemical industry represents the largest end-use market segment, closely followed by HVAC and Refrigeration. The Indian Heat Exchanger industry is also pivoting toward customized, efficient, and sustainable solutions, with increasing adoption of international standards, digital monitoring technologies, and low-GWP refrigerants.

Within this ecosystem, the HVAC&R segment represents one of the fastest-growing verticals, fueled by

- Infrastructure Expansion:** Rapid development of infrastructure, including the construction of new airports, office spaces, shopping malls, hotels, and metro rail networks, drives the demand for advanced HVAC systems
- Growth in the Building Sector:** The building sector, encompassing residential, commercial, industrial, and infrastructure sub-sectors, is a key driver
- Industrial HVAC Demand:** In manufacturing plants, HVAC systems control humidity, temperature, and air quality, crucial for employee working conditions and maintaining optimal ecosystems for manufacturing processes, especially in pharmaceuticals, food & beverages, and electronic manufacturing
- Cold Storage and Data Centers:** Heat exchangers are vital in cold chain logistics for temperature-controlled storage and transport vehicles. In data centers, cooling systems account for nearly 40% of energy consumption, making efficient thermal management, enabled by heat exchangers, critical. India is projected to have 183 data centers by 2025, up from 151 in 2023, signaling a strong demand for HVAC systems and heat exchangers(KRN_RHP)

Product Application of the Heat Exchanger Industry in India



Government Initiatives and Policy Support

The Indian government has implemented a comprehensive array of schemes and initiatives to support the heat exchanger and Heating, Ventilation, Air Conditioning, and Refrigeration (HVAC&R) industries. These efforts are primarily aimed at **fostering energy efficiency, boosting domestic manufacturing, developing robust infrastructure, and promoting overall sustainability.**

Here are the key government schemes and initiatives:

Promotion of Energy Efficiency and Sustainability

- Bureau of Energy Efficiency (BEE):** The BEE plays a critical role in promoting energy efficiency across various sectors. Heat exchangers may need to comply with

BEE's energy efficiency labelling requirements or specific energy-saving guidelines.

- Perform, Achieve and Trade (PAT) Scheme:** In 2023, the guidelines for this scheme were updated to encourage industries to reduce energy consumption by adopting energy-efficient technologies, such as advanced heat exchangers.
- Energy Conservation Act (EC Act):** This act regulates energy efficiency in India and mandates compliance for relevant equipment, including heat exchangers.
- Energy Conservation Building Code (ECBC) and Standards and Labelling (S&L) program:** These initiatives have been crucial in driving the adoption of energy-efficient HVAC systems, especially in response to rising energy



Management Discussion & Analysis

costs and environmental concerns. The broader focus on sustainable development and reducing carbon footprint is leading the HVAC industry to adopt new technologies and processes.

Boosting Domestic Manufacturing and Self-Reliance

- **Make in India Campaign:** This flagship initiative aims to transform India into a global manufacturing hub by promoting local production and reducing dependence on imports. This directly benefits the capital goods industry, including heat exchanger manufacturers, by enhancing domestic production capabilities.
- **Production Linked Incentive (PLI) Scheme:** Introduced to incentivize companies for increased sales of products manufactured in India, the PLI scheme covers sectors like electronics and white goods (including air conditioners), where heat exchangers are essential components. Specifically, the PLI scheme for white goods has encouraged local production of key components like heat exchangers, fostering a complete value chain for AC manufacturing and reducing import dependency.
- **Atmanirbhar Bharat Abhiyan:** This economic package aims to make India self-reliant, complementing the Make in India program by focusing on achieving self-sufficiency in the manufacturing sector and promoting local products.
- **National Capital Goods Policy, 2016:** This policy aims to significantly increase the capital goods sector's contribution to manufacturing output by 2025, which is expected to create substantial demand for heat exchangers.
- **Phasing out concessional import duties:** The Union Budget 2022-23's move to phase out concessional import duties on various capital goods and project imports supports the domestic capital goods industry by protecting it from low-cost imports and promoting a level playing field for Indian manufacturers.

Infrastructure Development

- **Government Investments:** Significant government investments in infrastructure, such as the projected **USD 1.45 trillion over the next five years** and **INR 6,209.2 Crores for airport infrastructure development by 2030**, directly drive the demand for HVAC systems and heat exchangers in new constructions including airports, office spaces, shopping malls, and hotels.
- **Smart Cities Mission:** This initiative, combined with a focus on infrastructure development and sustainable building practices, boosts the demand for efficient HVAC systems.

- **PM Gati Shakti Master Plan:** This ambitious plan aims to transform India's infrastructure by improving freight movement, streamlining logistics, and enhancing industrial production, thereby creating strong demand for capital and engineering goods, including heat exchangers.
- **Cold Chain Infrastructure:** Policy-driven growth in cold chain infrastructure, supported by schemes like the **'Capital Investment Subsidy for Construction/Expansion/Modernization of Cold Storages and Storages for Horticulture Products'** (National Horticulture Board) and the **'Scheme for Integrated Cold Chain, Value Addition, and Preservation Infrastructure'** under the **'Pradhan Mantri Kisan Sampada Yojana'** (Ministry of Food Processing Industries), directly benefits the HVAC industry by increasing demand for temperature-controlled solutions.
- **Data Center Expansion:** Government initiatives promoting large-scale digitization and increasing internet penetration are driving the expansion of data centers. These facilities rely heavily on HVAC systems and heat exchangers for crucial thermal management.
- **Transportation Sector Growth:** The significant expansion of transportation infrastructure, including national highways, railways, and metro networks, requires advanced HVAC solutions for both facilities and rolling stock, thereby boosting the demand for heat exchangers. KRn Heat Exchanger and Refrigeration Limited is also expanding its manufacturing to cater to the growing needs of railways for their electric engines.

Regulatory Framework and Support

- **Indian Boiler Regulations (IBR):** Administered by the Central Boiler Board (CBB), these regulations set mandatory guidelines for the design, construction, operation, and maintenance of boilers and pressure vessels, which include heat exchangers, when operating above specified pressure and temperature limits.
- **Bureau of Indian Standards (BIS):** As the national standards body, BIS formulates and implements Indian standards. Relevant standards for heat exchangers include IS 4503 (shell and tube), IS 10787 (plate), and IS 6034 (air-cooled). KRn also holds a BIS Product Certification license.
- **Rajasthan Investment Promotion Scheme (RIPS):** Companies operating in Rajasthan, such as KRn Heat Exchanger and Refrigeration Limited, benefit from state-level incentives like State Goods and Services Tax (SGST) reimbursement, exemptions from electricity duty and land tax, and interest subsidies on term loans.

Management Discussion & Analysis

- **Export Promotion Schemes:** Indian manufacturers also benefit from various export promotion schemes, including the Duty Drawback Scheme, Remission of Duties and Taxes on Exported Products (RoDTEP), and Export Promotion Capital Goods (EPCG). These schemes support India's efforts to become a net exporter of heat exchangers.
- **Industrial Policy, 1991 and Foreign Exchange Management Act (FEMA):** These regulations govern foreign investment in India, permitting up to 100% foreign investment in manufacturing activities.

Looking Ahead

The HVAC&R segment will remain a key driver of the Indian heat exchanger market. KRn's core business is directly aligned with these high-growth segments and key drivers of both the global and Indian HVAC&R and heat exchanger markets. This direct alignment means that KRn is well-positioned to benefit from strong secular tailwinds. The increasing demand for energy-efficient solutions, which are a core offering of heat exchangers, coupled with the rapid industrial development and urbanization in India and the broader Asia-Pacific region, provides a large and expanding addressable market for KRn. This market dynamic validates the company's strategic focus and its ongoing expansion plans, indicating a high probability of sustained demand for its products in the foreseeable future.

COMPANY OVERVIEW

OPERATIONS

We are actively engaged in the design, manufacturing, and supply of fin and tube-type heat exchangers, along with a range of related thermal solutions. Our products are predominantly crafted from non-ferrous metals, with copper and aluminum serving as the primary materials. Our extensive product portfolio includes essential components such as condenser coils, evaporator units, evaporator coils, headers/copper parts, fluid and steam coils, and various sheet metal components. We offer six core product categories.

In fiscal year 2025, condenser coils accounted for 60.74% of our revenue, while evaporator coils contributed 30.39%, as compared to fiscal year 2024, condenser coils accounted for 55.01% of our revenue, while evaporator coils contributed 37.34%, highlighting these as the primary revenue-generating product streams. These products are widely utilized by Original Equipment Manufacturers (OEMs) across diverse HVAC&R applications, including air conditioning, refrigeration, and process cooling systems. A key strength of ours lies in our capability to deliver customized coils, offering various configurations, tube diameters (from 5mm to 15.88mm), and fin patterns. This customization ensures optimal performance

across a wide spectrum of refrigerants and client specifications. To guarantee compliance with international quality and safety standards, all our products undergo rigorous testing processes, with condenser and evaporator coils notably holding UL-207 recognition. Furthermore, advanced nano and powder coatings are applied to our products to enhance their durability and corrosion resistance, ensuring long-lasting solutions for end-users.

We operate two dedicated manufacturing units, both strategically located in Neemrana, Alwar, Rajasthan. These facilities are equipped with state-of-the-art machinery essential for coil manufacturing, including Hair Pin Benders, Fin Press Machines, and Vertical Expanders. Additionally, we boast a modern press shop, utilizing NCT Punching and CNC bending machines for the in-house production of sheet metal parts. This integrated setup enables efficient and precise manufacturing processes. The total factory area is approximately 150,000 sq ft.

For the fiscal year 2025 we demonstrated high levels of capacity utilization across our key product lines. The utilization rate stood at 84.09% for evaporators and condenser coils, 84.53% for headers/copper parts, and 85.77% for sheet metal parts. These high capacity utilization rates in FY2025 underscore robust demand for our products and validate our strategic decision to pursue significant manufacturing expansion. While high utilization is indicative of efficient operations and strong market absorption, it also implies that our existing capacity has limited scope for further organic growth without additional investment. This situation could potentially lead to missed orders or extended lead times if market demand continues to surge. Therefore, the consistently high utilization rates provide a clear operational justification for the substantial capital investments we have planned. This demonstrates that our existing manufacturing infrastructure is operating near its limits, and expansion is a necessary step to effectively capture future market opportunities and sustain growth. Our total annual production capacity is 1 million units and is set to increase many folds with our planned expansion.

IMORT AND EXPORT DETAILS

Foreign Trade is a very important aspect of our business. We import a large proportion of our raw materials and about 15.69% of our products are exported.

The company import goods for amount of ₹ 229.95 Cr for March 31,2025 and of ₹ 196.64 Cr for March 31, 2024.

The details of revenue from Export and other than export for March 31,2025 and the previous year are as under:

Management Discussion & Analysis

(₹ in Cr)

Category	2025		2024	
	Amount	%	Amount	%
Export	67.45	15.69	45.27	14.69
Domestic	361.71	84.15	262.85	85.26
Other Income	0.69	0.16	0.16	0.05
Total	429.85	100	308.28	100

The highlights of the financial results for the year ended March 31, 2025 and the corresponding figure for the previous year are as under:

(₹ in Cr except EPS)

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Revenue from Operations	431.19	308.24	429.85	308.28
Other Income	7.28	5.36	11.86	5.46
Total Income	438.47	313.60	441.71	313.74
Total Expenditure	367.22	257.21	367.39	257.81
Profit before tax	71.24	56.39	74.32	55.93
Current Tax	21.65	16.88	21.91	55.93
Income tax Adjustment	(0.0030)	(0.18)	(0.003)	(0.18)
Deferred Tax Adjustment	(0.55)	(0.20)	(0.43)	(0.16)
Profit after Tax	50.17	39.89	52.87	39.30
Basic Earnings per share (in ₹)	9.25	8.87	9.75	8.76

QUALITY ASSURANCE

Quality Policy



Quality Policy :

We are committed to produce consistent quality products at competitive price to meet our esteemed customer's satisfaction by adopting systematic approach to excellence teamwork, motivation, training, and involvement of our employees in accordance with quality management standards for its continual improvements.

Environment, Health & Safety Policy



EHS Policy:

We are Committed to Environmental, Health, and Safety Excellence. We prioritize society and the environment, conserving resources, reducing waste, and preventing pollution. Our focus is on personnel well-being, ensuring a safe and healthy workplace with collective participation for success. Participation of all our personnel and business associates shall be the support to this endeavour.

Quality Assurance



Quality Assurance:

Quality is not an act but habit! At KRN, we periodically conduct surprise inspection of parts and final products at the shop floor. We follow KAIZEN philosophy for our business. We always look for a more efficient way of doing things and see if there is any scope of improvement in our processes, to provide satisfactory and better results to each customer every time.

Training Sessions



Training Sessions:

We at KRN strongly understand and believe in constant learning & know its importance. We organize regular training sessions for our workers and staff. We invite honorable and reputed guests to conduct seminar for our staff. These gathering and meeting help our employees to engage in work culture and maintain healthy work environment.

Management Discussion & Analysis

Our products are designed to meet international quality standards and offer customization based on client needs. Key aspects of their quality and operational excellence include:

- Advanced Coatings:** We apply nano coating and powder coating to copper tubes, brazing joints, and fin sheets to improve longevity and corrosion resistance, ensuring efficient heat exchanger operation and reduced maintenance costs
- Stringent Testing:** They maintain an in-house facility for checking the quality of the manufactured products to ensure the best quality products are supplied to their customers.
- Certifications:** KRN holds various industry certifications, demonstrating its commitment to quality and compliance.
- Trained Personnel:** Key employees of the 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. KRN established an internal Brazing school in 2022 to enhance staff skills.
- Multilevel Quality Checks:** These multi-level quality checks from raw material procurement to delivery ensure consistent delivery of good quality products, enhancing our brand value.
- Latest Technology:** KRN has integrated the latest technology in plant and machinery to deliver exceptional products.

MARKETING APPROACH

KRN Heat Exchanger and Refrigeration Limited adopts a relationship-driven, customer-centric marketing approach supported by a dedicated team of experienced professionals. With a strong presence in both domestic and international markets—including a sales team based in the Czech Republic—KRN focuses on timely delivery, quality assurance, and deep engagement with long-standing clients. Under the leadership of Promoter Mr. Santosh Kumar Yadav, the company emphasizes regular client interaction to understand evolving needs, develop adjacent products and applications, and strengthen its position as a preferred supplier. The

strategy includes early-stage engagement, multi-level client contact, and value-added services, supported by an effective feedback mechanism to continuously improve product performance and customer satisfaction.

Our marketing strategy is framed in the following way:

- focusing on the customers
- making the effort to become a preferred supplier early in the process.
- interacting with customers at multiple levels.
- extending the product offering by adding services.
- Focusing on the development of "adjacent" products, markets, and applications

OPPORTUNITIES

- Rising Demand for HVAC&R Solutions
- Expansion in Export Markets
- Government Support and PLI Schemes
- Capacity Expansion and New Product Lines
- Increased Focus on ESG and Green Technologies
- Technological Upgradation and Automation

THREATS

- Geopolitical Instability and Trade Tensions
- Raw Material Price Fluctuations
- Foreign Exchange Risk
- Competitive Pressures
- Regulatory and Environmental Compliance
- Supply Chain Disruptions
- Customer Concentration Risk
- Technological Obsolescence



Management Discussion & Analysis

RISKS AND MITIGATION

Risk Management

At KRN Heat Exchanger and Refrigeration Limited, we acknowledge that a variety of internal and external risks impact our business operations, financial performance, and strategic growth. We have established risk management practices focused on identifying, assessing, and mitigating significant risks to create sustainable value for our customers, stakeholders, and investors.

Risk	Impact	Mitigation
Customer Concentration Risk	High dependence on a limited number of customers, especially Daikin Airconditioning India Private Limited, poses a risk of revenue fluctuations due to order cancellations, delays or non-renewal of contracts.	We focus on diversifying our customer base by expanding our reach in domestic and international markets, serving over 80 customers in recent periods. We aim to build deeper, long-term relationships and continuously improve product and service quality to retain key customers.
Supplier and Raw Material Dependency	Dependence on few suppliers for critical raw materials, including copper, aluminium, and others procured largely through imports, can lead to supply shortages, price volatility, and increased costs.	We proactively diversify suppliers and maintain strategic inventory buffers. Our sourcing team actively mitigates supply chain risks, while continuous supplier assessment helps ensure quality and timely delivery. Forward contracts and alternate sourcing strategies are explored to mitigate price fluctuations.
Foreign Exchange Risk	Significant import of raw materials and export revenue exposes the company to currency fluctuations impacting costs and profitability.	We employ short-term hedging strategies such as forward exchange contracts to manage currency risk. We also review procurement and pricing strategies periodically to minimize the negative impact of foreign exchange variations.
Working Capital and Debt Management	High working capital requirements funded through borrowings can affect liquidity and limit growth opportunities.	Our treasury team monitors cash flows to optimize working capital. We maintain healthy debt servicing ratios and actively engage with lenders to ensure reasonable financing terms. Capital budgeting is done prudently to avoid overleveraging.
Growth and Capacity Risks	Rapid expansion and new manufacturing setups expose the company to project delays, cost overruns, operational inefficiencies and scaling challenges.	Capital expenditure projects are monitored closely for timelines and cost control. Experienced project management teams and periodic reviews help mitigate execution risks. We emphasize process improvements and skill development to support sustainable growth.
Manufacturing and Operational Risks	Disruptions due to equipment failure, power outages, labor issues or natural calamities can affect production and delivery timelines.	We maintain backup power sources including diesel generators and solar installations, and have preventive maintenance schedules for machinery. Contingency plans including alternative production arrangements help minimize disruptions. Safety protocols and training programs help reduce workplace accidents.
Regulatory and Compliance Risks	Non-compliance with labor laws, environmental permits, tax regulations or delayed statutory filings may attract penalties or operational restrictions.	The company invests in strengthening compliance functions with regular audits and timely filings. We engage with legal and regulatory experts to ensure adherence to changing laws and standards. Environmental and safety certifications are maintained and periodically renewed.

Management Discussion & Analysis

Risk	Impact	Mitigation
Product Quality and Technical Specifications Risk	Failure to meet stringent technical and quality specifications can result in order cancellations, reputational damage, or warranty claims.	Quality assurance teams rigorously monitor production standards and customer requirements. Obtained certifications such as ISO 9001:2015 are maintained. Continuous R&D and employee training ensure adherence to technical specifications.
Related Party Transaction and Conflict of Interest Risks	Transactions involving promoters and related parties may give rise to real or perceived conflicts affecting governance and minority shareholder interests.	All related party transactions are conducted on an arm's length basis and subject to regulatory approvals, board oversight, and disclosure requirements. The Company follows strict corporate governance standards to address potential conflicts transparently.
Geographical Concentration Risk	Majority of manufacturing and sales activities are concentrated in the Rajasthan region, exposing operations to regional economic, political or natural disruptions.	The company pursues gradual geographical diversification of customers and markets. Business continuity and disaster management plans are in place to mitigate localized risks.
Industry and Market Risks	Changes in HVAC sector dynamics, economic slowdowns, or reduction in customer outsourcing trends could impact sales volumes and margins.	We continuously innovate product offerings and explore new markets to stay competitive. Strategic partnerships and customer engagement initiatives help enhance adaptability to market changes.
Environmental and Sustainability Risks	Increasing regulations on emissions, energy consumption, and hazardous materials handling can raise compliance costs and impact business operations.	We are committed to environmental stewardship with compliance to all local and national environmental norms. Investments in energy-efficient technologies, waste reduction measures, and sustainable sourcing underpin our strategic response to climate-related risks.
Information Security and Fraud Risk	Potential fraud, theft or system failures can disrupt operations and damage reputation.	The company maintains strong internal controls, surveillance, and insurance coverage. Regular audits and governance mechanisms reduce fraud risk and ensure financial integrity.
Market Risks - Liquidity and Price Volatility	Post listing, equity share price may experience volatility due to market conditions, investor sentiment, or macroeconomic factors, affecting liquidity and valuation.	We engage with investors and analysts through transparent disclosures and investor relations initiatives. Continuous market monitoring and adherence to regulatory requirements support price stability and investor confidence.
Changes in Laws and Tax Regime	Amendments to tax laws, regulations, or labor codes could increase compliance burden and cost structure.	The company consults with tax and legal experts regularly to incorporate changes promptly. Forward planning and scenario analysis help mitigate impact of regulatory changes on profitability.

This Risk Management framework reflects our proactive approach to risk assessment and mitigation, helping us to sustain our growth trajectory while safeguarding stakeholder interests. We continuously refine our risk processes to address emerging challenges and ensure operational excellence and regulatory compliance.

Management Discussion & Analysis

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

KRN has established a robust internal control framework designed to ensure the integrity and reliability of its financial reporting, safeguard its assets, and promote adherence to statutory, regulatory, and internal procedural requirements. These internal controls are rigorously formulated, documented, and implemented in alignment with the size, complexity, and scale of KRN's operations. The framework encompasses clearly defined policies and authorization protocols for all material transactions, aiming to maintain operational effectiveness and mitigate the risk of fraud.

The Board of Directors is ultimately responsible for the design, implementation, and continued adequacy of internal controls relevant to the preparation and fair presentation of both consolidated and standalone financial information, in full compliance with the requirements of the Companies Act, SEBI (ICDR) Regulations, and applicable guidance notes. The Audit Committee, together with the internal audit function, plays a vital oversight role—reviewing the sufficiency and efficacy of internal audit procedures and continuously monitoring compliance across all business functions and locations.

Internal audits, which are conducted at regular intervals by experienced external professionals as well as the internal audit team, provide an independent appraisal of the operational effectiveness and adequacy of internal controls. These audits cover key financial, operational, and compliance domains, with findings and recommendations reviewed in detail by the Audit Committee. Action plans to address any identified gaps are closely monitored for timely remediation.

While KRN is committed to maintaining a strong internal control environment, it is recognized that the effectiveness of these controls may be challenged by dynamic business conditions and evolving risks. The Company remains vigilant and proactive in identifying, rectifying, and mitigating any deficiencies that may arise, thereby supporting the accuracy of financial reporting, effective risk management, and the prevention of fraud. The Board continually assesses and enhances the internal control and risk management systems to support sustainable and compliant business operations.

CORPORATE SOCIAL RESPONSIBILITY

We demonstrate a commitment to corporate citizenship through our established "Corporate Social Responsibility Policy" and a dedicated CSR Committee, in compliance with Section 135 of the Companies Act, 2013. The CSR Committee was reconstituted on March 27, 2024.

In Fiscal Year 2025, the total expenditure required to be spent on CSR was ₹0.80 Cr, and the amount spent was ₹ 0.81 Cr. In Fiscal Year 2025, we actively engaged in several CSR initiatives, primarily focusing on providing support to local government schools and hospitals within our operational vicinity.

Our CSR activities in FY2025 highlight a localized and tangible commitment to community welfare, particularly in the critical areas of education and healthcare. These direct, local engagement efforts, rather than broad, thematic programs, indicate our dedication to being a responsible corporate citizen within our immediate operational areas. Such initiatives are instrumental in fostering goodwill, strengthening community relations, and enhancing our social license to operate, which is an increasingly vital aspect of long-term sustainability and reputation management.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

As of July 31, 2025, we maintained a substantial workforce of over 768 professionals, including 208 full-time and 560 contractual employees. We place a strong emphasis on continuous learning and professional development, regularly organizing training sessions for both our workers and staff. These training programs often include seminars conducted by respected industry experts, fostering an environment of ongoing skill enhancement and knowledge acquisition. We have also established an internal Brazing school to enhance staff skills.

We have formalized our human resources practices through the establishment of several key policies. These include a "Nomination And Remuneration Policy" and a comprehensive "Policy on Sexual Harassment of Women at Workplace". The latter policy is particularly robust, covering all employees and outlining detailed procedures for the prevention, prohibition, and redressal of sexual harassment, supported by an Internal Complaints Committee. Our broader Code of Ethics reinforces these commitments by emphasizing "Concern for Others" and "Integrity," aiming to cultivate a safe, healthy, and ethical workplace environment for all employees. We prioritize the health and safety of our employees, holding the ISO 45001:2018 Occupational Health and Safety Management Systems certification, conducting annual external safety tests, and providing employee benefits such as Group Personal Accident Cover and Group Health (Floater) Insurance, along with adequate safety equipment.

We maintain a significant workforce and actively invest in employee development through structured training programs. This commitment to skill development enhances operational efficiency and prepares our workforce to adapt to new technologies, particularly relevant given our new product lines. The formal HR policies demonstrate a structured approach to employee welfare, ethical conduct, and legal compliance. This fosters a positive work environment, mitigates human resources-related risks, and contributes to our overall stability and productivity. We have maintained a harmonious labor environment with no major disputes in the past three years.

Management Discussion & Analysis

KET RATIOS

Particulars	FY 2025	FY2024
Revenue (₹ in Cr)	429.85	308.28
Net Profit After Tax (₹ in Cr)	52.88	39.39
Earnings per share (in ₹)	9.75	8.76
Operating Profit Margin (%)	16.40	18.96
Net Profit Margin (%)	12.30	12.78
Return on Net worth	16.81	41.87
Current Ratio (times)	4.52	1.66
Debtors Turnover(times)	5.91	6.77
Debt-equity (times)	0.07	0.46
Interest Coverage Ratio(times)	8.65	8.28

FUTURE OUTLOOK

- Robust Demand Drivers Ahead
- Scaling Capacities to Meet Demand
- Expanding Global Footprint
- Product Innovation and Diversification

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis report detailing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, raw material prices, finished goods prices, cyclical demand and pricing in the Company's products and their principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries with which the Company conducts business and other factors such as litigation and / or labor negotiations.

Board's Report

Dear Members,

Your Directors take immense pleasure in presenting the 8th Annual Report on the business and operations of your Company along with the Audited Standalone & Consolidated Financial Statements for the Financial Year ended March 31, 2025. The consolidated performance of the Company has been referred to wherever required. This being the first report after the Initial Public Offer ("IPO") and listing of the equity shares on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (BSE and NSE hereinafter collectively referred as "Stock Exchanges"), the Board welcomes all the public shareholders and look forward to your faith and support in times to come.

FINANCIAL HIGHLIGHTS

The consolidated and standalone financial performance of the Company for the financial year ended 31st March, 2025 is summarized below:

Particulars	(Amount/₹ In Lakhs except Earnings Per Share Data)			
	Consolidated		Standalone	
	2024-25 Current Year	2023-24 Previous Year	2024-25 Current Year	2023-24 Previous Year
Revenue from operation and other income	44170.64	31374.09	43846.64	31359.92
Operating Profit/(Loss) before Depreciation	7895.41	5991.44	7489.67	6031.20
Less: Depreciation	463.25	399.05	365.44	391.93
Profit/ (Loss) before Tax	7432.16	5593.39	7124.23	5639.27
Less: Provision for Tax				
-Current Tax	2190.45	1688.80	2165.00	1688.80
Deferred Tax Credit	(42.80)	(16.48)	(55.20)	(20.10)
Income tax earlier years	(3.03)	(17.92)	(3.03)	(17.92)
Profit/(Loss) after Tax	5287.54	3938.99	5017.46	3988.49
Other Comprehensive income	2.92	4.20	2.58	4.20
Total Comprehensive income	5284.62	3934.79	5014.88	3984.29
Total Comprehensive income attributable to the owners of Holding Company	5284.62	3934.79	5014.88	3984.29
Non-controlling interest	-	-	-	-
Total Profit/ (loss) for the year	5284.62	3934.79	5014.88	3984.29
Earnings per share	9.75	8.76	9.25	8.87

The Company has prepared the Standalone and Consolidated Financial Statements for the Financial Year 2024-25 in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 (the "Act").

STATE OF COMPANY'S AFFAIRS

KRN Heat Exchanger and Refrigeration Limited, founded in 2017 in Neemrana, India, specializes in manufacturing aluminium and copper fin and tube heat exchangers, including water coils, condenser coils, and evaporator coils. Their products are widely used by OEMs in the HVAC&R industry for heating, ventilation, air conditioning, and refrigeration applications.

In addition to extensive product offerings, your Company manufacture various components such as aluminium / copper fins and copper tubes, bar and plate and other components, which are critical to manufacturing process. KRN focuses on

product quality and manufacturing processes for reliable end-user solutions.

FINANCIAL HIGHLIGHTS

Standlaone level

During the Financial Year 2024-25, your Company clocked total revenue from operations of ₹ 43846.64 Lakh as compared to ₹ 31359.92 Lakh in the Financial Year 2023-24 at Standalone level.

The profit after tax ("PAT") of the Company for the Financial Year 2024-25 was ₹ 5017.46 Lakh as compared to ₹ 3988.49 Lakh in the Financial Year 2023-24.

Consolidated level

During the Financial Year 2024-25, your Company clocked total revenue from operations of ₹ 44170.93 Lakh, as compared to ₹ 31374.09 Lakh in the Financial Year 2023-24 at Consolidated level.

Board's Report

The profit after tax ("PAT") of the Company for the Financial Year 2024-25 was ₹ 5287.54 Lakh as compared to ₹ 3938.99 Lakh in the Financial Year 2023-24.

INITIAL PUBLIC OFFERING ("IPO") AND LISTING ON MAIN BOARD- BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE")

In order to unlock further potential and unleash greater value creation for all stakeholders, your Company came up with IPO of its equity shares. The equity shares of your Company got listed on Stock Exchanges with effect from October 3, 2024.

The Company successfully completed its Initial Public Offer (IPO) of 15543000 Equity Shares of face value of ₹ 10/- each at an Offer Price of ₹ 220 per Equity Share including a premium of ₹ 210 per Equity Share aggregating to ₹ 34,194.60 Lakhs. The Initial Public Offer opened on September 25, 2024 and closed on September 27, 2024. The Equity Shares of the Company were listed and admitted for trading on BSE and NSE with effect from 3rd October, 2024.

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of your Company during the year under review.

INFORMATION ABOUT SUBSIDIARY, ASSOCIATE COMPANY AND THEIR FINANCIAL PERFORMANCES

Your Company has the following wholly owned subsidiaries as on March 31, 2025. The details are as follows:

- a) KRN HVAC Products Private Limited
- b) Thermotech Research Laboratory Private Limited*

** The Board of Directors approved the incorporation of Thermotech Research Laboratory Private Limited in FY25. It was incorporated on February 26, 2025, for HVAC&R Lab in India to equipped with the latest testing, validation, and certification technologies.*

Except as stated above, there was no change in the holding of any subsidiary, joint venture or associate company during the year.

HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

A statement containing the salient features of the financial statements of the Subsidiaries, Joint Ventures and Associates of the Company is attached in Form AOC-I as Annexure I as required under Rule 5 of the Companies (Accounts) Rules, 2014.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return for the year ended on 31st March, 2025 is available on the Company's website at <https://krnheatexchanger.com/investors/>.

DIRECTORS AND KMPs

The Company's Board, consisting of highly qualified individuals, maintains a balanced structure of Executive and Non-Executive Directors, Women Independent Directors with a majority of Independent Directors, in compliance with all regulations. This composition ensures effective leadership and oversight. The Board currently has 07 Directors (02 Executive Directors, 01 Non executive and 04 Independent) and engages in regular succession planning to maintain alignment with the Company's future needs.

Pursuant to the provisions of Section 152(6) of the Act, Mr. Santosh Kumar Yadav (DIN 07789940), Chairman and Managing Director, retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offer themselves for re-appointment. A brief resume, details of expertise and other directorships/committee memberships held by these Directors, form part of the Notice convening the ensuing AGM.

There is no change in the Directors of the Company during the year under review.

After closure of the Financial Year, the Board, on the recommendation of the NRC, appointed Mr. Jitendra Kumar Sharma (ICSI Membership No. A65048) as Company Secretary, Compliance officer and Key Managerial Personnel (KMP) of the Company with effect from 28th April, 2025 and appointed Mrs. Meenakshi Sharma (DIN: 11153602) as Additional Non-Executive Independent Director of the Company with effect from 18th June, 2025

The relevant resolution for the approval of the shareholders for the appointment of Mrs. Meenakshi Sharma (DIN: 11153602), as the Non-Executive Independent Director on the Board of the Company is mentioned in the Notice of ensuing AGM.

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Sections 2(51) and 203 of the Act, read in conjunction with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), the Key Managerial Personnel ("KMPs") of the Company during the financial year were as follows:

Mr. Santosh Kumar Yadav, Managing Director

Mrs. Anju Devi, whole-time Director

Mr. Mr. Sonu Gupta, Chief Financial Officer

*Mr. Praveen Kumar, Company Secretary & Compliance Officer

**Mr. Jitendra Kumar Sharma, Company Secretary & Compliance Officer

*Mr. Praveen Kumar, has been resigned from the position of Company Secretary & Compliance Officer of the Company w.e.f. 17th February, 2025.

**Mr. Jitendra Kumar Sharma has been appointed as Company Secretary & Compliance Officer of the Company w.e.f. 28th April, 2025.

DECLARATION BY INDEPENDENT DIRECTORS



Board's Report

The Company has received necessary declarations from all Independent Directors as required under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations, confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations, respectively.

In compliance with Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the details of all the Independent Directors have been registered with the databank maintained by the Indian Institute of Corporate Affairs (IICA). Further, all the Independent Directors have passed the online proficiency self-assessment test conducted by IICA except those who have been exempted by the Act.

SHARE CAPITAL

Authorised share capital

The Authorised Share Capital of the Company is ₹ 72,00,00,000 divided into 7,20,00,000 equity shares of ₹ 10/- each. During the year under review, there was no change in the Authorised Share Capital of the Company.

Paid up share capital

During the year under review, the Company had issued 4,77,000 equity shares of ₹ 10/- each by private placement and issued 1,55,43,000 equity shares of ₹ 10/- each in its IPO. The paid up equity share capital as on 31st March, 2025 was ₹ 62,15,66,000 /- (Rupees sixty Two Crore Fifteen Lakhs Sixty Six Thousand Only) divided into 6,21,56,600 equity shares of ₹ 10/- each.

ANNUAL LISTING FEE

The Annual Listing Fee for the financial year 2025-26 has been paid to both the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has not declared dividends on the Equity Shares, therefore, provisions for transfer of unclaimed/unpaid dividend and shares to Investor Education and Protection Fund under the Companies Act, 2013 were not applicable.

DIVIDEND

The Board does not propose to pay any dividend for the financial year ended 31st March, 2025.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME

SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

There was no instance of one-time settlement with any Bank or Financial Institution during the financial year 2024-25.

AMOUNT TRANSFER TO RESERVES

Details with regard to amount transferred to reserves are provided in the Notes to Financial Statements forming part of this Annual Report.

PUBLIC DEPOSITS

During the year under review, the Company has neither invited nor accepted any deposits from the public pursuant to the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments have occurred between the end of the financial year of the Company and the date of this report which could affect the financial position of the Company.

RISK MANAGEMENT

Risk Management has been integrated with major business processes such as strategic planning, business planning, operational management and investment decisions to ensure consistent consideration of risks in all decision- making. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

To minimize the adverse consequence of risks on business objectives the Company has framed this Risk Management Policy. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities.

Business risk, inter-alia includes financial risk, political risk, fidelity risk and legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

DETAILS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Board's Report

The Company has documented its internal financial controls considering the essential components of various critical processes, both physical and operational. This includes its design, implementation and maintenance, along with periodic internal review of operational effectiveness and sustenance and whether these are commensurate with the nature of its business and the size and complexity of its operations.

This ensures orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

Internal financial controls with reference to the financial statements were adequate and operating effectively.

ANNUAL EVALUATION BY THE BOARD

The Board, pursuant to the provisions of the Act and Listing Regulations, has carried out an Annual Evaluation of its own performance, performance of the Board Committees and of the individual Directors (including the Independent Directors) on various parameters.

The criteria for the evaluation of the performance of the Board, the Committees of the Board and the individual Directors, including the Chairperson of the Board was approved by the Nomination and Remuneration Committee ("NRC") of the Company. The Board decided to circulate the set of questionnaires for the performance evaluation to the directors and on the basis of those questionnaires, the evaluation of the Board Committees and of the individual Directors (including the Independent Directors) was done for the FY 2024-25.

The performance evaluation of the Non-Independent Directors and Chairman of the Board was carried out by the Independent Directors in a separate meeting.

The Directors expressed their satisfaction with the evaluation process. Further, the evaluation process confirms that the Board and its Committees continue to operate effectively and the performance of the Directors is satisfactory.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Companies Act, 2013 and the particulars of the employees who are covered under the provisions contained in Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are attached as Annexure II.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has formulated "Whistle Blower Policy" to

provide Vigil Mechanism to the employees including Directors of the Company to report genuine concerns and to ensure strict compliance with ethical and legal standards across the Company. The provisions of this Policy are in line with the provisions of the Section 177(9) of the Companies Act, 2013 and the rules made thereunder and Regulation 22 of Listing Regulations. The Company's Whistle Blower Policy is available on the website of the Company at <https://krnheatexchanger.com/wp-content/uploads/2024/05/Whistle-Blower-and-Vigil-Mechanism.pdf>.

During the period under review, the Company has not received any complaint under the Whistle Blower Policy of the Company.

MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEE(S)

The Board met 12 (twelve) times during the year ended March 31, 2025. The number of meetings of the Board and various Committees of the Board including attendance, composition etc. are set out in the Corporate Governance Report which forms part of Annual Report. The intervening gap between the meetings was within the time limit prescribed under the provisions of Section 173 of the Act and Listing Regulations.

In accordance with the provisions of Schedule IV to the Act and applicable Regulations, a separate meeting of the Independent Directors of the Company were held on 27th January, 2025 and 31st March, 2025 without the attendance of Non-Independent Directors and members of the Management.

The Board has constituted the following Committees with adequate delegation of powers:

- I. Audit Committee
- II. Nomination and Remuneration Committee
- III. Stakeholders' Relationship Committee
- IV. Corporate Social Responsibility Committee

Details of the composition of the Committees, their terms of reference, attendance of Directors at meetings of the Committees and other requisite details as required under Listing Regulations are provided in the Corporate Governance Report which forms part of the Annual Report.

SECRETARIAL STANDARDS

The Secretarial Standards i.e. SS-1 & SS-2 relating to meetings of the Board of Directors and General Meetings, respectively have been duly complied with by the Company.

Board's Report

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

- in the preparation of annual accounts for the financial year ended 31st March, 2025, the applicable Accounting Standards have been followed and there are no material departures, from the same;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company as at 31st March, 2025 and of the profit of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- they have devised proper system to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

The BRSR for the FY 25, as stipulated under Regulation 34(2) (f) of the Listing Regulations, is annexed separately forming part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review is annexed separately forming part of the Annual Report.

CORPORATE GOVERNANCE

The Company is committed to adhere to best corporate governance practices. The separate section on Corporate Governance and a Certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations forms part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has in place Corporate Social Responsibility Policy ("CSR Policy") which outlines the Company's philosophy and responsibility and lays down the guidelines and

mechanism for undertaking socially impactful programs towards welfare and sustainable development of the community around the area of its operations. The CSR Policy of the Company is available on the website of the Company and the weblink is: <https://krnheatexchanger.com/wp-content/uploads/2025/08/CSR-Policy.pdf>.

Pursuant to clause (o) of sub section (3) of Section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014, as amended, the Annual Report on Corporate Social Responsibility activities of the Company undertaken during the year under review, including salient features of Company's CSR Policy forms part of this Report as Annexure III.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s Keyur Shah & Co., Chartered Accountants (Firm Registration No. 141173W) has been appointed as the Statutory Auditors of the Company in the 6th Annual General Meeting of the Company held on 30th September, 2023 to hold office for a period of Five (5) years till the conclusion of 11th Annual General Meeting.

The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer of opinion. The Notes to the Financial Statements (including the Consolidated Financial Statements) referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

SECRETARIAL AUDITORS

M/s S Khatri & Associates, Company Secretary in practice, was appointed as Secretarial Auditors of the Company for FY 2024-25. The Secretarial Audit for FY ended 31 March 2025 is annexed at Annexure-IV.

The observations and suggestions of the Secretarial Auditors were reviewed, and necessary corrective/ preventive actions were taken by the Company.

INTERNAL AUDITORS

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with rules made thereunder, the Board has appointed M/s Sharma Shankar & Co., Chartered Accountants, as Internal Auditor of the Company.

Internal Audit Reports are discussed with the management and are also reviewed by the Audit Committee of the Company. During the year under review, the Internal Auditors carried out their functions as per the scope of work assigned and placed their reports at the meetings of the Audit Committee.

The observations and suggestions of the Internal Auditors were reviewed, and necessary corrective/ preventive actions were taken in consultation with the Audit Committee.

Board's Report

COST AUDITORS

Pursuant to the provisions of Section 148 of the Companies Act, 2013, Board of Directors of the Company on the recommendation of the Audit Committee has approved the appointment of M/s R S Chauhan & Associates, Cost Accountant (Reg. No. 003517) as Cost auditors of the Company for the F.Y 2024-25 and the necessary resolution for ratification on the remuneration payable to the cost auditors was approved by the members of the Company in the previous AGM.

In accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company is maintaining the requisite cost records.

There has been no qualification, reservation, adverse remark or disclaimer given by the Cost Auditors in their Report for the financial year ended March 31, 2025.

As per the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors is required to be ratified and confirmed by the members in General Meeting. Accordingly, resolution seeking members' ratification for the remuneration payable to M/s R S Chauhan & Associates, Cost Accountant for the F.Y. 2025-26 is included in the Notice convening the AGM.

DETAILS IN RESPECT OF FRAUD REPORTED BY AUDITOR UNDER SECTION 143(12) OTHER THAN WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There was no fraud reported in the Company during the Financial Year ended 31st March, 2025. This is also being supported by the report of the auditors of the Company as no fraud has been reported in their audit report under Section 143 (12) of the Companies Act, 2013 for the Financial Year ended 31st March, 2025.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of loans, guarantees given, security provided and investments made during the year in accordance with Section 186 of the Act forms part of the notes to the Audited Financial Statements provided in this Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES PURSUANT TO THE SECTION 188 (1) OF THE COMPANIES ACT, 2013

The Company has robust processes and procedures for identification and monitoring related party(ies) and related party transactions.

The Company has formulated a policy on related party transactions which is also available on the website of the Company at www.krnheatexchanger.com. All related party transactions are placed before the Audit Committee for review

and approval. Prior omnibus approval is obtained for related party transactions on a quarterly basis which are of repetitive nature and/ or entered in the ordinary course of business and are at an arm's length basis. There were no related party transactions entered into by the Company with Directors, KMPs or other related parties which may have a potential conflict with the interest of the Company.

All related party transactions entered during the financial year were in the ordinary course of the business and at an arm's length basis and the Company has not entered into any material related party transaction as stipulated under Regulation 23 of the Listing Regulations. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable to the Company for FY 2024-25.

The detailed disclosure on related party transactions as per IND AS-24 containing name of related parties and details of the transactions entered into with them have been provided under Note No. 39 of the Standalone Financial Statements of the Company.

BOARD POLICIES

In compliance with the Act and Listing Regulations, the Company has made all Board-approved policies available on its website at www.krnheatexchnager.com

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

Pursuant to Section 134(3)(e) and Section 178(3) of the Act, the Nomination & Remuneration Committee (NRC) of your Board had fixed the criteria for nominating a person on the Board which inter alia include desired size and composition of the Board, age limit, qualification / experience, areas of expertise and independence of individual.

The Board of Directors, on the recommendation of the NRC of the Company, had framed a Policy for Nomination and Appointment of Directors. Further, pursuant to provisions of the Act, the NRC recommended to the Board a Remuneration Policy for remuneration payable to, to Directors, Key Managerial Personnels and Senior Management Personnel and other employees of the Company, which was duly approved by the Board. The Board on the recommendation of the Committee appoints the Senior Management Personnel from time to time. The NRC has also developed the criteria for determining the qualifications, positive attributes and independence of Directors and for remuneration to Executive Directors of the Company. The Remuneration Policy of the Company is available on Company's website at <https://krnheatexchanger.com/investors/>.



Board's Report

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards Sexual Harassment of Women at Workplace and values the dignity of individuals and is committed to provide an environment, which is free of discrimination, intimidation and abuse.

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and rules made there under, the Company has adopted a Sexual Harassment Policy for women to ensure healthy working environment without fear of prejudice, gender bias and sexual harassment and Complying with the other applicable provisions of the Act.

As per the requirement of the POSH Act and Rules made thereunder, the Company constituted an Internal Complaints Committee (ICC) to redress the complaints received regarding sexual harassment.

The details pertaining to complaints on matters pertaining to sexual harassment during the Financial Year 2024-25, are as below:

Number of complaints of sexual harassment received in the year	Nil
Number of complaints disposed off during the year	Nil
Number of complaints pending for more than ninety days	Nil

The Policy is available on the Company's website at <https://krnheatexchanger.com/investors/>

COMPLIANCE OF MATERNITY BENEFIT ACT, 1961

The Company has complied with provisions relating to the Maternity Benefit Act, 1961. as amended by the Maternity Benefit (Amendment) Act, 2017. All eligible women employees are entitled to maternity benefits, including paid leaves, as prescribed under the law.

The Company remains committed to supporting its women employees by providing a safe, inclusive and enabling workplace that encourages work-life balance and facilitates a smooth transition during and after maternity.

No complaints or grievances relating to maternity benefits were reported during the financial year 2024-25.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

The Board of Directors of the Company has approved a 'Code of Conduct and Business Ethics' (Code) for all Board members, Key Managerial Personnel and Senior Management Personnel. All the members of the Board and Senior Management Personnel have affirmed the compliance of the same. A copy of the Code is available on the website of the Company viz. <https://krnheatexchanger.com/wp-content/uploads/2024/05/Code-of-Conduct-for-Directors-and-Senior-Management-Personnel-Policy.pdf>.

CERTIFICATE FROM PRACTICING COMPANY SECRETARIES

The Company hereby confirms that none of its directors have been debarred or disqualified from appointment or continuation as directors by the Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs (MCA), or any other statutory authority. A certificate to this effect has been obtained from M/s Deepak Arora & Associates (Firm Registration No. P2001RJ080000), Practicing Company Secretaries, and is included as part of this report.

The Board is comprised of highly experienced individuals of esteemed repute, exhibiting a diverse and balanced mix of Executive and Non-Executive Directors, with a majority of Independent Directors.

FAMILIARIZATION PROGRAMS FOR INDEPENDENT DIRECTORS

In accordance with the provisions of Regulation 25(7) of the Listing Regulations, the Company has been conducting familiarisation programmes for Independent Directors. The familiarisation programme comprises of a combination of written communication, presentation made in various meetings and interactions with the management team to provide the directors an opportunity to familiarize with the Company, its management, operation, policies and practices.

Further, periodic presentations are made at the Board and Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Updates on relevant statutory changes are provided to the Directors in the Board meetings. Upon appointment, the Independent Directors are issued a letter of appointment setting out in detail the terms of appointment including their roles, functions, responsibilities and their fiduciary duties as a Director of the Company.

Details regarding familiarization programs imparted to independent Directors has been disclosed on the given weblink: <https://krnheatexchanger.com/wp-content/uploads/2024/05/Familiarization-Programme.pdf>.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Innovating for a sustainable future, the Company harnesses technology to tackle pressing environmental challenges, including climate change, water scarcity, and waste management. Equally important is its commitment to social responsibility, demonstrated by investments in digital skilling, fostering inclusive workplaces, prioritizing employee well-being, and empowering communities. Guided by its core values and overseen by a dedicated ESG team, the company is setting new standards for ethical and sustainable business practices.

CONFLICT OF INTERESTS

To maintain transparency, the Directors annually disclose their external board and committee roles, with updates throughout the year. This practice supports the Company commitment to avoiding conflicts of interest. The Members of the Board restrict themselves from any discussions and voting in transactions in which they have concerns or interests.

INSIDER TRADING CODE

The Company has instituted a mechanism to avoid Insider Trading and abusive self-dealing in the securities of the Company. In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('SEBI PIT Regulations'), the Company has established systems and procedures to prohibit insider trading activity and has framed the Code of Prohibition of Insider Trading (the "Code"). The Code of the Company prohibits the designated employees from dealing in the securities of the Company on the basis of any Unpublished Price Sensitive Information (UPSI), available to them by virtue of their position in the Company. The objective of this Code is to prevent the misuse of any UPSI and prohibit any insider trading activity to protect the interests of the shareholders at large. The Board of Directors of the Company has adopted the Code and formulated the Code of Practices and Procedures for Fair Disclosure in terms of the requirements of the SEBI PIT Regulations. The Company Secretary has been appointed as the Compliance Officer for ensuring implementation of the Code. The Code is available on the website of the Company at www.krnheatexchanger.com.

DIRECTORS AND OFFICERS LIABILITY INSURANCE (D&O)

The Company provides Directors and Officers Liability Insurance (D&O Insurance) to indemnify directors, including Independent Directors, against liabilities arising from negligence,

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014 is detailed in Annexure VI to this Board's Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

There is no significant and material order was passed by the regulators or courts or tribunals impacting the going concern status and your Company's future operations;

OTHER INFORMATION

During the year under review:

- There has been no issue of equity shares with differential rights as to dividend, voting or otherwise;
- There has been no issue of shares (including sweat equity shares) to employees of the Company under any scheme;
- No buyback of shares has been undertaken
- As per rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares under the scheme of employee stock options;
- None of your Directors have received any remuneration or commission (accept the sitting fees by the Independent Directors) from any subsidiary of the Company
- The equity shares of the Company have not been suspended from trading by the SEBI and/ or Stock Exchanges;
- As per rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares under the scheme of employee stock options; employees in terms of Section 67(3) of the Act, no disclosures are required to be made
- There was no revision of financial statements and the Board's Report of the Company during the year under review;



Board's Report

Annexure-I

- No amount or Shares were required to be transferred to the Investor Education and Protection Fund.

ACKNOWLEDGEMENT

The Board of Directors wish to place on record their sincere appreciation to all the employees for their dedication and commitment. Their hard work and unstinted efforts enabled the Company to sustain its performance and consolidate its sectoral leadership.

The Board of Directors would like to express their sincere appreciation for assistance and co-operation received from vendors and stakeholders, including financial institutions, banks, Central and State Government authorities, customers and other business associates, who continued to extend their valuable support during the year under review. It will be the Company's endeavour to nurture these relationships in strengthening business sustainability.

By the order of the Board
For KRn HEAT EXCHANGER AND REFRIGERATION LIMITED

SANTOSH KUMAR YADAV
Chairman and Managing Director
DIN: 07789940

DATE:18.08.2025
PLACE: NEEMRANA

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Reporting period for the subsidiary concerned, if different from the holding company's reporting period
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries

Amount (₹ in Lakhs)		
Sr. No.	1	2
Name of Subsidiary	KRn HVAC Products Private Limited	Thermotech Research Laboratory Private Limited
The date since when subsidiary was acquired	07.04.2023	26.02.2025
Share capital	1,678.78	990.00
Reserves & surplus	22,625.17	(8.16)
Total assets	32,480.62	982.34
Total Liabilities	8,176.59	0.50
Investments	-	-
Turnover	1,551.05	-
Profit before taxation	316.09	(8.16)
Provision for taxation	37.85	-
Profit after taxation	278.24	(8.16)
Proposed Dividend	Nil	Nil
Extent of shareholding (%)	100% along with nominee shareholdings	100% along with nominee shareholdings
Names of subsidiaries which are yet to commence operations	Nil	-
Names of subsidiaries which have been liquidated or sold during the year	Nil	-

DATE: 12.05.2025
PLACE: NEEMRANA



Board's Report

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Amount (₹ in Lakhs)

Name of Associate /Joint Ventures
Latest audited Balance Sheet Date
"Shares of Associate/Joint Ventures held by the company on the year end"
i. No.
"ii. Amount of Investment in Associates/Joint Venture "
iii. Extend of Holding %
"Description of how there is significant influence"
"Reason why the associate/joint venture is not consolidated "
"Networth attributable to Shareholding as per latest audited Balance Sheet "
Profit / Loss for the year
i. Considered in Consolidation
ii. Not Considered in Consolidation

Names of associates or joint ventures which are yet to commence operations.

Names of associates or joint ventures which have been liquidated or sold during the year.

By the order of the Board
For KRn Heat Exchanger and Refrigeration Limited
(Formerly known as KRn heat Exchanger and Refrigeration Private Limited)

Santosh Kumar Yadav
Chairman and Managing Director
DIN: 07789940

DATE: 12.05.2025
PLACE: NEEMRANA

Board's Report

Annexure-II

INFORMATION AS REQUIRED PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2024-25 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2024-25:

Name of Directors/KMP	Ratio of remuneration to median remuneration of employees	% increase in remuneration in the financial year
Executive Directors:		
Mr. Santosh Kumar Yadav	15.68:1	50
Mrs. Anju Devi	6.76:1	100
Key Managerial Personnels:		
Mr. Sonu Gupta	3.50:1	14.18
Mr. Praveen Kumar (till 17th Feb 2025)	1.81:1	-

- ii) The percentage increase in the median remuneration of employees in the financial year: 51%
- iii) The number of permanent employees on the rolls of Company as on March 31, 2025:142
- iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- a) Average increase in remuneration of employees excluding KMPs: 14%
- b) Average increase in remuneration of KMPs: 20.65%
- c) KMP salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.
- V) Key parameters for any variable component of remuneration received by the Directors
- Nomination and Remuneration Committee determines the variable compensation annual based on their individual and organization performance.
- Non-Executive Directors - Not applicable.
- v) Affirmation that the remuneration is as per the Remuneration Policy of the Company:
- The Company affirms remuneration is as per the Remuneration Policy of the Company.

For KRn Heat Exchanger and Refrigeration Limited

Santosh Kumar Yadav
Chairman and Managing Director
DIN - 07789940

Place:Neemrana
Date: 18.08.2025

Board's Report

Annexure-III

THE ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31.03.2025

[Pursuant to Section 135 of the Companies Act, 2013 ("the Act") read with the Companies
(Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company.

The Company has adopted the CSR policy to spend on activities prescribed in Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee:

As on 31.03.2025, the following are the members of the CSR Committee of the Board:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Santosh Kumar Yadav	Chairman	1	1
2.	Mr. Ketan Sharma	Member	1	1
3.	Mr. Deepak batheja	Member	1	1

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<https://krnheatexchanger.com/investors/>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Since the Company doesn't have average CSR obligation of ten crore rupees or more as required under sub-section (5) of section 135 of the Act, in the three immediately preceding financial years, therefore, Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to the Company.

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 4001.57 Lakh

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 80.03 Lakhs

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil

(d) Amount required to be set-off for the financial year, if any. NA

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 80.03 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). ₹ 80.69 Lakhs

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable. Nil

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]. ₹ 80.69 Lakhs Only).

(e) CSR amount spent or unspent for the Financial Year:

Board's Report

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
80.69	-	-	-	-	-

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹ Lakh)
1	2	3
i.	Two percent of average net profit of the company as per sub-section (5) of section 135	80.03
ii.	Total amount spent for the Financial Year	80.69
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	0.66
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.66

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: Not Applicable

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount: Yes/No: Not Applicable

If Yes, enter the number of Capital assets created/ acquired

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Not Applicable

For KRN Heat Exchanger and Refrigeration Limited

SANTOSH KUMAR YADAV
Managing Director & Chairman CSR Committee
DIN: 07789940

Date: 18th August, 2025

Place: Neemrana



Board's Report

Annexure-IV

FORM No. MR-3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
KRN Heat Exchanger and Refrigeration Limited,
(CIN: L29309RJ2017PLC058905)
Plot No. F-46, 47, 48, 49, EPIP,
RIICO Industrial Area,
Neemrana, Rajasthan-301705.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **KRN Heat Exchanger and Refrigeration Limited** [Formerly known as *KRN Heat Exchanger And Refrigeration Private Limited*] (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **March 31, 2025**, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2025, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. The Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment

and External Commercial Borrowings; **(Not applicable to the Company during the audit period)**

- v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): #
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the audit period)**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the audit period)**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the audit period)**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period) and**
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and amendments from time to time;

Since the securities of the company were listed on stock exchanges on October 3, 2024, all the regulatory compliances of listed entities applicable to the Company from that date.

Board's Report

- vi. Based on the information, explanations, and clarifications given to us, and the representations made by the Management, there were no specific laws and regulations applicable to the Company during the reporting period.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above, except filing of Form No. MGT-14, dated 27.01.2025 with additional fee and filing of MSME-Form I.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Any changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (and by complying with prescribed procedure where the meetings are called with less than seven days' notice), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, guidelines, etc.

We further report that during the audit period following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

- The Company has issued and allotted 4,77,000 equity shares of face value ₹10/- each at an offer price of

₹200/- per equity share (including a securities premium of ₹190/- per share), aggregating to a total issue size of ₹954.00 lakhs, through Private Placement on August 14, 2024, in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules made thereunder.

- The Company successfully completed its Initial Public Offer (IPO) of 1,55,43,000 equity shares of face value ₹10/- each at an offer price of ₹220/- per equity share, which includes a securities premium of ₹210/- per share, aggregating to a total issue size of ₹34,194.60 lakhs. The allotment of equity shares was completed on September 30, 2024, and the said equity shares were listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) with effect from October 3, 2024.
- The remuneration of the Managing Director and Whole-Time Director has been increased by the Company with effect from January 1, 2025, pursuant to the approval granted by the Board of Directors at their meeting held on January 27, 2025, in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules made thereunder.
- Mr. Praveen Kumar, the Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company, has resigned with effect from February 17, 2025. In place of him, the Board of Directors has appointed Mr. Jitendra Kumar Sharma as the Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company w.e.f. April 28, 2025.
- The Company has incorporated a wholly owned subsidiary under the name "**Thermotech Research Laboratory Private Limited**" (CIN: U72100RJ2025PTC100403) on February 26, 2025, pursuant to the provisions of the Companies Act, 2013, in the State of Rajasthan.

For **S Khatri & Associates**
Company Secretaries

Sunil Khatri

FCS No.: 11640

CP No. : 17542

UDIN: FO11640G001021132

PR No.: 2881/2023

Unique Identification No.: S2016RJ440000

Place: Jaipur
Dated:16.08.2025

This report is to be read with our letter of even date, which is annexed as '**Annexure A**' and forms an integral part of this report.



Board's Report

"Annexure A"

To,
The Members,
KRN Heat Exchanger and Refrigeration Limited,
(CIN: L29309RJ2017PLC058905)
Plot No. F-46, 47, 48, 49, EPIP,
RIICO Industrial Area,
Neemrana, Rajasthan-301705.

Our report of even date is to be read along with this letter.

- 1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide are as on able basis for our opinion.
- 3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- 4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For S Khatri & Associates
Company Secretaries

Sunil Khatri
FCS No.: 11640
CP No. : 17542
UDIN: F011640G001021132
PR No.: 2881/2023
Unique Identification No.: S2016RJ440000

Place: Jaipur
Dated:16.08.2025

Board's Report

Annexure-V

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sr. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ Transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
NIL								

2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Name (s) of the related party& nature of Relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ Transaction	Salient terms of the contracts or arrangements or transaction including the value, if any(₹ in Lakhs)	Date of approval by the Board	Amount paid as advances, if any
NIL						

By the order of the Board
For KRN HEAT EXCHANGER AND REFRIEGERATION LIMITED

SANTOSH KUMAR YADAV
CHAIRMAN AND MANAGING DIRECTOR
DIN: 07789940

DATE: 12.05.2025
PLACE: NEEMRANA

Board's Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

The disclosure to be made under sub section (3) (m) of Section 134 of the Companies Act 2013 read with Rule (8) (3) of the Companies (Accounts) Rules, 2014 by the Company are explained as under:

(a) CONSERVATION OF ENERGY-

Particulars	Amount In ₹ Lakhs	
	FY 2024 - 25	FY 2023 -24
Power & Fuel	97.58	92.58

(i) THE STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY.

In the pursuit of continual improvement in energy conservation, many initiatives as listed below have been taken for energy conservation and preservation of natural resources:

Machine / Section wise energy meter installation and monitoring on daily basis for analysis to control the consumption

For conservation & sustainable use of energy the Company is implementing Solar Panels and use of renewable energy in manufacturing units and Your Company is committed towards technology driven innovation and lays strong emphasis on inculcating an innovation driven culture within the organization.

(ii) THE STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATE SOURCES OF ENERGY.

The Company is use of renewable energy in manufacturing units as an alternate source of energy.

(iii) THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT;

The Company not spent any amount under capital investment on energy conservation equipment during the year.

(b) TECHNOLOGY ABSORPTION-

(i) THE EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION.

The Company had taken initiatives towards digital journey and choose SAP B1 (renowned ERP system and Sales force (CRM system).

Annexure-VI

(ii) THE BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT,COST REDUCTION, PRODUCT DEVELOPMENT OR IMPORT SUBSTITUTION.

With the help of energy conservation techniques your Company reduced electricity costs and enhance equipment health.

- Integrated controls and financials across functions
- Automation enablement wherever necessary
- Near real time facilitation of Reports, Dashboards & MIS

(iii) IN CASE OF IMPORTED TECHNOLOGY (IMPORTED DURING THE LAST THREE YEARS RECKONED FROM THE BEGINNING OF THE FINANCIAL YEAR)-

(a) THE DETAILS OF TECHNOLOGY IMPORTED.

Imported the simulation software UNILAB SRL for the design of our products and the evaluation of heat exchanger performance.

(b) THE YEAR OF IMPORT; From Financial Year 2020-21 to 2024-25

(c) WHETHER THE TECHNOLOGY BEEN FULLY ABSORBED; No

(d) IF NOT FULLY ABSORBED, AREAS WHERE ABSORPTION HAS NOT TAKEN PLACE, AND THE REASONS THEREOF; NA

(iv) THE EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT.

During the period, the Company invested ₹9.90 crore in its wholly-owned subsidiary to carry out a comparative evaluation of heat exchangers incorporating different tube sizes. The initiative is aimed at optimising product design and improving overall cost efficiency.

(c) FOREIGN EXCHANGE EARNINGS AND OUTGO-

The details of foreign exchange earnings & outgo during the year are as follows.

Particulars	Amount In ₹
Foreign exchange Earnings	564,560,110
Foreign exchange Outgo	2,269,551,276

Report on Corporate Governance

Pursuant to the requirements specified in Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {the Listing Regulations} the details of Corporate Governance and processes including prescribed compliances by the Company are as follows:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

For KRN Heat Exchanger and Refrigeration Limited ("the Company"), good corporate governance means adoption of best practices to ensure that the Company operates not only within the regulatory framework but is also guided by broader business ethics. The adoption of such corporate practices based on transparency and proper disclosures, ensures accountability of the persons in charge of the Company and brings benefits to investors, customers, creditors, employees and the society at large. This philosophy with appropriate principles lays a solid foundation to consolidate trust amongst the various stakeholders which helps align the Company's vision with business integrity.

The Company is in compliance with the corporate governance norms and disclosure requirements as specified under SEBI (Listing Obligations and Disclosure Requirements) 2015 ("Listing Regulations") during the year ended on 31st March, 2025.

2. BOARD OF DIRECTORS

The Board of Directors are in charge of the management of the company's business as they make the strategic and operational decisions of the company and are responsible for ensuring that the company meets its statutory obligations. The Board ensures that the Company is managed in a well-balanced manner that fulfil stakeholders' aspirations, attains sustainable growth and adopts best corporate governance practices. The Board is further supported by Board Committee(s) which diligently and effectively discharge duties assigned by the Board and under law. The objective of management team of the Company is to foster a culture that thrives on innovation, excellence and a relentless pursuit of continuous improvement. The Board, which is at the core of the corporate governance system of the Company, has ultimate responsibility for the management, general affairs, direction, performance and long-term success of the business. The Board is committed towards ensuring that sound principles of corporate governance are

followed at all levels within the organization, not just form but in substance. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of the all stakeholders.

a) Composition:

The Board of Directors of the Company has an optimum balance of Executive and Non-Executive Directors, representing a blend of professionalism, knowledge and experience. The composition of the Board is in compliance with Regulation 17 of the Listing Regulations.

Mr. Santosh Kumar Yadav is Chairman & Managing Director of the Company. Since the Chairman is a Promoter and Managing Director, the Company needs to appoint at least 50% of the total number of Directors as Independent Directors. The Board is in compliance with Regulation 17 of Listing Regulations, has two Executive Directors, one Non-Executive Director and four Non-Executive Independent Directors (including one Woman Independent Director).

b) Board Meetings:

The Meetings of the Board of Directors and their Committees are scheduled well in advance. The Board meets at least once a quarter to review the quarterly performance and financial results.

During the Financial Year 2024-25, Twelve (12) Board Meetings were held on 16th May, 2024, 27th May, 2024, 1st August, 2024, 3rd August, 2024, 14th August, 2024, 20th August, 2024, 6th September, 2024, 14th September, 2024, 27th September, 2024, 30th September, 2024, 30th October, 2024 and 27th January, 2025. The necessary quorum was present at all the meetings and Independent Directors were also present in such meetings. The maximum time gap between any two consecutive meetings was not more than 120 days.

c) The name and category of the Directors, attendance of each director at the Board meetings and last Annual General Meeting, and number of other Directorship and Board Committees in which he/ she is a member or Chairperson across various Companies as on March 31, 2025 are given hereunder:

Report on Corporate Governance

Name of Director and DIN	Category of Directorship	No. of Board Meetings Attended	Attendance at the last AGM	No. of Other Directorships*	Other Committee Memberships**		Directorship in other listed entity (Category of Directorship)
					Member	Chairman	
A. Executive Directors							
Promoters							
Mr. Santosh Kumar Yadav DIN: 07789940	Chairman and Managing Director	12	Yes	Nil	Nil	Nil	Nil
Mrs. Anju Devi DIN: 06858442	Whole time Director	12	Yes	Nil	Nil	Nil	Nil
B. Non- Executive Directors							
Mr. Manohar Lal DIN: 10040507	Promoter -Director	12	Yes	Nil	Nil	Nil	Nil
Mr. Ketan Sharma DIN: 10541058	Independent Director	8	Yes	Nil	Nil	Nil	Nil
Mr. Deepak Batheja DIN: 10555193	Independent Director	6	Yes	Nil	Nil	Nil	Nil
Mr. Srinivasa Rao Anasingaraju DIN: 10541655	Independent Director	5	No	Nil	Nil	Nil	Nil

Only Indian Public Limited Companies (excluding KRn Heat Exchanger and Refrigeration Limited) whether listed or not are included.

Pursuant to Regulation 26 of the SEBI Listing Regulations, Membership/ Chairmanship of only Audit and Stakeholders Relationship Committee(s) of public limited companies have been considered.

Inter-se Relationship among Directors

Mr. Santosh Kumar Yadav and Mr. Manohar Lal are related to each other as they are brothers and Mrs. Anju devi is spouse of Mr. Santosh Kumar Yadav and Sister-in Law of Mr. Manohar Lal. No other director is related to any other Director on the Board.

The necessary disclosures regarding maximum number of directorships, Independent Directorship and Committee positions have been made by the directors' and the same are summarized hereunder:

- None of the Directors of the company holds Directorships in more than ten public limited companies in compliance of Section 165 of Companies Act, 2013.
- None of the Directors of the company holds Directorships in more than seven listed entities in compliance of Regulation 17A (1) of the Listing Regulations.
- Managing/Whole Time Directors of the Company do not hold any Independent Directorship in any listed entity and is in compliance of Regulation 17A (2) of the Listing Regulations.

- None of the Directors of the company is a member in more than ten committees or acts as a chairperson of more than five committees across all listed entities in which he/she is a director, in compliance of Regulation 26 (1) of the Listing Regulations.
- Every director of the Company at the start of the financial year discloses his/her directorships and committee positions, he/she occupies in other companies. During the year, they also disclosed the changes in their directorship/ committee position, whenever there was any change.
- As on 31st March, 2025, Except Mr. Manohar Lal having 10 shares of the Company and none of other than him Non- Executive Directors hold any equity shares/convertible instruments in the Company.

d) Familiarization Programme for Independent Directors

In accordance with the provisions of Regulation 25(7) of the Listing Regulations, the Company has been conducting familiarisation programmes for Independent Directors. The familiarisation programme comprises of a combination of written communication, presentation made in various meetings and interactions with the management team to provide the directors an opportunity to familiarize with the Company, its management, operation, policies and practices.

Report on Corporate Governance

Further, periodic presentations are made at the Board and Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Updates on relevant statutory changes are provided to the Directors in the Board meetings. Upon appointment, the Independent Directors are issued a letter of appointment setting out in detail the terms of appointment including their roles, functions, responsibilities and their fiduciary duties as a Director of the Company.

Details regarding familiarization programs imparted to independent Directors has been disclosed on the given weblink: <https://krnheatexchanger.com/wp-content/uploads/2024/05/Familiarization-Programme.pdf>.

e) Separate Meeting of the Independent Directors

During the year under review, pursuant to the provisions of Schedule IV to the Act and Regulation 25 of the Listing Regulations, two separate meetings of the Independent Directors of the Company was held on 27th January, 2025 and March 31, 2025, respectively, inter alia, to discuss, review and assess:

- the performance of Non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company, taking into account the views of the Executive Directors and Non-Executive Directors; and
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the above meeting.

f) Confirmation regarding independence of Independent Directors

In terms of Regulation 25(8) of SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any

circumstance or situation which exists or may reasonably be anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors and after due assessment thereof, in the opinion of the Board they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. The maximum tenure of Independent Directors is in accordance with the Act.

g) Appointment of Independent Directors of the Company on the Board of its unlisted material subsidiary companies -NA

h) Detailed reasons for resignation of Independent Directors who resigns before the expiry of his /her tenure

None of the Independent Directors resigned during the year.

i) Board Evaluation

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Board Committees and of the individual Directors (including the Independent Directors) on various parameters.

The criteria for the evaluation of the performance of the Board, the Committees of the Board and the individual Directors, including the Chairperson of the Board was approved by the Nomination and Remuneration Committee ("NRC") of the Company.

In a separate meeting of Independent Directors, performance of Non-Independent Directors and the Board as a whole was evaluated, taking into account the views of non-executive directors. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

Report on Corporate Governance

Report on Corporate Governance

j) Board Skills, Capabilities and Competencies

The Board of Directors consists of eminent individuals of diverse skills, experience and expertise in various areas. The list of core skills/expertise/competencies identified by the Board as required in the context of the Company's business to function effectively and those actually available with the Board are as follows:

Name of Director(s)	Area of Expertise					
	Leadership	Financial Expertise	Business Strategy	Governance and Risk Management	Industry Expertise	Operation
Mr. Santosh Kumar Yadav	✓	✓	✓	✓	✓	✓
Mrs. Anju Dev	✓	✓	✓	✓	✓	✓
Mr. Manohar Lal	✓	✓	✓	✓	✓	✓
Mr. Ketan Sharma	✓	✓	✓	✓	✓	✓
Mr. Deepak Batheja	✓	✓	✓	✓	✓	✓
Mr. Srinivasa Rao Anasingaraju	✓	✓	✓	✓	✓	✓

Brief description Board Skills, Capabilities and Competencies:

- Leadership: Ability to envision the future and prescribe a strategic goal for the Company, help the Company to identify possible road maps, inspire and motivate the strategy, approach, processes and other such key deliverables and mentor the leadership team to channelize its efforts in appropriate direction.
- Financial Expertise: Proficiency in complex financial management and experience and expertise in accounting principles, auditing and reporting.
- Business Strategy: Experience in building brand awareness and equity and leading management teams to make strategic choices, developing strategies to grow sales and market shares, understanding long term trends.
- Governance and Risk Management: Experience in developing governance practices, serving the best interest of all stakeholders, developing insights about management and accountability and driving corporate ethics and values, building long-term effective stakeholder engagements and, the ability to understand, assess and manage risk.
- Industry Expertise: The Directors have expertise with respect to operations of Manufacturing sector to provide strategic guidance to the Management.
- Operation: Contribution to smooth operations and business growth by optimizing workflows and implementing best practices that reduce redundancy and streamline processes.

k) Information placed before the Board

During the year, all the relevant information as stipulated in Part A of Schedule II of the Listing Regulations were placed before the Board.

I) Review of Compliance Report:

Pursuant to the Regulation 17 (3) of the Listing Regulations, the periodical reports submitted by the various Heads of Departments of the Company with regards to compliance of laws applicable to the Company as well as steps taken by the management to rectify the instances of non-compliances, if any, were presented before the Board.

3. COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities as mandated by applicable rules and regulations. Each Committee of the Board is guided by its terms of reference, which defines the scope, powers, responsibilities and composition of the Committee. The Chairperson of each Committee briefs the Board on significant discussions at the meetings. During the year under review, all recommendations made by the various Committees were accepted by the Board. The minutes of the meetings of all Committees of the Board were placed before the Board for noting.

I. AUDIT COMMITTEE

The Audit Committee of the Company meets with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Members of the Audit Committee possess financial / accounting expertise /exposure.

Terms of Reference

The Audit Committee has the following terms of reference:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer

document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary.
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience

Report on Corporate Governance

and background, etc. of the candidate;

- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- reviewing the management discussion and analysis of financial condition and results of operations;
- reviewing the management letters / letters of internal control weaknesses issued by the statutory auditors;
- reviewing the internal audit reports relating to internal control weaknesses;
- reviewing the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
- Reviewing the statement of deviations:
 - Quarterly Statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - Annual Statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- such other matters as may be required to be carried out by the Audit Committee pursuant to amendment under any law, from time to time.

Composition, Meeting(s) and Attendance

The Audit Committee of Directors of the Company comprised of three Directors including majority of Independent Directors:

All the members of the Committee are financially literate and the Chair person has professional qualifications in the Accounting/financial functions.

As on 31st March 2025, the composition of the Audit Committee was as follows:

S. No.	Name of the Members	Category	Designation
1.	Mr. Ketan Sharma	Non-Executive Independent Director	Chairman
2.	Mr. Deepak Batheja	Non-Executive Independent Director	Member
3.	Mr. Srinivasa Rao Anasingaraju	Non-Executive Independent Director	Member

During the year 31st March, 2025, the Committee met 7 (seven) times with the present of minimum two independent Directors/members attended all the meetings. The gap between two meetings did not exceed 120 days. The requisite quorum was present for the said meetings.

The attendance record for the aforesaid meetings of the Audit Committee during the Financial year 2024-25 are given below:

S. No.	Name of the Members	No. of Meeting held	No. of Meeting Attended
1.	Mr. Ketan Sharma	7	7
2.	Mr. Deepak Batheja	7	7
3.	Mr. Srinivasa Rao Anasingaraju	7	3

The Company Secretary acts as the Secretary to the Audit Committee.

Minutes of each of the meetings of the Audit Committee are placed before the Board at its meetings.

The Chief Financial Officer of the Company and representatives of Statutory Auditors, Internal Auditors of the Company, as considered appropriate, attended the meetings as invitees.

Report on Corporate Governance

During the year, all the recommendations made by the Committee were accepted by the Board.

II. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) of the Company functions according to its terms of reference, its objectives, authority, responsibilities, reporting and evaluation functions in accordance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations.

Terms of Reference

The NRC has the following terms of reference:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and

- consider the time commitments of the candidates.

- formulation of criteria for evaluation of performance of independent directors and the board of directors, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Recommend to the board, all remuneration, in whatever form, payable to senior management;
- Such other matters as may be required to be carried out by the Nomination and Remuneration Committee pursuant to amendment under any law, from time to time.

The Nomination and Remuneration Policy is available at the website of the Company and the weblink for the same is <https://krnheatexchanger.com/wp-content/uploads/2024/05/Nomination-And-Remuneration-Policy.pdf>.

Composition, Meeting(s) and Attendance

The NRC of Directors of the Company comprised of

three (3) Directors including majority of Independent Directors:

As on 31st March 2025, the composition of the NRC are as follows:

S. No.	Name of the Members	Category	Designation
1.	Mr. Ketan Sharma	Non-Executive Independent Director	Chairman
2.	Mr. Deepak Batheja	Non-Executive Independent Director	Member
3.	Mr. Manohar Lal	Non-Executive Director	Member

During the year ended 31st March, 2025, the Committee met once. The requisite quorum was present for the said meeting.

The attendance record for the aforesaid meeting of the NRC during the Financial year 2024-25 are given below:

Report on Corporate Governance

S. No.	Name of the Members	No. of Meeting held	No. of Meeting Attended
1.	Mr. Ketan Sharma	1	1
2.	Mr. Deepak Batheja	1	1
3.	Mr. Manohar Lal	1	1

The Company Secretary acts as the Secretary to the NRC.

Minutes of each of the meetings of the NRC are placed before the Board at its meetings.

During the year, all the recommendations made by the Committee were accepted by the Board.

III. STAKEHOLDERS' RELATIONSHIP COMMITTEE

To look into the various aspect of interest of shareholders, the Board of the Company has constituted Stakeholders' Relationship Committee (SRC), which is in line with the requirements of Section 178(5) of the Act and Regulation 20 read with Para B of Part D of Schedule II of the SEBI Listing Regulations.

Composition, Meeting(s) and Attendance

The SRC of Directors of the Company comprised of three (3) Directors. The Chairman of the SRC is Independent Director:

As on 31st March 2025, the composition of the SRC was as follows:

S. No.	Name of the Members	Category	Designation
1.	Mr. Ketan Sharma	Non-Executive Independent Director	Chairman
2.	Mr. Deepak Batheja	Non-Executive Independent Director	Member
3.	Mr. Manohar Lal	Non-Executive Director	Member

During the year ended 31st March, 2025, the Committee met once. The requisite quorum was present for the said meeting.

The attendance record for the aforesaid meeting of the SRC during the Financial year 2024-25 are given below:

S. No.	Name of the Members	No. of Meeting held	No. of Meeting Attended
1.	Mr. Ketan Sharma	1	1
2.	Mr. Deepak Batheja	1	1
3.	Mr. Manohar Lal	1	1

The Company Secretary acts as the Secretary to the SRC.

Minutes of each of the meeting of the SRC is placed before the Board at its meeting.

During the year, no recommendation was made by the Committee to the Board.

Compliance Officer

During the year Mr. Praveen Kumar resigned as the Company Secretary and Compliance Officer of the Company with effect from 17th February 2025.

Mr. Jitendra Kumar Sharma is appointed as Company Secretary and Compliance Officer of the Company. (w.e.f. 28.04.2025)

Report on Corporate Governance

Investor Grievance Redressal

The number of complaints received and resolved to the satisfaction of investors during the year under review are as under:

S. No.	Particulars	Status of Complaints
1.	Complaints pending at beginning	0
2.	Complaints received during the financial year	99
3.	Complaints resolved during the financial year	99
4.	Complaints pending as on 31st March, 2025	0

SEBI Complaints Redress System (SCORES)/ Online Dispute Resolution Portal ('ODR Portal')

A mechanism to streamline and strengthen the existing dispute resolution in the Indian Securities Market, SEBI vide Circular No. SEBI/HO/OIAE/OIAE.IAD-3/P/CIR/2023/195 dated July 31, 2023 (updated as on December 20, 2023 and as further amended from time to time), introduced the ODR Portal. This mechanism enhanced the degree of regulatory supervision by SEBI over disputes between aggrieved parties and the ODR order is binding on both the parties to the dispute.

Pursuant to above-mentioned circulars, the aggrieved party can initiate the mechanism through the ODR portal, after exercising the primary options to resolve the issue directly with the Company and through the SCORES platform.

IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

the Board of the Company has constituted Corporate Social Responsibility (CSR) Committee, which is in line with the requirements of Section 135 of the Companies Act, 2013 read with applicable rules.

Composition, Meeting(s) and Attendance

The CSR Committee of Directors of the Company comprised of three (3) Directors.

As on 31st March 2025, the composition of the SRC was as follows:

S. No.	Name of the Members	Category	Designation
1.	Mr. Santosh Kumar Yadav	Managing Director	Chairman
2.	Mr. Ketan Sharma	Non-Executive Independent Director	Member
3.	Mr. Deepak Batheja	Non-Executive Independent Director	Member

During the year ended 31st March, 2025, the Committee met once. The requisite quorum was present for the said meeting.

The attendance record for the aforesaid meeting of the CSR Committee during the Financial year 2024-25 are given below:

S. No.	Name of the Members	No. of Meeting held	No. of Meeting Attended
1.	Mr. Santosh Kumar Yadav	1	1
2.	Mr. Ketan Sharma	1	1
3.	Mr. Deepak Batheja	1	1

The Company Secretary acts as the Secretary to the CSR Committee.

Minutes of each of the meeting of the CSR Committee is placed before the Board at its meeting.

The Annual Report on CSR Activities for the Financial Year ended 31st March 2025 is annexed as Annexure – III of the Board's Report

Report on Corporate Governance

V. RISK MANAGEMENT COMMITTEE

The Company got listed on 3rd October, 2024. During the financial year 2024-25, it was not required to have the Risk Management Committee (RMC).

4. SENIOR MANAGEMENT

During the year ended 31st March, 2025, the particulars of senior management personnel are as follows:

S. No	Name	Designation
1.	Mr. Sonu Gupta	CFO
2.	*Mr. Praveen Kumar	Company Secretary & Compliance Officer
3.	**Mr. Jitendra Kumar Sharma	Company Secretary & Compliance Officer
4.	Mr. Basti Ram Yadav	Sr. GM-PE and Maintenance
5.	Mr. Vivek Chauhan	Sr. GM Quality, Purchase, Sales & Marketing
6.	Mr. Dushyant Kumar	DM-HR & Admin
7.	Mr. Harish Kumar	GM-Production & Operation
8.	Mr. Shazad Khan	AGM-Production/Operations & Design

*Mr. Praveen Kumar, has been resigned from the position of Company Secretary & Compliance Officer of the Company w.e.f. 17th February, 2025.

**Mr. Jitendra Kumar Sharma has appointed as Company Secretary & Compliance Officer of the Company w.e.f. 28th April, 2025.

There is no change other than above in the senior management personnel during the financial year 2024-25.

5. DIRECTORS' REMUNERATION

As per the Nomination and Remuneration policy, the remuneration paid to the Executive Directors is recommended by the NRC and approved by the Board, subject to subsequent approval by shareholders at the general meeting and such other authorities, if any, as the case may be. The terms and conditions of the employment of Executive Directors are governed by the shareholders' approval taken in that regard, wherein all the details are provided in the explanatory statement. The remuneration is arrived at after considering various factors such as qualification, experience, expertise, prevailing industry standard and the financial position of the Company.

i) Executive Directors

The remuneration paid to Executive Directors commensurate with their respective roles and responsibilities. Remuneration paid to Executive Directors, subject to limits prescribed under Part II, Section I of Schedule V to the Companies Act, 2013, generally consists of fixed salary and perquisites in accordance with the policies of the Company.

The details of remuneration paid to Executive Directors are given below:

(Amount in Rupees)			
Name of Directors	Salary	Perquisites	Total
Mr. Santosh Kumar Yadav	6750000	-----	6750000
Mrs. Anju Devi	3750000	-----	3750000

The service contract, notice period, retirement benefits, severance pay etc. are not applicable as per the terms and conditions of appointment of the above Directors.

Report on Corporate Governance

ii) Non-executive Directors

Non-Executive Independent Directors are entitled to sitting fees as determined by the Board from time to time and subject to statutory provisions. The Non-Executive Independent Directors were paid a sitting fee of Rs. 10,000/- per Board meeting and Rs. 10,000/- per Committee meeting / meeting of Independent Directors. The sitting fees paid to the Non-Executive Independent Directors for FY 2024-25 was as follows:

(Amount in Rupees)		
S. No.	Name of Directors	Sitting fees
1.	Mr. Ketan Sharma	200000
2.	Mr. Deepak Batheja	180000
3.	Ms. Srinivasa Rao Anasingaraju	90000

During FY 2024-25, there were no other pecuniary relationships or transactions between the Company and its Independent Directors.

Details of Performance linked Incentives

During the year under review, no performance linked incentives have been provided to any Director of the Company

No stock options was granted to any any Director during the year under review and no convertible instruments are held by them

6. GENERAL BODY MEETINGS

- I. The details as to the timings, date and venue of the last three Annual General Meetings (AGM) of the Company were held as under:

AGM	Financial Year	Date	Time	Location
7 th AGM	2023-24	28 th September, 2024	4:00 P.M.	Plot No. F-46, 47, 48, 49, EPIP, RIICO Industrial Area, Neemrana, Distt. Alwar, Rajasthan-301705
6 th AGM	2022-23	30 th September, 2023	3:30 P.M.	Plot No. F-46, 47, 48, 49, EPIP, RIICO Industrial Area, Neemrana, Distt. Alwar, Rajasthan-301705
5 th AGM	2021-22	30 th September, 2022	11:00 A.M.	Plot No. F-46, 47, 48, 49, EPIP, RIICO Industrial Area, Neemrana, Distt. Alwar, Rajasthan-301705

- II. Special Resolutions passed at the Annual General Meetings held during the last three financial years are given below:

Date of AGM	Particulars of Special Resolutions
28 th September, 2024	-
30 th September, 2023	-
30 th September, 2022	-

- III. Special Resolutions passed at the Extra-Ordinary General Meeting (EGM) held during the financial year 2024-25 are given below:

Date of AGM	Particulars of Special Resolutions
6th August, 2024	Approval for offer and issue of 4,77,000 (Four lakhs Seventy-seven thousand) Equity shares on preferential basis through private placement.

- IV. During the Financial Year 2024-25, no special resolution was required to be passed by way of postal ballot.

7. MEANS OF COMMUNICATION

The Company recognizes communication as a key element to the overall Corporate Governance framework, and therefore emphasizes on prompt, continuous, efficient and relevant communication to all external constituencies.

Financial Results: The Quarterly, Half Yearly and Annual Results are regularly submitted to the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') within the time limit and are also put on the Company's Website <https://www.krnheatexchanger.com/>. The quarterly/half yearly/yearly results are published in the Financial Express and Business remedies edition.

Report on Corporate Governance

Earnings calls and investor presentations: The Company's earnings calls with analysts and investors are held after the announcement of financial results. The audio recording and the transcript of the earnings call are posted on the website and intimated to the stock exchanges. Presentations made to the investors are filed with the stock exchanges and uploaded on the Company's website at <https://www.krnheatexchanger.com/>.

Official press releases & corporate announcements: Official press releases, corporate announcements and other material information is disseminated at NSE Electronic Application Processing System (NEAPS) / BSE Listing Centre and in media. All other periodical filings like shareholding pattern, corporate governance report, financial results etc. are filed electronically on NSE NEAPS / BSE Listing Centre and are also uploaded on the Company's website at <https://www.krnheatexchanger.com/>.

Website: Members can also access corporate policies, Board committee charters, financial information, shareholding information, etc. in the Investor Section of the Company's website at <https://www.krnheatexchanger.com/>.

General Shareholders Information

(a) Annual General Meeting - Date, Time and Venue	16th September, 2025 at 3 P.M. Through Video Conferencing/other Audio Visual Means (OAVM) (Deemed Venue for Meeting: Registered office at Plot No. F-46, 47, 48, 49, EPIP, RIICO Industrial Area, Neemrana, Distt. Alwar, Rajasthan-301705
(b) Financial Year	The financial year of the Company starts on April 01 and ends on March 31 of next year.
(c) Dividend Payment Date	No dividend is proposed to be paid for the Financial Year ended March 31, 2025.
(d) Listing on Stock Exchanges	Equity Shares of the Company are listed on following Stock Exchanges: National Stock Exchange of India Limited, (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Mumbai – 400 051 BSE Limited, (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Annual listing fee for the Financial Year 2025-26 has been paid to NSE and BSE.
(e) Suspension of Trading	The Securities of the Company were not suspended from trading on Stock Exchanges during the year under review.
(f) Stock Code/Symbol	National Stock Exchange of India Limited (NSE) KRn BSE Limited (BSE) 544263 ISIN INE0Q3J01015

Report on Corporate Governance

(f) Market Price Data:

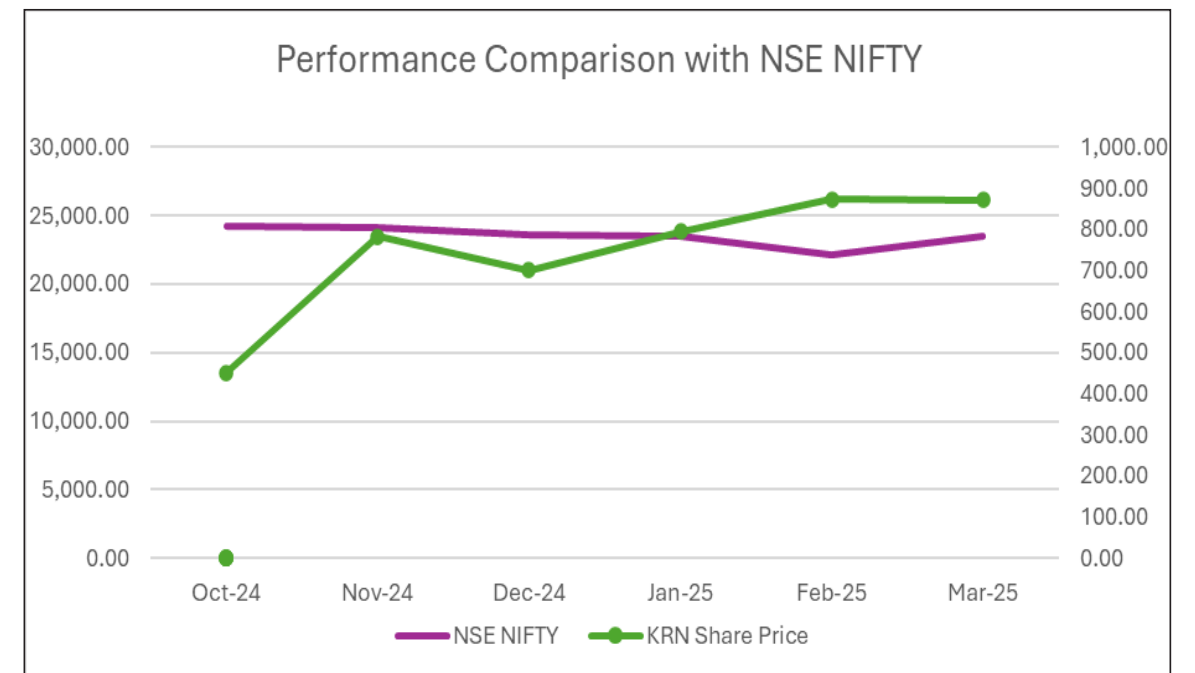
The Equity Share of the Company got listed with effect from 3rd October, 2024. The equity share price on BSE and the NSE during 2024-25 were as follows:

Months	BSE		NSE	
	High Price (₹)	Low Price (₹)	High Price (₹)	Low Price (₹)
Oct-24	513.40	402.40	513.50	402.10
Nov-24	822.00	445.35	821.95	446.00
Dec-24	876.00	687.55	879.95	686.65
Jan-25	904.00	675.80	904.40	675.30
Feb-25	1,011.60	727.75	1,012.00	726.60
Mar-25	1,009.90	806.30	1,010.00	806.60

Source: www.bseindia.com and www.nseindia.com

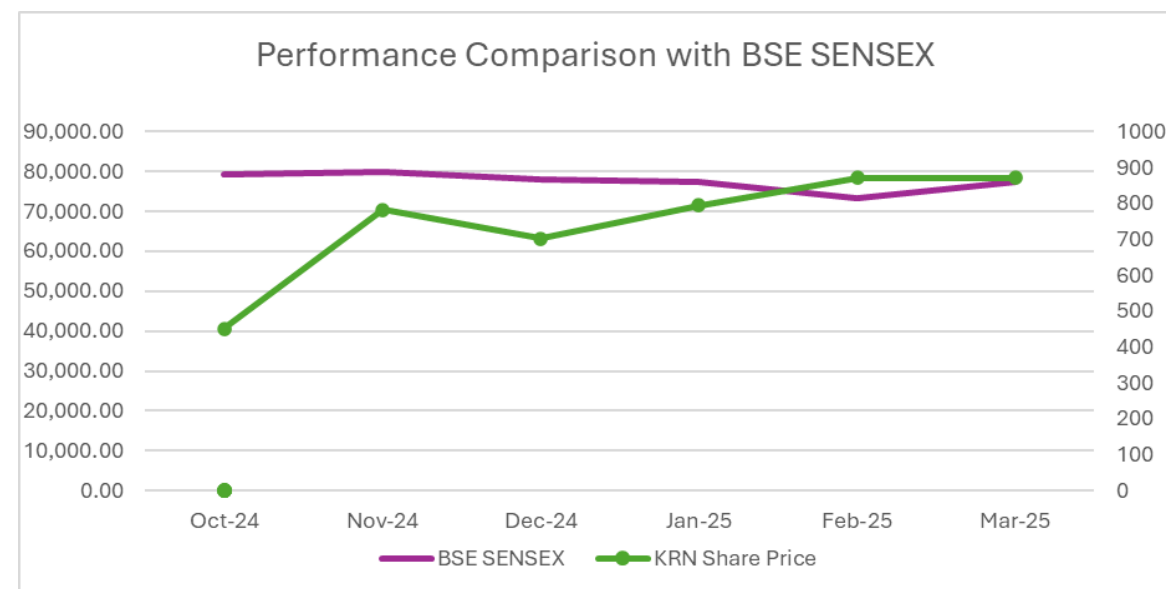
(g) Stock Performance of the Company in comparison to NSE Nifty 50 and BSE Sensex

Company's Share price movement vs. NSE Nifty 50 Index (2024-25)



Report on Corporate Governance

Company's Share price movement vs. BSE SENSEX Index (2024-25)



(h) Registrars and Share Transfer Agents (RTA):

Bigshare Services Private Limited

Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India

Contact No. + 91-22-6263 8200

Email ID: ipo@bigshareonline.com, investor@bigshareonline.com

Website: www.bigshareonline.com

(i) Share Transfer System:

Pursuant to Regulation 40 of Listing Regulations, the requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with respective Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. Transfers of equity shares in electronic form are effected through the depositories without any involvement of the Company.

(j) Distribution of Shareholding:

a) Distribution of shareholding as on March 31, 2025:

Sr. No	Shareholding of Nominal Shares	Shareholders	% of total	Total Shares	% of total
1	1 - 5000	83730	96.7429	41191430	6.6270
2	5001 - 10000	1524	1.7609	11567470	1.8610
3	10001 - 20000	621	0.7175	9123060	1.4678
4	20001 - 30000	199	0.2299	4996570	0.8039
5	30001 - 40000	81	0.0936	2877380	0.4629
6	40001 - 50000	81	0.0936	3845880	0.6187
7	50001 - 100000	145	0.1675	10657650	1.7146
8	100001 & Above	168	0.1941	537306560	86.4440
Total		86549	100	621566000	100

(k) Dematerialization of shares and liquidity

The Company's shares are compulsorily traded in dematerialized form except 1 (one) Share and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders can hold the Company's shares with any of the depository participants, registered with the depositories. As on 31st March 2025, approx. 100% of the Company's Equity Share Capital are in dematerialised form.

The Equity shares of the Company are regularly traded on the Stock.

(l) The Company has no outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or warrants or any convertible instruments, hence there is no likely impact on equity.

(m) Commodity price risk or foreign exchange risk and hedging activities:

There is no such activity entered during the year ended 31st March 2025.

(n) Plant Locations

The Company have two manufacturing or processing plants situated at Plot No. F-46, 47, 48, 49, EPIP, RIICO Industrial Area, Neemrana, Distt. Alwar, Rajasthan-301705 & Plot No. F-44, EPIP, RIICO Industrial Area, Neemrana, Distt. Alwar, Rajasthan-301705

(o) Address for correspondence

Registered Office: Plot No. F-46, 47, 48, 49, EPIP, RIICO Industrial Area, Neemrana, Distt. Alwar, Rajasthan-301705, Contact No. 9257025440

(p) Credit Ratings obtained by the Company for the financial year ended March 31, 2025: NA

8. Other Disclosures Pursuant to Schedule V (C) (10) of the Listing Regulations:

(a) During the year under review, there were no materially significant related party transactions which may have potential conflict with the interests of the Company at large.

(b) The Company's equity shares have been listed on October 3, 2024. Since the listing date, there were no penalties or strictures imposed on the Company by SEBI, Stock Exchange or any statutory authority on any matter related to capital market.

(c) The Company's Whistle Blower/ Vigil Mechanism Policy is in line with the provisions of the Section

177 of the Act and as per Regulation 22 of the Listing Regulations. This Policy establishes a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The said mechanism also provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. During the financial year 2024-25, no personnel of the Company was denied access to the Audit Committee.

The said Whistle-Blower Policy is available on the website of the Company at <https://www.krnheatexchanger.com/>.

(d) The Company has complied with all the mandatory requirements of Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46(2) of the SEBI Listing Regulations for the financial year ended March 31, 2025 and are disclosed in this report.

(e) The Company adopted a Policy for Determining Material Subsidiaries of the Company, pursuant to Regulation 16(1)(c) of the SEBI Listing Regulations. This policy is available on the Company's website at <https://krnheatexchanger.com/wp-content/uploads/2024/05/Policy-on-Material-Subsidiary.pdf>.

(f) Pursuant to Regulation 23 of the Listing Regulations, the Board of Directors formulated a Policy on Related Party Transactions which can be accessed from the Company's website at <https://krnheatexchanger.com/wp-content/uploads/2024/05/Related-Party-Transaction-Policy.pdf>. This policy deals with the review and approval of related party transactions.

All transactions entered into with related parties as defined under the Act and Regulation 23 of the SEBI Listing Regulations, as amended, during the year under review were on an arm's length pricing ('ALP') basis and in the ordinary course of business ('OCB'). These have been approved by the Audit Committee. Certain transactions repetitive in nature were approved through omnibus route by the Audit Committee.

Related party transactions are disclosed as a part of the Notes to Accounts section of the Financial Statements.

(g) The is no commodity price risk or foreign exchange risk and hedging activities.

Report on Corporate Governance

(h) A certificate from M/s Deepak Arora & Associates (C.P. No. 3641), Practicing Company Secretaries certifying that none of the directors have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI or Ministry of Corporate Affairs or any such other statutory authority. The same is annexed to this report.

(i) Utilization of funds raised through preferential allotment or Qualified Institutions Placement

In accordance with Regulation 32(7A) of the Listing Regulations, it is confirmed that the Company did not undertake any capital raising activities, including public issues, rights issues, preferential issues, or qualified institutional placements, during the financial year.

(j) Disclosure on acceptance of recommendations made by Board Committees

Throughout the Financial Year, the Board consistently accepted and acted upon all recommendations from its Committees, as mandated by applicable regulations. There were no instances of deviation or non-consideration of recommendations.

(k) The details of total fees for all services paid by the Company and its subsidiaries during the year 2024-25, on a consolidated basis, to the Statutory Auditors and all entities in the network firm / network entity of which the Statutory Auditor is a part, are as follows:

Type of service	Amount in Lakhs
	FY 2024-25
Statutory Audit Fee	9.00
Professional Charge	0.42
Out of Pocket Expenses	0.25
Professional Fee in connection with the IPO	7.81
Total (Excluding taxes)	17.48

(l) The details of material subsidiaries of the Company – Not Applicable for FY 2024-25.

(m) The Company has complied with the discretionary requirement as specified in part E of schedule II pertaining to having unmodified audit opinion report and reporting of Internal Auditors directly to the Audit Committee.

(n) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company maintains a strong commitment to a safe and inclusive workplace, adhering to the POSH Act. An Internal Complaints Committee (ICC) is in place, and a gender-neutral policy governs the Prevention of Sexual Harassment Continuous training programs reinforce awareness.

Particulars	Numbers
Number of complaints pending at the beginning of the financial year	NIL
Number of complaints filed during the financial year	NIL
Number of complaints disposed of during the financial year	NIL
Number of complaints pending as on at the end of the financial year	NIL

The Annual Report of ICC was duly submitted as per the prescribed timelines.

(o) Loan and Advances by the Company and its Subsidiaries

Details of loans and advances, guarantees or investments made by the Company and its Subsidiaries under Section 186 of the Act during the financial year, are appended in the notes of the financial statements

(p) The Company has complied with all Corporate Governance requirements as specified in Regulations 17 to 27, and clauses (b) to (i) of Sub-regulation 2 of Regulation 46 of the Listing Regulations.

9. Declaration by CEO

The Board of Directors of the Company has approved a 'Code of Conduct and Business Ethics' (Code) for all Board members, Key Managerial Personnel and Senior Management Personnel. All the members of the Board and Senior Management Personnel have affirmed the compliance of the same. A copy of the Code is available on the website of the Company viz. <https://krnheatexchanger.com/wp-content/uploads/2024/05/Code-of-Conduct-for-Directors-and-Senior-Management-Personnel-Policy.pdf>.

A confirmation from the Mr. Santosh Kumar Yadav, Chairman and Managing Director of the Company, affirming Compliance of the Code of Conduct by the members of the Board/ Senior Management forms part of this report.

10. CEO/ CFO Certification (Compliance Certificate)

As required under Regulation 17(8) read with Schedule II Part B of the SEBI Listing Regulations, a Compliance

Certificate duly signed by Mr. Santosh Kumar Yadav, Chairman & Managing Director and Mr. Sonu Gupta, Chief Financial Officer of the Company was placed before the Board of Directors along with the Annual Financial Statement for the year ended March 31, 2025 at its meeting held on May 12, 2025. The said Certificate is annexed to this report.

11. Secretarial Audit & Secretarial Compliance Report

In terms of Regulation 24A of the SEBI Listing Regulations, Secretarial Audit Report for the Financial Year ended on 31st March, 2025 has been issued by M/s S Khatri & Associates, (C.P. No. 17542), Practicing Company Secretaries. The aforesaid Secretarial Audit report forms part of the Director's Report. The Annual Secretarial Compliance Report for FY25 in compliance with Regulation 24A of the SEBI Listing Regulations issued by M/s S Khatri & Associates, (C.P. No. 17542), Practicing Company Secretaries was duly submitted to the Stock Exchanges and the same is available on the website of the Company at <https://krnheatexchanger.com/investors/>.

12. Certificates from Practicing Company Secretary.

A certificate given by M/s Deepak Arora & Associates (C.P. No. 3641), Practicing Company Secretaries, regarding compliance of conditions of Corporate Governance is annexed to this report.

13. Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Para C of Schedule V of the Listing Regulations

The Company fully complied with all corporate governance reporting requirements outlined in sub-paragraphs (2) to (10) of Para C of Schedule V of the Listing Regulations. No instances of non-compliance were reported.

14. Demat suspense account/ unclaimed suspense account

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). During the financial year, the Company does not have any shares in the Demat suspense account or unclaimed suspense account.

15. Details of Agreements as per clause 5A of paragraph A of Part A of Schedule III of these regulations

During the financial year 2024-25, no agreement was executed as per clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations.

Certificate of Non-Disqualification Of Directors

(Pursuant to Regulation 34(3) and Schedule V, Para C, Clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
(CIN: L29309RJ2017PLC058905)
Plot No. F-46, 47, 48, 49, EPIP, RIICO Industrial Area, Neemrana,
Distt. Alwar, Rajasthan-301705

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **KRN HEAT EXCHANGER AND REFRIGERATION LIMITED** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para-C, Clause 10 Sub Clause (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

List of Directors as on March 31, 2025

Sr. No.	Name of Director	DIN	Date of Appointment	Designation
1	MR. SANTOSH KUMAR YADAV	07789940	25/08/2017	Managing Director
2	MRS. ANJU DEVI	06858442	25/08/2017	Whole-Time Director
3	MR. MANOHAR LAL	10040507	14/03/2023	Non-Executive Director
4	MR. KETAN SHARMA	10541058	20/03/2024	Independent Director
5	MR. DEEPAK BATHEJA	10555193	20/03/2024	Independent Director
6	MR. SRINIVASA RAO ANASINGARAJU	10541655	20/03/2024	Independent Director

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Jaipur
Date: 18.08.2025

FOR DEEPAK ARORA & ASSOCIATES
COMPANY SECRETARIES
ICSI Unique Code P2001RJ080000

DEEPAK ARORA
PARTNER
FCS No.: 5104
CP No.: 3641
Peer Review No.: 6655/2025
UDIN: F005104G001027136

Declaration by the Chief Executive Officer/Managing Director regarding Compliance with the code of conduct of board of directors and senior management.

I, Santosh Kumar Yadav, Managing Director of the Company, do hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management Personnel as laid down by the Company in respect of the financial year 2024-25.

For KRN Heat Exchanger and Refrigeration Limited

Santosh Kumar Yadav
Chairman and Managing Director
DIN : 07789940

Date: 18.08.2025
Place:Neemrana

CEO/MD & CFO Certificate

Date: 12.05.2025
To,
The Board of Directors
KRN Heat Exchanger and Refrigeration Limited
Plot No. F-46,47,48,49, EPIP, RIICO Industrial Area,
Neemrana, Rajasthan-301705

Subject: Compliance Certificate pursuant to the Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir(s)/Madam,

This is to certify that:

- (a) We have reviewed the financial statements and the cash flow statement (both standalone and consolidated) for the year ended 31st March 2025 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:
- (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the quarter and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

(Santosh Kumar Yadav)
Chairman and Managing Director
DIN : 07789940

(Sonu Gupta)
Chief Financial Officer

Compliance Certificate On Corporate Governance

(Pursuant to Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
(CIN: L29309RJ2017PLC058905)
Plot No. F-46, 47, 48, 49, EPIP, RIICO Industrial Area, Neemrana,
Distt. Alwar, Rajasthan-301705

We have examined the compliance of the conditions of Corporate Governance by **KRN HEAT EXCHANGER AND REFRIGERATION LIMITED ("the Company")** for the year ended March 31, 2025 ("the Review Period") as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**").

**Listing of equity shares of Company on Stock Exchanges.*

The compliance of the conditions of Corporate Governance is the responsibility of the Management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the review period.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR DEEPAK ARORA & ASSOCIATES
COMPANY SECRETARIES
ICSI Unique Code P2001RJ080000

Place: Jaipur
Date: 18.08.2025

DEEPAK ARORA
PARTNER
FCS No.: 5104
CP No.: 3641
Peer Review No.: 6655/2025
UDIN: F005104G001026993

Business Responsibility and Sustainability Report

We have embarked on a journey to transform and redefine the future of Thermal Energy Efficiency

At KRN Heat Exchanger and Refrigeration Limited, our story is one of ambition, adaptability, and unwavering commitment to quality. As a leading manufacturer and exporter of aluminium and copper finned heat exchangers, water coils, condensers, and evaporator coils, we serve as a trusted partner to some of the world's most respected OEMs in the HVAC&R sector. Our products power the operations of industry leaders such as Daikin India, Schneider Electric, Voltas, Carrier, Eberspaecher, Kirloskar, Blue Box, and Knorr Bremse, reflecting the confidence placed in our expertise and innovation.

Our journey is defined by a relentless pursuit of expansion—across markets, technologies, and applications—while never compromising on the excellence that has become our hallmark. With a state-of-the-art manufacturing facility equipped with advanced global technologies, we deliver customized solutions tailored to the unique needs of domestic, commercial, and industrial clients. From powering large-scale cooling systems in commercial complexes to providing precision cooling for data centres and mission-critical infrastructure, our innovative coil designs address the evolving challenges of today's dynamic world.

In an age where digital transformation and artificial intelligence are reshaping industries, KRN stands at the forefront, supporting the backbone of the digital economy. Our advanced heat exchangers play a pivotal role in enabling the growth of data centers—ensuring efficient thermal management for uninterrupted, high-density computing. By safeguarding the reliability and longevity of these vital systems, we empower the seamless delivery of AI-driven services and applications worldwide.

Our commitment extends beyond product excellence. We uphold rigorous quality and safety standards, invest in sustainable practices, and focus on delivering cost-effective, high-performance solutions with swift turnaround times. Every achievement is a testament to our dedication to exceeding customer expectations and driving industry standards forward.

As we continue to expand our boundaries, we remain steadfast in our promise to sustain excellence—for our partners, our people, and the communities we serve. At KRN, we believe that true progress lies in pushing limits while preserving the values that define us. Our vision is clear: to shape a future where innovation and reliability go hand in hand, and where our solutions continue to power progress across industries and around the globe.

Business Responsibility and Sustainability Reporting (BRSR) is the practice of companies disclosing information about their environmental, social, and governance (ESG) performance. It goes beyond financial reporting to provide stakeholders with a comprehensive view of a company's non-financial impacts and contributions to sustainable development. BRSR covers topics such as environmental impact, social responsibility, and governance practices, aiming to promote transparency and accountability.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sr. No.	Particulars	FY 2024-2025
1	Corporate Identity Number (CIN) of the Listed Entity	L29309RJ2017PLC058905
2	Name of the Listed Entity	KRN HEAT EXCHANGER AND REFRIGERATION LIMITED
3	Year of incorporation	2017
4	Registered office address	Plot No. F-46,47,48,49, EPIP, RIICO Industrial Area Neemrana, Alwar, Rajasthan, India, 301705
5	Corporate address	Plot No. F-46,47,48,49, EPIP, RIICO Industrial Area Neemrana, Alwar, Rajasthan, India, 301705
6	E-mail	cs@krnheatexchanger.com
7	Telephone	+91 9257025440
8	Website	www.krnheatexchanger.com
9	Financial year for which reporting is being done	FY2024-25
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE), National Stock Exchange of India Limited (NSE)
11	Paid-up Capital	62,15,66,000
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Jitendra Kumar Sharma Telephone: 9257025440 Email id: jitendra.sharma@krnheatexchanger.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Consolidated Basis
14	Name of assurance provider	Not Applicable
15	Type of assurance obtained	Not Applicable

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Electrical equipment, General Purpose and Special purpose Machinery & equipment, Transport equipment	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover Contributed
1.	Revenue from sale of Heat Exchangers and HVAC Products	27900	100%

*NIC Code – 2008

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	4	2	6
International	0	0	0

19. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	1
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity? 15.64%

c. A brief on types of customers

KRN Group serves OEMs in the Heating, Ventilation, Air Conditioning, and Refrigeration (HVAC&R) industry. We manufacture and export aluminium/copper fins, copper tubes, heat exchangers, water coils, and condenser and evaporator coils. Our customer base includes both domestic and international OEMs, reflecting our strong presence in global markets.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male No. (B) % (B / A)	Female No. (C) % (C / A)
EMPLOYEES				
1	Permanent (D)	120	117	97.50%
2	Other than Permanent (E)	0	-	-
3	Total employees (D + E)	120	117	97.50%
WORKERS				
4	Permanent (F)	88	88	100.00%
5	Other than Permanent (G)	560	560	100.00%
6	Total workers (F + G)	648	648	100.00%

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male No. (B) % (B / A)	Female No. (C) % (C / A)
EMPLOYEES				
1	Permanent (D)			
2	Other than Permanent (E)			NIL
3	Total differently abled employees (D + E)			
WORKERS				
4	Permanent (F)			
5	Other than Permanent (G)			NIL
6	Total differently abled workers (F + G)			

21. Participation/Inclusion/Representation of women

Particulars	Total	No. and percentage of Females	
	(A)	No. (B)	% (B / A)
Board of Directors	7	2*	28.57%
Key Management Personnel	4**	1	25.00%

*Appointment of 1 female director is post FY2024-25

** Includes 2 Whole Time Directors which are also included in the Board of Directors.

22. Turnover rate for permanent employees and workers

Particular	FY 2024-25			FY 2023-24			FY 2022-23		
	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees*	25.26%	NIL	24.74%	30.14%	NIL	29.73%	18.44%	NIL	18.18%
Permanent Workers	41.35%	-	41.35%	55.07%	-	55.07%	163.13%	-	163.13%

*No female employee resigned during the aforementioned financial years

V. Holding, Subsidiary and Associate Companies (including joint ventures)
23. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business responsibility initiatives of the listed entity? (Yes/No)
1	KRN HVAC Products Private Limited	Subsidiary	100	Yes
2	Thermotech Research and Laboratory Private Limited	Subsidiary	100	Yes

VI. CSR Details
24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)
Yes

a. Turnover (in ₹)	₹ 4,31,18,97,611
b. Net worth (in ₹)	₹ 4,96,44,20,968

VII. Transparency and Disclosures Compliances
25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *	FY 2024-25			FY 2023-24		
		Current Financial Year			Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors (other than shareholders)	Yes	0	0	-	0	0	-
Shareholders	Yes	99*	0	-	0	0	-
Employees and workers	Yes	0	0	-	0	0	-
Customers	Yes	27	0	-	19	0	-
Value Chain Partners	Yes	27	0	-	19	0	-
Other (please specify)	-	-	-	-	-	-	-

*These are ASBA-related queries pertaining to the IPO.

* Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)

Stakeholder group from whom complaint is received	Web Link for Grievance Policy
Communities	
Investors (other than shareholders)	
Shareholders	
Employees and workers	Web link: https://krnheatexchanger.com/policies/
Customers	
Value Chain Partners	
Other (please specify)	

Note: Grievance Redressal Mechanism/Policy is available on company's intranet for relevant stakeholders

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy management	Risk	Energy management is important for KRN to reduce operational costs, improve efficiency, and lower its environmental footprint. As a heat exchanger manufacturer, energy-intensive processes demand optimisation to stay competitive. Efficient energy use supports compliance with evolving regulations, meets client sustainability expectations, and enhances long-term business resilience while contributing to KRN's overall ESG performance.	The company enhances operational efficiency through regular monitoring and process controls. Additionally, KRN has implemented onsite solar power generation to reduce reliance on fossil fuel-based electricity and lower its overall carbon footprint. Also, other measures include adopting energy-efficient equipment such as IE4 grade motor variable frequency drive (VFD), LED lights, and energy-efficient fans and appliances.	Negative
2	Product design	Opportunity	Well-designed products reduce resource consumption, enhance customer satisfaction, and meet evolving regulatory and environmental standards. It also supports innovation and competitiveness in global markets where clients prioritize sustainable and high-performance engineering solutions.		Positive
3	Product quality and safety	Risk	Any defects or failures can lead to operational disruptions, client dissatisfaction, reputational damage, and potential legal liabilities. As an OEM supplier, maintaining strict quality control and safety standards is critical to meeting customer expectations and industry regulations.	KRN ensures product quality and safety by obtaining third-party certifications and adhering to stringent quality standards. The company actively engages with customers to understand and meet their performance and safety expectations, incorporating their feedback into product development. This approach helps maintain reliability, regulatory compliance, and long-term customer satisfaction.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Health, safety and well-being	Risk	Ensuring a safe and healthy work environment is essential for employee retention, productivity, and regulatory compliance. Any lapse can lead to workplace injuries, legal liabilities, operational downtime, and reputational damage.	KRN mitigates health and safety risks through regular workplace safety assessments, implementation of strict safety protocols, and continuous employee training and awareness programs. The company ensures all personnel are equipped with appropriate health and safety kits and protective gear. These measures help prevent accidents, promote a safe work culture, and ensure compliance with occupational health and safety regulations.	Negative
5	Human rights	Risk	Upholding human rights standards is vital for ensuring stakeholder trust and supporting long-term responsible growth. Non-compliance such as unsafe conditions or discriminatory practices, can result in reputational damage, regulatory penalties, and operational disruption.	KRN addresses human rights risks through clearly defined policies that promote ethical labour practices, non-discrimination, and safe working conditions. The company conducts regular audits and assessments to monitor compliance across its operations and supply chain. Training and awareness programs are implemented for employees and partners to reinforce human rights standards, ensuring accountability and alignment with national and international regulations.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Responsible supply chain	Risk	As an OEM, KRN plays a key role in the broader supply chain, and any lapses in vendor ethics, quality, or reliability can disrupt operations and harm client trust. Growing ESG expectations also demand greater transparency, compliance, and sustainability throughout the supply chain.	KRN manages supply chain risks by conducting regular supplier assessments, implementing training and awareness programs, and promoting responsible sourcing practices. The company considers key sustainability parameters such as environmental compliance, labor practices, and ethical standards when selecting and engaging with vendors, ensuring alignment with its ESG goals and maintaining a resilient, transparent, and accountable supply chain.	Negative
7	Business Ethics and governance	Risk	KRN must uphold high ethical standards and regulatory adherence to maintain client confidence and market credibility. Robust governance practices are essential to ensuring accountability, transparency, and sustainable business operations. Any non-compliance with laws or ethical lapses can result in legal action, financial penalties, and damage to reputation.	KRN mitigates business ethics and compliance risks through robust governance frameworks, a formal Code of Conduct, and strict adherence to regulatory standards. Regular employee training promotes ethical awareness and accountability. The company also conducts internal audits, risk assessments, and compliance monitoring to identify and address potential issues, ensuring transparent, responsible, and legally compliant business operations across all levels.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Sr. No	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No/NA)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No/NA)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	Web link: https://krnheatexchanger.com/policies/								
2.	Whether the entity has translated the policy into procedures. (Yes / No/ NA)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No/NA)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	ISO 9001	ISO 45001	-	-	ISO 14001	-	-	-
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	KRN is dedicated to integrating environmental stewardship and social responsibility into its operations. We aim to reduce our carbon footprint, adopt renewable energy, manage resources responsibly, and foster a culture of sustainability, creating lasting value for our stakeholders and a positive impact on the planet.								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not applicable								
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements Dear Stakeholders, KRN is committed to delivering sustainable growth by embedding Environmental, Social, and Governance (ESG) principles into every aspect of our business. We have taken significant strides in environmental stewardship, including the installation of onsite solar power generation and adoption of advanced energy-efficient technologies such as IE4 grade motors and LED lighting. These initiatives have measurably reduced our reliance on fossil fuels and lowered our carbon footprint. Our social initiatives prioritise the health, safety, and well-being of employees through regular workplace assessments, robust safety protocols, continuous training, and provision of protective equipment. We maintain the highest product quality and safety standards through stringent benchmarks and third-party certifications, while upholding human rights and ethical labour practices across our operations and supply chain. In governance, our strong Code of Conduct, transparent compliance systems, regular audits, and proactive risk management ensure accountability at all levels. We remain confident in achieving our long-term ESG commitments, strengthening stakeholder trust, and creating enduring value.									
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). Santosh Kumar Yadav, Chairman and Managing Director DIN: 07789940									

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No/ NA). Yes

Currently, the Group does not have a specified Committee of the Board/Directors responsible for decision making on sustainability related issues. However, respective areas of the ESG and Sustainability are overseen currently by the Directors, Key Managerial Personnel and other designated personnel from different departments

10. Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
a. Performance against above policies and follow up action	Yes, by Board of Directors, Key Managerial Personnels and other designated personnel from different departments depending upon the respective responsibilities.								
b. Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances									
Subject for Review	Frequency (Annually / Half yearly /Quarterly/ Any other-please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
a. Performance against above policies and follow up action	Annually								
b. Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Quarterly								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).	N	N	N	N	N	N	N	N	N
If yes, provide name of the agency.	-	-	-	-	-	-	-	-	-
12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/ No)	N.A.								
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

(This principle focuses on the importance of ethical conduct and transparency in business operations. Companies should follow ethical business practices and adhere to high standards of integrity. They should also be transparent about their activities, operations, and financial reporting, as well as be accountable for their actions)

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	12	1. Corporate governance	100%
Key Managerial Personnel	12	2. Risk management	100%
Employees other than BOD and KMPs	30	Training and awareness topics/processes followed at KRN Group:	
		1. Process-wise skill development	
		2. Basic training for new employees	
		3. Safety-related training	
		4. 5S implementation training	
		5. Time management workshops	
		6. Product quality awareness	
		7. Anti-Corruption and Anti-Bribery measures	
		8. Code of Conduct training	
		9. Child labour awareness and prevention	
		10. Kaizen (continuous improvement) training	
		11. Mock drill exercises	
		12. Fire & safety training	
		13. First aid training	
		14. POSH (Prevention of Sexual Harassment) Training	100%
Workers	47		100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

Monetary					
Particular	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR) (For Monetary Cases only)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL				
Settlement	NIL			N.A.	
Compounding fee	NIL				
Non Monetary					
Particular	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL			N.A.	
Punishment	NIL				

Not applicable as no fines or penalties have been imposed in the reporting period.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	N.A.

4. Does the entity have anti-corruption or anti-bribery policy? (Yes/ No) Yes

If Yes, provide details in brief

At KRN, we are committed to conducting our business with the highest standards of integrity, ethics, and transparency. We maintain a zero-tolerance policy towards bribery and corruption in any form. All directors and employees are required to undergo regular training on this subject. Additionally, our Whistle Blower mechanism enables employees, directors, and third parties to report any unethical practices, including bribery and corruption, to the Whistle Blower Committee or the Chairman of the Audit Committee for appropriate action.

If Yes, Provide a web link to the policy, if available -Web link anti corruption or anti bribery policy is place

KRN has an Anti-Corruption and Bribery Policy, which is available on the Group's Intranet

5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particular	FY 2024-25	FY 2023-24
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

Case Details	FY 2024-25		FY 2023-24	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

N.A.

8. Number of days of accounts payables in the following format:

Particular	FY 2024-25	FY 2023-24
Number of days of accounts payables	58	52

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	5.06%	4.55%
	b. Number of trading houses where purchases are made from	109	97
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	67.15%	67.03%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	3.52%	5.30%
	b. Number of dealers / distributors to whom sales are made	15	11
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	98.95%	99.99%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	2.30%	0.02%
	b. Sales (Sales to related parties / Total Sales)	2.97%	2.86%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	100%	100%
	d. Investments	100%	100%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
8	Skill development training	100%
5	Environment Training	100%
10	Product Awareness	100%
7	Material handling and resources utilisation	100%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) Yes

If Yes, provide details of the same.

The Group has established processes to identify, manage, and avoid conflicts of interest involving the Board of Directors and Senior Management. A comprehensive Code of Conduct and Business Ethics is in place, outlining clear guidelines and disclosure mechanisms for potential conflicts. Additionally, all Board members and Senior Management are required to submit an annual declaration confirming compliance with these standards.

Policy Weblink: <https://krnheatexchanger.com/wp-content/uploads/2024/05/Code-of-Conduct-for-Directors-and-Senior-Management-Personnel-Policy.pdf>

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

(This principle highlights the importance of sustainable and safe production practices. Companies should strive to minimize the environmental impact of their activities and ensure that their products and services are safe for consumers and the environment.)

Essential Indicator

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Sr. No.	Particular	FY 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
1	R&D	Nil	Nil	-
2	Capex	Nil	Nil	-

- 2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) Yes
- b. If yes, what percentage of inputs were sourced sustainably? 100%

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a)	Plastics (including packaging)	KRN is an OEM supplier with no final product to reclaim; site waste is safely disposed of and sent for third-party recycling.
(b)	E-waste	Not applicable
(c)	Hazardous waste	The company does not generate material hazardous waste
(d)	other waste	Not applicable

4. a Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No) No
- b If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?

N.A.

- c If not, provide steps taken to address the same

KRN is a component manufacturer for OEMs, and any waste generated from the produced parts is managed by the respective OEMs in accordance with their waste management policies.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

(This principle emphasizes the importance of employee well-being. Companies should provide safe and healthy working conditions, fair wages, and opportunities for career development to all employees in their value chains, including suppliers, contractors, and temporary workers.)

Essential Indicators

- 1 a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	117	117	100%	117	100%	N.A.	-	0	-	0	-
Female	3	3	100%	3	100%	0	-	NA.	-	0	-
Total	120	120	100%	120	100%	0	-	0	-	0	-
Other than permanent employees											
Male	0										
Female	0					N.A.					
Total	-										

1. b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	88	88	100%	88	100%	N.A.	-	0	-	0	-
Female	0	N.A.	-	N.A.	-	N.A.	-	NA.	-	N.A.	-
Total	88	88	100%	88	100%	-	-	0	-	0	-
Other than permanent workers											
Male	560	560	100%	560	100%	N.A.	-	0	-	0	-
Female	0	N.A.	-	N.A.	-	N.A.	-	NA.	-	N.A.	-
Total	560	560	100%	560	100%	N.A.	-	0	-	0	-

1. c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2024-25	FY 2023-24
Cost incurred on well- being measures as a % of total revenue of the company	0.12%	0.06%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%	100%	Y	100%	100%	Y
Others – please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?	Yes. The premises / offices of KRN Group are largely accessible to differently abled employees and contractors, barring some of the locations, where it is practically not possible. However, the Group is attempting to make improvements to the current system.
If not, whether any steps are being taken by the entity in this regard.	
N.A.	

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

If so, provide a web-link to the policy.	Yes. KRN has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016, which is available on Company's Intranet and accessible to all employees.
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5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers*	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	NA	NA	NA	NA
Female	NA	NA	NA	NA
Total	-	-	-	-

*We do not have female workers, and none of our other employee or worker have claimed parental leaves during FY2024 & FY2025

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	Yes	Yes, KRN is dedicated to offering a secure and encouraging workplace to its employees, wherein it has formulated below mentioned policies that allows the employees to report any type of suspected or actual misconduct within the organization:
Other than Permanent Workers	Yes	• Whistle Blower Policy/Vigil Mechanism
Permanent Employees	Yes	• POSH
Other than Permanent Employees	Yes	• Grievance Redressal Policy
		Further, there is a dedicated Grievance Redress Committee, which is responsible for addressing the concerns and grievances of both internal (employees) as well as external stakeholders (including contractors). Additionally, employees can also raise their grievances to their respective HODs or Head-Human Resources Officer respectively

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2024-25			FY 2023-24		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C.)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/c)
Total Permanent employees						
Male	117	0	-	73	0	-
Female	3	0	-	1	0	-
Total Permanent Workers						
Male	88	0	-	120	0	-
Female	0	0	-	0	0	-

8. Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)	Number (F)	% (C / D)
Employees										
Male	117	117	100%	117	100%	73	73	100%	73	100%
Female	3	3	100%	3	100%	1	1	100%	1	100%
Total	120	120	100%	120	100%	74	74	100%	74	100%
Workers										
Male	648	648	100%	648	100%	508	508	100%	508	100%
Female	0	-	-	-	-	0	-	-	-	-
Total	648	648	100%	648	100%	508	508	100%	508	100%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024-25			FY 2023-24		
	Total (A)	Number (B)	% (B / A)	Total (D)	No. (E)	% (E / D)
Employees						
Male	117	117	100%	73	73	100%
Female	3	3	100%	1	1	100%
Total	120	120	100%	74	74	100%
Workers						
Male	88	88	100%	120	120	100%
Female	0	-	-	0	-	-
Total	88	88	100%	120	120	100%

10. Health and safety management system

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No) **Yes**

If Yes, the Coverage such systems?

The occupational health and safety system covers all employees, including contractual staff. It encompasses risk assessments, safety training, incident reporting, and provision of personal protective equipment.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Standard Operating Procedures (SOPs) are established for all operations. Before commencing any task, potential workplace hazards are identified, and risk assessments are carried out. Employees undergo appropriate training based on these assessments. The implementation of 5S safety forms an integral part of hazard identification and risk management.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks? (Yes/ No) **Yes.**

Employees and workers can report safety concerns to their supervisors or the designated safety officer. A WhatsApp-based reporting system is also in place for easy communication. They have the right to remove themselves from hazardous situations when necessary.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No) **Yes, the employees/contractors of the Group have access to non-occupational medical and healthcare services.**

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The organization prioritizes workplace safety through comprehensive measures.

Key measures include:

- Safety induction and fire-fighting training
- Regular workplace inspections
- Mandatory use of PPE (helmets, gloves, safety shoes)
- Installation of safety signs, emergency stop switches, and sensors
- 5S implementation with routine housekeeping checks

13. Number of Complaints on the following made by employees and workers:

Particulars	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessment for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

Not applicable.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees (Y/N) **Y**

(B) Workers (Y/N) **Y**

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

(This principle highlights the importance of stakeholder engagement. Companies should consider the interests and perspectives of all stakeholders, including shareholders, employees, customers, suppliers, and the communities in which they operate. They should also be responsive to stakeholder concerns and feedback.)

Essential Indicators
1. Describe the processes for identifying key stakeholder groups of the entity.

At KRN, key stakeholder groups are identified through a structured assessment of the company's business operations, supply chain, and industry ecosystem. The process involves analysing interactions across various functions such as production, procurement, sales, compliance, and community engagement.

Stakeholders are categorized based on their influence on, and impact by, the organization's activities. This includes internal stakeholders like employees and management, as well as external stakeholders such as customers (OEMs), suppliers, regulatory bodies, export partners/distributors, and the local community.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	- One-to-one interactions - Site-visits - Customer meetings - E-mails - Feedback Mechanism- Online Survey - Digital Channels - Trial and improvement programmes	- Continuous - Periodic - Need based - Annually - Continuous	Delivering safe, high-quality products with innovation, efficiency, and responsive service, while engaging proactively on feedback, grievances, and demand insights through digital and direct channels to drive continuous improvement.
Employees	No	- E-mail communication - Presentations, - One-to-one interactions - Notice Board - Trainings and workshops - Grievance mechanism - Rewards and Recognition	- Continuous - Event based - Periodic - Annually	Providing competitive pay, benefits, a safe and inclusive workplace, and growth opportunities, while fostering transparency, ethics, innovation, adaptability, collaboration, and productivity aligned with company goals.
Value chain partners	No	- E-mail communication - Site visits - One-to-one interactions - Business partner surveys - Structured meetings	- Need based - Periodic - Continuous - Annually - Periodic	Building transparent, ethical, and sustainable supplier partnerships focused on quality, timely delivery, mutual growth, innovation, and continuous value creation through reliable processes, compliance, and capability development.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors and shareholders	No	- Annual general meetings - Conference call - Press releases - Annual reports - News channels - Website updates - Stock Exchange releases - Investors Grievances and Redressal Mechanism	- Annually - Quarterly - Annually - Event based	Delivering financial returns, transparent governance, effective risk management, and long-term value, with measurable ESG progress, supported by active stakeholder alignment and participation in strategic decisions.
Government and Regulatory authorities	No	- E-mail communication - One-to-one interactions - Events - Letters - Reports	Engagement as per need	Ensuring legal and ethical compliance, transparent reporting, and contributions to national goals, while actively engaging in policy dialogues, industry forums, and initiatives that foster fair regulation, business growth, and sustainability.
Local community	No	- CSR Initiatives - Field visits by project representatives - Face to face interactions - Collaboration through NGOs - Community meetings	Engagement as per need	Driving local development through sustainable livelihoods, impactful community initiatives, transparent reporting, and active collaboration with stakeholders to foster inclusive growth and shared value.

PRINCIPLE 5 Businesses should respect and promote human rights.

(This principle focuses on the importance of human rights. Companies should respect and promote human rights, including the rights to freedom of expression, association, and privacy. They should also prevent and address human rights violations in their operations and value chains.)

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees/workers covered (B)	% (B / A)	Total (C)	No. of employees/workers covered (D)	% (D / C)
Employees						
Permanent	120	120	100%	74	74	100%
Other than permanent	0	0	100%	0	0	100%
Total Employees	120	120	100%	74	74	100%
Workers						
Permanent	88	88	100%	120	120	100%
Other than permanent	560	560	100%	388	388	100%
Total Workers	648	648	100%	508	508	100%

2. Details of minimum wages paid to employees and workers

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)	Number (F)	% (F / D)
Employees										
Permanent										
Male	117	-	-	117	100%	73	-	-	73	100%
Female	3	-	-	3	100%	1	-	-	1	100%
Total	120	-	-	120	100%	74	-	-	74	100%
Other than Permanent										
Male	0					0				
Female	0			NIL		0			NIL	
Total	0					0				
Workers										
Permanent										
Male	88	-	-	88	100%	120	-	-	120	100%
Female	0	-	-	0	-	0	-	-	0	-
Total	88	-	-	88	100%	120	-	-	120	100%
Other than Permanent										
Male	560	-	-	560	100%	388	-	-	388	100%
Female	0	-	-	0	-	0	-	-	0	-
Total	560	-	-	560	100%	388	-	-	388	100%

3. Details of remuneration/salary/wages

a. Median remuneration / wages*:

Particular	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD)	5	5,80,000	1	2,50,000
Key Managerial Personnel	4**	1,25,000	0	
Employees other than BoD and KMP	58	36,985	1	2,00,000
Workers	82	19,003	0	-

*All median figures available on a standalone basis

**Includes MD and WTD, but these are not factored into the calculation as they are already considered within the median wages of the BoD.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	10%	10%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? Yes.

Head of HR is responsible for managing and addressing any human rights impacts or issues arising from or linked to the business operations.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The KRN Group acknowledges the importance of timely and effective grievance resolution as a key element in safeguarding and upholding human rights. To support this, the company has implemented dedicated policies and mechanisms, including:

- Whistle Blower Policy / Vigil Mechanism
- Prevention of Sexual Harassment (POSH) Policy
- Grievance Redressal Policy

A dedicated Grievance Redressal Committee is in place to address concerns and complaints from both internal and external stakeholders. Additionally, employees are encouraged to approach their respective Heads of Department (HODs) or the Head of HR to report any grievances or issues.

6. Number of Complaints on the following made by employees and workers:

Particulars	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

KRN Group ensures that individuals raising genuine concerns about discrimination or harassment are protected from retaliation or any adverse action. Confidentiality of complainants is maintained through specific provisions in the Grievance Redressal Policy, Whistle Blower Policy, and POSH Policy. All related reports and information are treated as confidential and access is restricted as appropriate.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No/NA) No.
10. Assessments for the year:

Name of the Assessment	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	
Sexual harassment	Project sites and the Head Office were assessed by the Group internally, or by statutory authorities and third-party evaluators.
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No significant risk/concerns were identified from the assessment carried out on topics as mentioned above during the year.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

KRN's commitment to environmental excellence is outlined in the Company's EHS Policy. The policy articulates a dedication to "prioritizing society and the environment, conserving resources, reducing waste, and preventing pollution". The company holds an ISO 14001:2015 Environmental Management System (EMS) certification, which reaffirms the Company's commitment to institutionalize a process based approach to managing its environmental responsibilities.

Essential Indicators

Energy management is an important pillar of the Company's ESG strategy from a resource conservation as well as operational efficiency perspective. The key initiatives under energy management include -

1. Use of energy efficiency equipment including efficient air compressors, IE4 grade motor variable frequency drive (VFD), installation of LED lights, energy efficient fans and energy star rated air conditioners
2. Operational efficiency through regular monitoring and process controls
3. Renewable energy – Onsite solar power generation to reduce use of conventional fossil fuel-based electricity

These initiatives have contributed to help reduce the energy intensity on per unit revenue basis by 19% over 2023-24.

1. Details of total energy consumption (in Giga Joules) and energy intensity, in the following format:

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A)	1,530	1,451
Total fuel consumption (B)	0	0
Energy consumption through other sources (C.)	0	0
Total energy consumed from renewable sources (A+B+C)	1,530	1,451
From non-renewable sources		
Total electricity consumption (D)***	2,779	2,463
Total fuel consumption (E)	10,314	9,009
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	13,093	11,472
Total energy consumed (A+B+C+D+E+F)	14,623	12,923
Energy intensity per rupee of turnover (GJ per Lakh INR)	0.34	0.42
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (GJ per USD adjusted lakh INR)	6.96	8.57
Energy intensity in terms of physical output** (GJ per production in KL)	-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?	No	
If yes, name of the external agency.	NA	

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No)

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

N.A.

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 by the World Bank for India which is 20.45

**Due to the diverse nature of the products of the Company, it is not feasible to determine the physical output for the calculation of Energy Intensity.

*** The electricity is purchased from the India grid, (which is a mix of conventional and renewable energy).

3. Provide details of the following disclosures related to water, in the following format:

Parameter Water withdrawal by source (in kilolitres)	FY 2024-25	FY 2023-24
(i) Surface water		
(ii) Groundwater		
(iii) Third party water***	9,125	-
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	9,125	-
Total volume of water consumption (in kilolitres)	9,125	-
Water intensity per rupee of turnover		
((KL per LAKH INR)	0.21	-
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*	4.34	-
Water intensity in terms of physical output (KL per Production in KL)**	-	-
Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No)	No	
If yes, name of the external agency.	NA	

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 by the World Bank for India which is 20.45

**Due to the diverse nature of the products of the Company, it is not feasible to determine the physical output for the calculation of Energy Intensity.

***The Company is to working to improve the monitoring and measurement systems for water consumption and recycling and is committed to improve the water accounting in subsequent reporting periods.

4. Provide the following details related to water discharged:

Parameter Water discharge by destination and level of treatment (in kilolitres)	FY 2024-25	FY 2023-24
(i) To Surface water	0	0
No treatment		
With treatment – please specify level of treatment		
(ii) To Groundwater	0	0
No treatment		
With treatment – please specify level of treatment		
(iii) To Seawater	0	0
No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third-parties		
No treatment	7,300	-
With treatment – please specify level of treatment		
(v) Others		
No treatment		
With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	7,300	-
Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N)	No	
If yes, name of the external agency.	NA	

5. Has the entity implemented a mechanism for Zero Liquid Discharge?

The company is working to become zero liquid discharge.

If yes, provide details of its coverage and implementation.

The company is committed to water conservation focussing on reduction and recycling. Water efficiency measures are being identified to reduce the fresh water consumption, some waste water streams are being used for other purposes within the plant (example - cooling tower blowdown is used for gardening) and rainwater harvesting to recharge ground water. The effluent sewage generated from the manufacturing plants is collected in septic tank and sent to third party for treatment.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx	Tonnes	0.065	-
SOx	Not applicable as the Company uses low-sulphur diesel as per BS-VI		
Particulate matter (PM)	Tonnes	0.008	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)			No
If yes, name of the external agency.			Not Applicable

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions*** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Tonnes of CO2 equivalent	621	545
Total Scope 2 emissions*** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Tonnes of CO2 equivalent	561	497
Biogenic greenhouse gas emissions		0	0
Total Scope 1 and Scope 2 emissions per LAKH INR of turnover			
(Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		0.027	0.034
Total Scope 1 and Scope 2 emission intensity per LAKH INR of turnover adjusted for Purchasing Power Parity (PPP)		0.56	0.69
Total Scope 1 and Scope 2 emission intensity in terms of physical output (per production in KL)		-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)		No	
If yes, name of the external agency.		Not applicable	

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 by the World Bank for India which is 20.45

**Due to the diverse nature of the products of the Company, it is not feasible to determine the physical output for the calculation of GHG Intensity.

*** Source of emissions factors used for calculating the greenhouse gas emissions: Scope 1 emissions have been calculated using the emissions factors published by the DEFRA GHG conversion factors 2024. For Scope 2 emissions – the emission factor is 0.727 tCO₂/MWh, as per the CO₂ Baseline Database for the Indian Power Sector, User Guide, Version 20.0, December 2024, published by the Central Electricity Authority of India.

8. Does the entity have any project related to reducing Green House Gas emission? (Yes/ No)

Yes

If Yes, then provide details.

The Company has implemented operational efficiency measures and renewable energy projects to reduce the greenhouse gas emissions. Some projects include installation of IE4 grade motor variable frequency drives (VFD) on various equipment, switch to efficient air compressors, installation of LED lights, energy efficient fans and energy star rated air conditioners. The Company has also reduced its dependency on fossil-fuel based electricity by installing solar panels, which contributes 36% to the overall electricity use. These initiatives have helped reduce the carbon footprint use per unit revenue by 19% on a year-on-year basis.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	4.99	-
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	1.32	-
Other Non-hazardous waste generated (H).		
Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	239.86	-
Total (A+B + C + D + E + F + G + H)	246.17	-
Waste intensity per rupee of turnover		
(MT per LAKH INR)	0.006	-
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (MT per USD adjusted LAKH INR)	0.12	-
Waste intensity in terms of physical output (MT per production in KL)	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste	FY 2024-25	FY 2023-24
(i) Recycled	246.17	-
(ii) Re-used	0	-
(iii) Other recovery operations	0	-
Total	246.17	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		

Category of waste	FY 2024-25	FY 2023-24
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)	No	
If yes, name of the external agency.	NA	

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 by the World Bank for India which is 20.45

**Due to the diverse nature of the products of the Company, it is not feasible to determine the physical output for the calculation of waste intensity.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Waste is considered as a resource and the Company is committed to segregate the various waste categories generated within its operations and diverting them from landfill for recycling. Some important waste reduction initiatives include reuse of packaging material, minimizing use of single use plastics, disposing all wastes through government authorized recyclers.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons thereof and corrective action taken, if any.
Not applicable				

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N/NA). Y

All our units comply with environmental regulations.

If not, provide details of all such non-compliances, in the following format:

Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not applicable			

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres)

The company is not currently analysing water withdrawal, consumption and discharges by areas of water stress.

2. Please provide details of total Scope 3 emissions & its intensity

The current focus for carbon management is on Scope 1 and Scope 2 emissions. The company plans to compute Scope 3 emissions going forward.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action taken, if any
Solar power	Installation of solar panels for generating renewable electricity	Led to avoidance of a total of 293 tCO ₂ e per annum	-
Energy efficient lighting	Installation of LED lights	Reduction in energy use	-
Energy efficient equipment	Switch to energy efficient equipment including IE4 grade motor variable frequency drives (VFD) on various equipment, switch to efficient air compressors, energy efficient fans and energy star rated air conditioners	Reduction in energy use	-
Waste segregation and recycling	Different categories of waste are segregated at source and recycled through appropriate recycling channels	Diverting waste from landfill	-

5. Does the entity have a business continuity and disaster management plan? (Yes/No) Yes

Give details in 100 words/ web link.

Disaster Management is essential for ensuring business continuity and minimizing environmental, human, and property losses during accidents or disasters. The Company's Disaster Management Plan is based on regulatory guidelines, industry best practices, and lessons learned from past emergencies. The plan ensures rapid response, effective coordination, and safety during emergencies. Key focus areas include:

- **Preparedness:** Training, drills, and resource readiness
- **Response:** Clear roles for personnel, communication systems, control centre and emergency actions

Continuous Improvement: Regular reviews, updates, and evaluations to strengthen the plan

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

The Company's products, heat exchangers, are inherently designed to maximize thermal transfer between fluids, significantly improving energy utilization across industrial processes. By recovering and reusing waste heat, these systems reduce fuel consumption and minimize overall energy demand. KRN's heat exchanger solutions help customers lower their GHG emissions by making processes more efficient, especially in energy-intensive sectors like petrochemicals, power, and manufacturing. These products align to "low-carbon technology" portfolio, supporting the Company's mission to enable clients' transition to net-zero operations. KRN's designs contribute to reducing operational costs while also enhancing environmental performance of systems they're installed in. The Company offers tailored solutions that optimize heat recovery depending on client needs—be it from flue gases, industrial effluents, or steam systems. Newer models emphasize compactness, corrosion resistance, and higher efficiency coefficients to minimize thermal losses.

KRN has taken steps towards managing the sustainable impacts of its value chain by investing in R&D directly aligning with the primary driver of the global heat exchanger market, which is the increasing demand for sustainable, low-energy consumption solutions.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

The company plans to assess its value chain partners for environmental impacts in future.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

(This principle highlights the importance of responsible advocacy. Companies should engage in policy advocacy in a responsible and transparent manner, and avoid engaging in activities that could undermine the public interest or the democratic process.)

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. 4

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National/ International)
1	The Refrigeration & Air Conditioning Trade Association (RATA)	National
2	Indian society of heating refrigerating & air conditioning engineers (ISHRAE)	National
3	All India Air Conditioning & Refrigeration Association (All India ACRA)	National
4	Neemrana Industrial Association (NIA)	State

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
		Not applicable

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.

(This principle emphasizes the importance of promoting inclusive and equitable economic development. Companies should create economic opportunities for all, including disadvantaged and marginalized groups. They should also contribute to the development of local communities and support social and economic empowerment.)

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA						

3. Describe the mechanisms to receive and redress grievances of the community.

Grievances from the community can be submitted via our website or directly to the Grievance Redressal Team. All concerns are logged, reviewed, and resolved promptly, with escalations made to higher management when required.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particular	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	14.70%	13.17%
Directly from within India	31.02%	20.72%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Particular	FY 2024-25	FY 2023-24
Rural		
Semi-urban	100%	100%
Urban		
Metropolitan		
(Place to be categorized as per RBI Classification System - rural / semi-urban / urban/metropolitan)		

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.

(This principle highlights the importance of responsible consumer engagement. Companies should provide safe, high-quality products and services, and ensure that they are marketed and sold ethically and responsibly. They should also be transparent about their products and services, and provide consumers with the information they need to make informed choices.)

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

A grievance redressal communication matrix is in place to ensure that consumer complaints and feedback are received, tracked, and addressed promptly through a structured escalation process.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

Particular	As a percentage to total turnover*
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

Particular	FY 2024-25		Remark	FY 2023-24		Remark
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other*	27	0	-	19	0	-

*Design and product related

4. Details of instances of product recalls on account of safety issues:

Particular	Number	Reason for recall
Voluntary recalls	0	-
Forced recalls	0	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) Yes

If available, provide a web link of the policy

KRN has established a cybersecurity and data privacy risk policy, which is accessible on the group's intranet.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

N.A.

No complaints or regulatory actions were reported during the period related to advertising, delivery of essential services, cybersecurity, data privacy, or product safety, nor were there any product recalls or penalties.

7. Provide the following information relating to data breaches

a.	Number of instances of data breaches along-with impact	0
b.	Percentage of data breaches involving personally identifiable information of customers	-
c.	Impact, if any, of the data breaches	
	Not applicable	

Leadership Indicator

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information of the products manufacturing by the group can be accessed at company official website <https://krnheatexchanger.com/>

INDEPENDENT AUDITOR'S REPORT

To
The Members of
KRN Heat Exchanger and Refrigeration Limited
(Formerly known as KRN Heat Exchanger and Refrigeration Private Limited)
Neemrana, Rajasthan - 301705
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of KRN Heat Exchanger and Refrigeration Limited. (Formerly known as KRN Heat Exchanger and Refrigeration Private Limited) ("the Company"), which comprise the balance sheet as at 31st March, 2025 and the statement of Profit and Loss (including other comprehensive income), and statement of change in equity and statement of cash flows for the year ended 31st March, 2025 and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2025, its Profit or Loss and total comprehensive income (including other comprehensive income), the changes in equity and its cash flows for the year ended on 31st March, 2025.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31st March, 2025. These matters were addressed in the context

of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters and there is no Key Audit Matters which need to be reported.

Information Other than the financial statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue

as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial standalone statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended 31st March, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial

statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rule, 2015 as amended;

- (e) On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note 33 to the standalone financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- (a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 40 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in note 40 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise,

that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - Provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatements.
- iv. There has no dividend declared or paid during the year ended 31st March, 2025 by the Company, since compliance under section 123 of the companies Act, 2013 is not applicable to the company.
- (h) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.
- (i) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the year ended 31st March, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software.

For Keyur Shah & Co.
Chartered Accountants
FRN.: 141173W

Keyur Shah
Proprietor
Membership No.: 153774
UDIN : 25153774BMIOKE9962

Date: 12th May, 2025
Place: Ahmedabad

"Annexure A" Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of KRN Heat Exchanger and Refrigeration Limited (Formerly known as KRN Heat Exchanger and Refrigeration Private Limited) on the Standalone Financial Statements for the year ended 31st March, 2025

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i. Property, Plant, Equipment and intangible Assets:

- The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in progress and right-of-use assets.
 - The Company has maintained proper records showing full particulars of intangible assets.
- The Company has a program of verification property, plant and equipment and capital work in progress so to cover all the items over a year of three years which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the program, certain property, plant, equipment were due for verification during the year and were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 2 to the standalone financial statements, are held in the name of the Company.
- The Company has not revalued its Property, Plant, Equipment (including Right of use assets) and intangible Assets during the year ended 31st March, 2025.
- Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding Benami property under Benami Transactions (Prohibitions) Act, 1988 (as amended in 2016) (formerly the Benami Transaction (Prohibition) Act, 1998(45 of 1988) and Rules made thereunder.

ii. Inventory:

- The physical verification of inventory including inventory lying with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedures of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory. The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the unaudited books of accounts and borrowing terms except in case of quarter ended 31st March, 2025 where the Company has filed statement of different date with the bank.
- During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 Crores, in aggregate, from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with such banks are generally in agreement with the books of account of the Company.

iii. Loans/Advances/Investments given by the Company:

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or granted advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments, granted loans and provided guarantees to companies and other parties in respect of which the requisite information is provided in clause (a) to (f) as below to the extent applicable. The Company has not made any investments in or provided any guarantee or security to firms or limited liability partnership or any other parties except as mentioned below:

- a) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has provided loans and stood guarantee, as below:

Particulars	(Amount in Lakhs)	
	Investments	Loans/Advances - Unsecured
Aggregate amount granted/Provided during the year		
-Subsidiaries		
-Thermotech Research Laboratory Private Limited	990.00	
-KRn HVAC Products Private Limited	23,576.66	4,126.31
Balance outstanding as at balance sheet date		
-Subsidiaries		
-Thermotech Research Laboratory Private Limited	990.00	-
-KRn HVAC Products Private Limited	24,076.61	7,785.49

- b) According to the information and explanations given to us and based on the audit procedures carried out by us, in our opinion the investments made and guarantees provided during the year and the terms and conditions of the grant of loans and guarantees provided during the year are prima facie, not prejudicial to the interest of the Company.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to same parties.
- f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

iv. Loans to directors & Investment by the Company:

In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.

v. Deposits

The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Rules framed there under to the extent notified. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. Cost records:

Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. Statutory Dues:

- a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, goods and services tax and labour welfare fund, though there were no delay in depositing undisputed statutory dues, including sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

- b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2025, on account of disputes are given below:

Nature of Statute	Nature of Dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Order u/s 250	0.44	AY-2021-22	Commissioner of Income Tax, (Appeals) in income Tax
Goods and Service Tax	GST ITC Mismatched	367.62	F. Y.-2021-22 to F. Y.-2024-25	At Deputy Commissioner GST

* Amount mentioning in the above table are reflecting the amount of tax demand excluding any Interest or Penalties. Interest or Penalties may be Varies at the time of Disposal of Demand, which may varies time to time.

viii. Unrecorded income

According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. Repayment of Loans:

- a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion, and according to the information and explanations given to us, term loans which were applied for the purpose for which the loans were obtained.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that the Company has not used funds raised on short-term basis for the long-term purposes.
- e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. Utilization of IPO & FPO and Private Placement and Preferential issues:

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has raised money by way of Initial Public Offer as on 30th September, 2024 amounting to Rs. 34194.60 lakhs by issuing 1,55,43,000 (One crore Fifty-Five Lakhs And Forty Three Thousands) Equity Shares at an issue price of Rs. 220/- per share (including face value of Rs. 10/- per share and Share Premium of Rs. 210/- per share). In our opinion, and according to the information and explanations given to us, the moneys so raised have been applied by the company during the year for the purposes for which they were raised.
- b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has raised moneys by way of a private placement as on 14th August, 2024 amounting to Rs. 954.00 lakhs by issuing 4,77,000 (Four lakhs Seventy-seven thousands) Equity shares at an Issue price of Rs. 200/- per share (comprising face value of Rs. 10/- and share premium of Rs. 190/- per share) in compliance with the provisions of Sections 42 and 62 of the Act. As per the information and records examined by us, the funds so raised have been applied for the purposes for which they were raised.

xi. Reporting of Fraud:

- a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have

neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

- b. To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c. As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.

xii. NIDHI Company:

As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. Related Party Transaction:

The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in Note 39 to the standalone financial statements as required by applicable Indian accounting standards.

xiv. Internal Audit

- a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. Non-Cash Transaction:

The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under Clause 3(xv) of the Order is not applicable to the Company

xvi. Register under RBI Act, 1934:

The company is not carrying any activities which require registration under section 45-IA of the Reserve Bank of India Act, 1934 and hence the provisions para 3(xvi) (a) to (d) of the Order referred to in Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act does not apply to the company.

xvii. Cash Losses

The Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.

xviii. Auditor's resignation

There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

xix. Financial Position

According to the information and explanations given to us and on the basis of the financial ratios disclosed in note 42 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. Corporate Social Responsibility

The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For Keyur Shah & Co.
Chartered Accountants
FRN.: 141173W

Keyur Shah
Proprietor
Membership No.: 153774
UDIN : 25153774BMIOKE9962

Date: 12th May, 2025
Place: Ahmedabad



"Annexure B" to the Independent Auditor's Report of even date to the members of KRN Heat Exchanger and Refrigeration Limited (Formerly known as KRN Heat Exchanger and Refrigeration Private Limited) on the Standalone Financial Statements for the year ended 31st March, 2025

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the standalone financial statements of KRN Heat Exchanger and Refrigeration Limited ('the Company') as at and for the year ended 31st March, 2025, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Keyur Shah & Co.
Chartered Accountants
FRN.: 141173W

Keyur Shah
Proprietor
Membership No.: 153774
UDIN : 25153774BMIOKE9962

Date: 12th May, 2025
Place: Ahmedabad

Standalone Balance Sheet

as at March 31, 2025

(₹ in Lakhs)				
Sr. No.	Particulars	Note No.	As at 31st March, 2025	As at 31st March, 2024
I	ASSETS			
A	Non-Current Assets			
a)	Property Plant & Equipments	2A	2,580.68	2,695.42
b)	Capital Work-in-progress	2B	-	50.91
c)	Financial Assets			
-	Investments	3	25,066.61	499.95
-	Other Financial Assets	4	86.86	86.53
d)	Deferred Tax Assets (Net)	16	46.87	-
	Total Non Current Assets		27,781.02	3,332.81
B	Current Assets			
a)	Inventories	5	9,519.71	8,440.52
b)	Financial Assets			
-	Trade receivables	6	9,274.32	5,236.21
-	Cash and Cash Equivalents	7	78.57	1,016.08
-	Bank Balances other than cash and cash equivalents	8	3,293.95	553.19
-	Loans	9	7,791.98	3,712.49
-	Other Financial Assets	10	34.81	13.27
c)	Other Current Assets	11	1,181.49	662.45
	Total Current Assets		31,174.83	19,634.21
	TOTAL ASSETS		58,955.85	22,967.02
II	EQUITY AND LIABILITIES			
1	EQUITY			
a)	Equity Share capital	12	6,215.67	4,613.66
b)	Other Equity - attributable to owners of the company	13	43,428.50	8,464.31
	Total Equity		49,644.17	13,077.97
2	LIABILITIES			
A	Non-Current Liabilities			
a)	Financial Liabilities			
-	Long Term Borrowings	14	142.52	796.69
b)	Long Term Provisions	15	91.85	67.64
c)	Deferred Tax Liabilities (Net)	16	-	9.38
	Total Non Current Liabilities		234.37	873.71
B	Current Liabilities			
a)	Financial Liabilities			
-	Short Term Borrowings	17	3,204.21	5,172.25
-	Trade payables	18		
(i)	Total outstanding dues of Micro Enterprise and Small Enterprises		676.04	546.74
(ii)	Total outstanding dues of creditors other than Micro Enterprise and Small Enterprises		4,591.07	3,039.12
b)	Short-Term Provisions	19	162.71	117.88
c)	Other Current Liabilities	20	314.51	99.88
d)	Current Tax Liabilities (Net)	21	128.77	39.47
	Total Current Liabilities		9,077.31	9,015.34
	Total Liabilities		9,311.68	9,889.05
	TOTAL EQUITY & LIABILITIES		58,955.85	22,967.02
	The accompanying notes are integral part of these standalone financial statements	1-42		

As per report of even date

For, Keyur Shah & Co.
F.R. No: 141173W
Chartered Accountants

Keyur Shah
Proprietor
M.No. 153774

For and on the behalf of Board of Directors
For, KRn Heat Exchanger and Refrigeration Limited

Santosh Kumar Yadav
Chairman & Managing Director
(DIN: 07789940)

Jitendra Kumar Sharma
Company Secretary
M. No. A65048

Anju devi
Whole Time Director
(DIN: 06858442)

Sonu Gupta
Chief Financial Officer

Date : 12th May, 2025
Place : Ahmedabad

Date : 12th May, 2025
Place : Neemrana

Standalone Statement of Profit and Loss

for the year ended March 31, 2025

(₹ in Lakhs)				
Sr. No.	Particulars	Note No.	Year ended 31st March, 2025	Year ended 31st March, 2024
I	Income			
a)	Revenue from operations	22	43,118.97	30,823.54
b)	Other income	23	727.67	536.38
	Total Income		43,846.64	31,359.92
II	Expenses			
a)	Cost of materials consumed	24	32,284.75	22,684.22
b)	Changes in Inventories of Finished Goods, Work-In Progress and Stock-In-Trade	25	(20.72)	(457.77)
c)	Employee Benefit Expenses	26	1,905.71	1,279.33
d)	Finance costs	27	338.95	397.64
e)	Depreciation and amortization expense	28	365.44	391.93
f)	Other Expenses	29	1,848.28	1,425.30
	Total Expenses		36,722.41	25,720.65
III	Profit Before Prior Period Item/Exceptional items and Tax (I-II)		7,124.23	5,639.27
IV	Prior Period Item/Exceptional items		-	-
V	Profit Before Tax (III+IV)		7,124.23	5,639.27
VI	Tax Expense	30		
a)	Current tax		2,165.00	1,688.80
b)	Deferred tax Liability / (Assets)		(55.20)	(20.10)
c)	Income Tax (Prior Period)		(3.03)	(17.92)
	Total Tax Expenses		2,106.77	1,650.78
VII	Profit After Tax (PAT) (V-VI)		5,017.46	3,988.49
VIII	Other Comprehensive (Income) /Expense			
a)	Items that will not be reclassified to Profit & Loss		3.64	5.92
	Income tax in respect of above		(1.06)	(1.72)
b)	Items that may be reclassified to Profit & Loss		-	-
	Income tax in respect of above		-	-
	Total Other Comprehensive Income		2.58	4.20
IX	Total Comprehensive Income for the Year (VII-VIII)		5,014.88	3,984.29
X	Earnings per equity share of ₹ 10/- each (in ₹)			
a)	Basic	31	9.25	8.87
b)	Diluted	31	9.25	8.87
	The accompanying notes are integral part of these standalone financial statements	1-42		

As per report of even date

For, Keyur Shah & Co.
F.R. No: 141173W
Chartered Accountants

Keyur Shah
Proprietor
M.No. 153774

For and on the behalf of Board of Directors
For, KRn Heat Exchanger and Refrigeration Limited

Santosh Kumar Yadav
Chairman & Managing Director
(DIN: 07789940)

Jitendra Kumar Sharma
Company Secretary
M. No. A65048

Anju devi
Whole Time Director
(DIN: 06858442)

Sonu Gupta
Chief Financial Officer

Date : 12th May, 2025
Place : Ahmedabad

Date : 12th May, 2025
Place : Neemrana



Standalone Statement of Cash Flows

for the year ended March 31, 2025

Contd...

(₹ in Lakhs)			
Sr. No.	Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit Before Tax and Extraordinary Items	7,124.23	5,639.27
	Adjustments For:		
	Depreciation	365.44	391.93
	Provision for Gratuity and Leave Enchament	24.15	30.53
	Adjustment Related to OCI	(3.64)	(5.92)
	Interest Income	(270.90)	(60.91)
	Changes in Other Equity	129.63	249.03
	(Profit) /Loss on Sale of Fixed Assets	-	16.85
	Interest and Finance Charges	338.95	397.64
	Operating Profit before working capital changes	7,707.86	6,658.42
	Adjustment For:		
	Changes in Inventories	(1,079.19)	(2,932.09)
	Changes in Trade receivables	(4,038.11)	(1,370.89)
	Changes in Other Financial Asset	(21.54)	4.39
	Changes in Other Current Asset	(519.04)	(417.97)
	Changes in Trade Payables	1,681.25	(1,355.09)
	Changes in Short Term Provisions	44.83	0.71
	Changes in Long Term Provisions	0.06	1.65
	Changes in Other Current Liabilities	214.62	(52.40)
	Cash Generated from Operations	3,990.74	536.73
	Taxes Paid	(2,072.66)	(1,485.65)
	Net Cash From /(Used In) Operating Activities (A)	1,918.08	(948.92)
B.	Cash Flow From Investing Activities		
	(Purchase) of Fixed Asset / Capital Work In Progress	(202.99)	(269.98)
	Sale of Fixed Assets	3.19	329.52
	Advance for Capital Goods	-	(1.44)
	Change in Other Bank Balance	(2,740.76)	251.81
	Changes in Other Financial Asset	(0.33)	(13.70)
	Interest Received	270.90	60.91
	Changes in Non-Current Investment	(24,566.66)	(499.95)
	Changes in Other Non-Current Asset	-	11.00
	Net Cash From /(Used In) Investing Activities (B)	(27,236.65)	(131.83)

Standalone Statement of Cash Flows

for the year ended March 31, 2025

(₹ in Lakhs)

Sr. No.	Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
C.	Cash Flow From Financing Activities		
	Proceeds from Issue of Shares	1,602.01	213.66
	Security Premium	29,819.68	2,842.36
	Interest and Finance Charges	(338.95)	(397.64)
	Changes in Short Term Borrowing	(1,968.04)	2,895.95
	Changes in Short-term loans and advances	(4,079.49)	(3,611.76)
	Repayment of Long Term Borrowing	(654.17)	(591.44)
	Net Cash From Financing Activities (C)	24,381.06	1,351.13
	Net Increase / (Decrease) in Cash (A)+(B)+(C)	(937.51)	270.38
	Cash and Cash equivalents at the beginning of the year	1,016.08	745.70
	Cash and Cash equivalents at the end of the year	78.57	1,016.08

- 1 The above cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 - 'Statement of Cash Flows'.
- 2 Movement in Financial Liabilities arising from Financial Activities:

Current Reporting Period

(₹ in Lakhs)			
Particulars	Long Term Borrowings	Short Term Borrowings	Interest
Balance as at 01st April, 2024	796.69	5,172.25	-
Interest and Finance Charges	-	-	(338.95)
Repayment of Long Term Borrowing	(654.17)	-	-
Proceeds/(Repayment) from Short Term Borrowing	-	(1,968.04)	-
Net Cash Movement during the year	(654.17)	(1,968.04)	(338.95)
Interest Charged to Statement of Profit and Loss	-	-	338.95
Balance as at 31st March, 2025	142.52	3,204.21	-
Previous Reporting Period			
Balance as at 01st April, 2023	1,388.13	2,276.30	-
Interest and Finance Charges	-	-	(397.64)
Repayment of Long Term Borrowing	(591.44)	-	-
Proceeds/(Repayment) from Short Term Borrowing	-	2,895.95	-
Net Cash Movement during the year	(591.44)	2,895.95	(397.64)
Interest Charged to Statement of Profit and Loss	-	-	397.64
Balance as at 31st March, 2024	796.69	5,172.25	-

For, Keyur Shah & Co.
F.R. No: 141173W
Chartered Accountants

Keyur Shah
Proprietor
M.No. 153774

Date : 12th May, 2025
Place : Ahmedabad

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

Santosh Kumar Yadav
Chairman & Managing Director
(DIN: 07789940)

Jitendra Kumar Sharma
Company Secretary
M. No. A65048

Date : 12th May, 2025
Place : Neemrana

Anju devi
Whole Time Director
(DIN: 06858442)

Sonu Gupta
Chief Financial Officer

Standalone statement of changes in equity

for the year ended on 31st March, 2025

A. Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
As at 01st April, 2024	4,613.66
Changes in Equity Share Capital due to prior period errors	-
Restated balance as at 1st April, 2024	4,613.66
Changes in Equity Share Capital during the year	1,602.01
As at 31st March, 2025	6,215.67
Particulars	Amount
As at 01st April, 2023	4,400.00
Changes in Equity Share Capital due to prior period errors	-
Restated balance as at 1 April 2023	4,400.00
Changes in Equity Share Capital during the year	213.66
As at 31st March, 2024	4,613.66

B. Other Equity

(₹ in Lakhs)

Particulars	Reserves & Surplus		Deferred Revenue Grant Income	Other Comprehensive Income	Total
	Retained earnings	Securities Premium			
Balance as at 01st April, 2024	4,757.41	2,842.36	868.90	(4.36)	8,464.31
Net Profit/ (Loss) during the Year	5,017.46	-	-	-	5,017.46
Changes during the year	-	29,819.68	129.63	-	29,949.31
Remeasurement Gain/(Loss) on defined benefit plan (net of tax)	-	-	-	(2.58)	(2.58)
Total Comprehensive Income/ (Expense)	5,017.46	29,819.68	129.63	(2.58)	34,964.19
Balance as at 31st March, 2025	9,774.87	32,662.04	998.53	(6.94)	43,428.50

Standalone statement of changes in equity

for the year ended on 31st March, 2025

(₹ in Lakhs)

Particulars	Reserves & Surplus		Deferred Revenue Grant Income	Other Comprehensive Income	Total
	Retained earnings	Securities Premium			
Balance as at 01st April, 2023	768.92	-	619.87	(0.16)	1,388.63
Changes in accounting policy or prior period errors	-	-	-	-	-
Net Profit/ (Loss) during the Year	3,988.49	-	-	-	3,988.49
Changes during the year	-	2,842.36	249.03	-	3,091.39
Remeasurement Gain/(Loss) on defined benefit plan (net of tax)	-	-	-	(4.20)	(4.20)
Total Comprehensive Income/ (Expense)	3,988.49	2,842.36	249.03	(4.20)	7,075.68
Balance as at 31st March, 2024	4,757.41	2,842.36	868.90	(4.36)	8,464.31

Nature and Purpose of Reserves

- (a) Securities Premium: The amount received in excess of face value of the equity shares is recognised in securities premium reserve.
- (b) Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions to shareholders.

The accompanying notes are integral part of these standalone financial statements

As per report of even date
For, Keyur Shah & Co.
F.R. No: 141173W
Chartered Accountants

Keyur Shah
 Proprietor
 M.No. 153774

For and on the behalf of Board of Directors
For, KRn Heat Exchanger and Refrigeration Limited

Santosh Kumar Yadav
 Chairman & Managing Director
 (DIN: 07789940)

Jitendra Kumar Sharma
 Company Secretary
 M. No. A65048

Anju devi
 Whole Time Director
 (DIN: 06858442)

Sonu Gupta
 Chief Financial Officer

Date : 12th May, 2025
 Place : Ahmedabad

Date : 12th May, 2025
 Place : Neemrana

1.1 Company Overview:

KRN Heat Exchanger And Refrigeration Limited ('the Company') is a limited Company (Formerly known as KRN Heat Exchanger And Refrigeration Private Limited) domiciled and incorporated in India. The registered office of the Company is located at Plot No. F-46,47,48,49 EPIP, RIICO Industrial Area Neemrana RJ- 301705, Rajasthan, India.

The company is engaged in the activity of manufacturing and sale of Heating Ventilation & Air conditioning (HVAC) parts & accessories.

1.2 General Information & Statement of Compliance with Ind AS:

These financial statements are the separate financial statements of the Company (also called as standalone financial statements) prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

1.3 Significant Accounting Policies:

1.3.1 Basis of Preparation and Presentation

The Financial Statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- Certain Financial Assets and Liabilities (including derivative instruments if any), and
- Defined Benefit Plans – Plan Assets
- Certain Property Plant And Equipment which are Revalued (if any).

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

The Company's Financial Statements are presented in Indian Rupees, which is also its functional currency

1.3.2 Fair Value Measurement

Some of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.3.3 Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current

/Non- Current classification.

An asset is treated as Current when it is –

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.3.4 Property, Plant and Equipment

(a) Tangible Assets

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumu-

lated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Based on technical evaluation carried out by management, depreciation on fixed assets has been provided on the Straight line method as per the useful life and residual value prescribed Schedule II to the Companies Act, 2013. Residual value has been assessed at 5% of cost of the assets.

Depreciation and amortization on addition to fixed assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation and amortization on sale/ discard from fixed assets is provided for up to the date of sale, deduction or discard of fixed assets as the case may be.

Individual assets costing Rs. 5,000 or below are depreciated/ amortized in full in the year of purchase. Depreciation/ Amortization method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the depreciation/ amortization period is changed accordingly.

Asset	Usefull Life
Factory Building	20 years
Plant & machinery (computers)	3 years
Plant & machinery (tools & dies)	3 years
Plant & machinery (solar plant)	15 years
Plant & machinery (electric installation)	8 years
Plant & machinery (others)	10 years
Furniture & fixtures	10 years
Office equipment's	5 years
Vehicles	8 years

(b) Capital Work-in-Progress and Capital Advances

Cost of Property, Plant and Equipment not ready for intended use, as on the balance sheet date, is shown as a "Capital Work-in-Progress". The Capital Work-in-Progress is stated at

cost. Any expenditure in relation to survey and investigation of the properties is carried as Capital Work-in-Progress. Such expenditure is either capitalized as cost of the projects on completion of construction project or the same is expensed in the period in which it is decided to abandon such project. Any advance given towards acquisition of Property, Plants and Equipment outstanding at each balance sheet date is disclosed as "Other Current Assets".

(c) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Intangible Assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Amortization

The amortization expenses on Intangible assets with the finite lives are recognized in the Statement of Profit and Loss. The Company's intangible assets comprises assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life.

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at each financial year end and adjusted prospectively, if appropriate.

1.3.5 Impairment of Non-Financial Assets – Property, Plant and Equipment and Intangible Assets

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre- tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

There are no losses from impairment of assets to be recognized in the financial statements.

1.3.6 Investment Properties

Investment properties (if any), are measured initially at cost, including transaction costs. Subsequent to initial recognition. Items of investment properties are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Investment properties are depreciated on straight line method on pro-rata basis at the rates specified therein. Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Long-term investments are stated at cost. Provision for diminution in the value of Long- Term investment is being made only if such decline is of other than temporary in nature in the opinion of management. Current investments are stated at lower of cost or fair value.

1.3.7 Inventories

Inventory includes raw material, work in progress, finished goods and stock in trade.

- Inventories values at lower of cost or net realisable value. Cost includes purchase price, taxes (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average method is used.
- Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.
- The comparison of cost or net realisable value is made on item by item basis.
- Stock of Finished Goods and Work in Progress are valued at lower of cost or net realizable value and cost is determined by taking material, labour and related overheads
- Scrap is valued at net realizable value.

1.3.8 Borrowing Costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

1.3.9 Employee Benefits

(A) Short-Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

(B) Post-Employment Benefits

(i) Defined Contribution Plans

The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre- payment will lead to a reduction in future payment or a cash refund.

(ii) Defined Benefit Plans

- Gratuity Scheme: The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @ 15 days basic salary and dearness allowances for every completed year of service as per the Payment of Gratuity Act, 1972. The liability in respect of gratuity and other post- employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income.

(iii) Other Long - Term Employee Benefits

Entitlement to annual leave is recognized when they accrue to employees.

1.3.10 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

The Company has generally typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised on when the services are rendered and related cost are incurred over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

Export Incentives

Export incentive revenues are recognized when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection.

Interest Income

Interest Income from a Financial Assets is recognised using effective interest rate method.

Dividend Income

Dividend Income is recognised when the Company's right to receive the amount has been established.

Surplus / (Loss) on disposal of Property, Plants and Equipment / Investments

Surplus or loss on disposal of property, plants and equipment or investment is recorded on transfers of title from the Company, and is determined as the difference between the sales price and carrying value of the property, plants and equipment or investments and other incidental expenses.

Rental Income

Rental income arising from operating lease on investments properties is accounted for on a straight - line basis over the lease term except the case where the incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

Insurance Claim

Claim receivable on account of insurance is accounted for to the extent the Company is reasonably certain of their ultimate collections.

Other Income

Revenue from other income is recognized on accrual basis.

1.3.11 Foreign Currency Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalised as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

1.3.12 Government Grants and Subsidies

Grants in the nature of subsidies which are non-refundable are recognized as income where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them. Income from grants is recognized on a systematic basis over periods in which the related costs that are intended to be compensated by such grants are recognized.

Refundable government grants are accounted in accordance with the recognition and measurement principle of Ind AS 109, "Financial Instruments". It is recognized as income when there is a reasonable assurance that the Company will comply with all necessary conditions attached to the grants. Income from such benefit is recognized on a systematic basis over the period of the grants during which the Company recognizes interest expense corresponding to such grants.

1.3.13 Financial Instruments – Financial Assets

(A) Initial Recognition and Measurement

All Financial Assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition.

Purchase and sale of Financial Assets are recognised using trade date accounting.

(B) Subsequent Measurement

a) Financial Assets measured at Amortised Cost (AC)

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Fi-

financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Company has made such election on an instrument-by-instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories is measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

(C) Investments

Investments are classified in to Current or Non-Current Investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as Current Investments. All other Investments are classified as Non - Current Investments. However, that part of Non - Current Investments which are expected to be realized within twelve months from the Balance Sheet date is also presented under "Current Investments" under "Current portion of Non-Current Investments" in consonance with Current/Non-Current classification of Schedule - III of the Act.

All the equity investment which covered under the scope of Ind AS 109, "Financial Instruments" is measured at the fair value. Investment in Mutual Fund is measured at fair value through profit and loss (FVTPL). Trading Instruments are measured at fair value through profit and loss (FVTPL).

(D) Investment in Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any).

(E) Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

1.3.14 Financial Instruments – Financial Liabilities

(A) Initial Recognition and Measurement

All Financial Liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

(B) Subsequent Measurement

Financial Liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.3.15 Derivative Financial Instruments and Hedge Accounting

The Company enters into derivative contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial assets measured at amortised cost.

The Company formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognised financial assets ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Company's Risk Management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a cash flow hedge under Ind AS 109, 'Financial Instruments'.

Recognition and measurement of cash flow hedge:

The Company strictly uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. As per Ind AS 109 - Financial Instruments, foreign currency forward contracts are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in hedge reserve (under reserves and surplus) through other comprehensive income and the ineffective portion is recognised immediately in the statement of profit and loss.

The accumulated gains / losses on the derivatives accounted in hedge reserve are transferred to the statement of profit and loss in the same period in which gains / losses on the underlying item hedged are recognised in the statement of profit and loss.

Derecognition:

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. When hedge accounting is discontinued for a cash flow hedge, the net gain or loss will remain in hedge reserve and be reclassified to the statement of profit and loss in the same period or periods during which the formerly hedged transaction is reported in the statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gains / losses recognised in hedge reserve is transferred to the statement of profit and loss.

Fair Value Hedge:

The Company designates derivative contracts or non-derivative Financial Assets/Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

1.3.16 Derecognition of Financial Instruments

The Company derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.3.17 Financial Instruments – Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

1.3.18 Taxes on Income

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

(a) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

(b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the re-

porting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Presentation

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

1.3.19 Segment Reporting

Segments are identified having regard to the dominant source and nature of risks and returns and the internal organization and management structure. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman and Managing Director (CMD) of the Company have been identified as the Chief Operating Decision Maker (CODM).

1.3.20 Research and Development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss as and when incurred.

Development costs are capitalised as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss.

1.3.21 Earnings per Share

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

1.3.22 Provisions, Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-oc-

currence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

1.3.23 Events after Reporting Date

Where events occurring after the Balance Sheet date provide evidence of condition that existed at the end of reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

1.3.24 Non – Current Assets Held For Sales

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable.

A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification.

Non-current assets held for sale are neither depreciated nor amortised.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of sale and are presented separately in the Balance Sheet.

1.3.25 Cash Flows Statement

Cash Flows Statements are reported using the method set out in the Ind AS – 7, "Cash Flow Statements", whereby the Net Profit / (Loss) before tax is adjusted for the effects of the transactions of a Non-Cash nature, any deferrals or accrual of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.3.26 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.3.27 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA has notified Ind AS-117 – Insurance Contracts and amendments to Ind AS-116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

1.4 Critical Accounting Judgments and Key Sources of Estimation Uncertainty:

The preparation of the Company's Financial Statements requires management to make judgment, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

1.4.1 Income Tax

The Company's tax jurisdiction is in India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the income tax provisions, including the amount expected to be paid / recovered for uncertain.

1.4.2 Property Plant and Equipment/ Intangible Assets

Estimates are involved in determining the cost attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Property, Plant and Equipment/Intangible Assets are depreciated/amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful life and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

1.4.3 Defined Benefits Obligations

The costs of providing Gratuity and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS – 19, "Employee Benefits" over the period during which benefit is derived from the employees' services. It is determined by using the Actuarial Valuation and assessed on the basis of assumptions selected by the management. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. Due to complexities involved in the valuation and its long term in nature, a defined benefit obligation is highly sensitive to change in these assumptions. All assumptions are reviewed at each balance sheet date.

1.4.4 Fair value measurements of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgments and assumptions.

1.4.5 Recoverability of Trade Receivables

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

1.4.6 Provisions

The timing of recognition and quantification of the liability (including litigations) requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

1.4.7 Impairment of Financial and Non – Financial Assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market

conditions as well as forward-looking estimates at the end of each reporting period.

In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

1.4.8 Recognition of Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgment to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.



Note - 2 : Property Plant & Equipments

A. PROPERTY, PLANT & EQUIPMENTS

Particulars	(₹ in Lakhs)										
	Land	Land (Lease-hold)	Factory Building	Solar Plant	Plant & Machinery	Tools and Dies	Electric Installation	Furniture & Fixture	Vehicles	Computers	Office Equipment
Gross Block											
As at 31st March, 2023	-	887.43	436.70	147.13	1,723.63	613.85	58.07	22.22	153.70	32.61	49.95
Additions	60.79	-	-	-	86.53	38.24	0.45	0.77	-	23.67	8.62
Disposals/ Adjustments	-	(347.83)	-	-	-	-	-	-	-	-	-
As at 31st March, 2024	60.79	539.60	436.70	147.13	1,810.16	652.09	58.52	22.99	153.70	56.28	58.57
Additions	-	-	162.40	-	26.74	36.72	0.24	1.85	-	13.50	12.45
Disposals/ Adjustments	-	-	-	-	(3.19)	-	-	-	-	-	(3.19)
As at 31st March, 2025	60.79	539.60	599.10	147.13	1,833.71	688.81	58.76	24.84	153.70	69.78	71.02
Accumulated Depreciation											
As at 31st March, 2023	-	15.70	50.91	18.74	409.89	327.20	16.77	5.93	38.27	11.38	15.85
Depreciation charge for the year	-	6.26	20.80	9.35	170.22	136.10	6.94	2.15	18.30	11.64	10.17
Reversal on Disposal/ Adjustments	-	(1.46)	-	-	-	-	-	-	-	-	(1.46)
As at 31st March, 2024	-	20.50	71.71	28.09	580.11	463.30	23.71	8.08	56.57	23.02	26.02
Depreciation charge for the year	-	5.18	22.64	9.32	172.71	99.71	6.98	2.32	18.25	16.96	11.60
Reversal on Disposal/ Adjustments	-	-	-	-	(0.22)	-	-	-	-	-	(0.22)
As at 31st March, 2025	-	25.68	94.35	37.41	752.60	563.01	30.69	10.40	74.82	39.98	37.62
Net Block											
Balance as on 31st March, 2024	60.79	519.10	364.99	119.04	1,230.05	188.79	34.81	14.91	97.13	33.26	32.55
Balance as on 31st March, 2025	60.79	513.92	504.75	109.72	1,081.11	125.80	28.07	14.44	78.88	29.80	33.40

B. CAPITAL WORK-IN-PROGRESS

Particulars	(₹ in Lakhs)	
	Asset in WIP	Total
Gross Block		
As at 31st March, 2023	-	-
Additions	50.91	50.91
Capitalised During the Year	-	-
As at 31st March, 2024	50.91	50.91
Additions	-	-
Capitalised During the Year	(50.91)	(50.91)
As at 31st March, 2025	-	-

Capital Work-in-progress ageing Schedule

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Less than 1 year	-	50.91
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 Years	-	-

Note - 3 - Financial Assets- Non Current Investment

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
UNQUOTED INVESTMENTS :		
In Equity Shares of Subsidiary Company		
Unquoted - Fully Paid Up		
1,67,87,830 equity shares of ₹ 10 each of KRn HVAC Products Private Limited - Fully Paid up (Previous year: 49,99,500 Equity shares of ₹ 10 each of KRn HVAC Products Private Limited - Fully Paid up)	24,076.61	499.95
99,00,000 equity shares of ₹ 10 each of Thermotech Research Laboratory Private Limited - Fully Paid up (Previous year : Nil)	990.00	-
Total	25,066.61	499.95
Note :		
Aggregate book value of quoted investments	-	-
Aggregate Market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	25,066.61	499.95
Aggregate amount of impairment in value of investements	-	-

Note - 4 - Other Financial Assets- Non Current

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Unsecured		
Security Deposits Others	18.86	18.53
Doubtful Receivable	68.00	68.00
Total	86.86	86.53

Note - 5 - Inventories

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Raw materials	7,847.21	6,788.74
Work-in-progress	1.88	680.31
Finished goods/ Stock in Trade	1,670.62	971.47
Total	9,519.71	8,440.52

Note :- Raw Materials, Work in Progress, Stores, Spares, Finished Goods and Scrap are valued at cost or net realisable value which ever is less.

Note - 6 - Trade Receivables

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Considered Goods	9,330.67	5,275.07
Less: Allowance for Expected Credit Loss	(56.35)	(38.86)
Total	9,274.32	5,236.21

Note :- Trade Receivable Ageing schedule is given by management including related parties.

Note - 7 - Cash & Cash Equivalents

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Cash and Cash Equivalents		
Cash in Hand	0.39	1.25
Bank Balance		
In Current Accounts	78.18	11.83
In Deposit Accounts (maturity within 3 months from reporting date)	-	1,003.00
Total	78.57	1,016.08

Note : Cash-in-hand is taken as certified by the management

Note - 8 - Bank Balances other than Cash and Cash Equivalents

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Balances with bank in Fixed deposit accounts (maturity More than 3 months but less than 12th Months from reporting date)	3,293.95	553.19
Total	3,293.95	553.19

Note:- Balance represent in fixed deposit accounts are held as pledged against credit facility.

Note - 9 - Loans

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Loans & Advances		
Loans to Staff	6.49	7.38
Loans to Related Parties	7,785.49	3,705.11
Total	7,791.98	3,712.49

Note - 10 - Other Financial Assets

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Interest Receivable from Deposit	34.01	11.15
Other Receivable	0.80	2.12
Total	34.81	13.27

Note - 11 - Other Current Assets

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Loans & Advances		
Advances to Suppliers	570.50	84.65
Others		
Prepaid Expenses	17.62	12.90
Prepaid IPO Expenses	-	227.55
Advance Custom Duty	267.03	75.31
Subsidy Receivable	326.34	262.04
Total	1,181.49	662.45

Note - 12 - Equity Share Capital

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Authorised		
7,20,00,000 (Previous Year 7,20,00,000) Equity Shares of ₹ 10 each	7,200.00	7,200.00
	7,200.00	7,200.00
Issued,Subscribed & Paid up		
6,21,56,600 (Previous Year 4,61,36,600) Equity Shares of ₹ 10 each	6,215.67	4,613.66
Total	6,215.67	4,613.66
Reconciliation of equity share capital		
Balance at the beginning of the year		
- Number of shares	46,136,600	44,000,000
- Amount in Lakhs	4,613.66	4,400.00
Add: Shares issued during the year		
- Number of shares	16,020,000	2,136,600
- Amount in Lakhs	1,602.00	213.66
Balance at the end of the year		
- Number of shares	62,156,600	46,136,600
- Amount in Lakhs	6,215.67	4,613.66

Notes :

- The Company has raised the paid up share capital by issuing 4,77,000 (Four lakhs Seventy-seven thousands) Equity shares by way of Private Placement as on 14th August, 2024 at an issue Price of ₹ 200.00 Per Equity Share (including face value of ₹ 10.00 per Equity Share and Security Premium of ₹ 190.00 per Equity Share).
- The Company has further raised the paid up capital by issuing 1,55,43,000 (One crore Fifty-Five Lakhs And Forty Three Thousands) Equity shares by way of Initial public offering as on 30th September, 2024 at an issue Price of ₹ 220.00 Per Equity Share (including face value of ₹ 10.00 per Equity Share and Security Premium of ₹ 210.00 per Equity Share).

3. The Company has increased its authorized share capital from Rs 6600.00 Lakhs to 7200.00 Lakhs vide resolution passed at the EGM of the company held at the registered office of the company on 23rd December, 2023.

4. Rights, Preferences and Restrictions Attached to Equity shares :

The Company has one class of equity shares having a par value of ₹ 10/- each. Each shareholder is eligible for one vote per share held. The dividend, if any proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their share holding.

Notes :

- a) Details of Shares held by each shareholder holding more than 5% of share capital

(₹ in Lakhs)

Particulars	As at 31st March, 2025	
	No of Shares	% held
Equity Shares		
Santosh Kumar Yadav	20,299,950	32.66%
Anju Devi	23,700,000	38.13%

(₹ in Lakhs)

Particulars	As at 31st March, 2024	
	No of Shares	% held
Equity Shares		
Santosh Kumar Yadav	20,299,950	44.00%
Anju Devi	23,700,000	51.37%

- b) Details of Shares held by Promoter of the company and change in stake of the company during the year

(₹ in Lakhs)

Particulars	As at 31st March, 2025		
	No of Shares	% held	% Change
Equity Shares			
Santosh Kumar Yadav	20,299,950	32.66%	-11.34%
Anju Devi	23,700,000	38.13%	-13.24%
Manohar Lal	10	0.00%	0.00%

(₹ in Lakhs)

Particulars	As at 31st March, 2024		
	No of Shares	% held	% Change
Equity Shares			
Santosh Kumar Yadav	20,299,950	44.00%	-2.14%
Anju Devi	23,700,000	51.37%	-2.49%
Manohar Lal	10	0.00%	0.00%

Note - 13 - Other Equity

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Retained Earning		
Balance at the beginning of the year	4,757.41	768.92
Add: Net Profit/(Net Loss) For the year	5,017.46	3,988.49
Balance at the end of the year	9,774.87	4,757.41
Securities Premium Reserve		
Balance at the beginning of the year	2,842.36	-
Add : Securities premium credited on share issue	33,546.60	3,033.97
Less: Expenses for issue of equity shares during the year	(3,726.92)	(191.61)
Balance at the end of the year	32,662.04	2,842.36
TOTAL	42,436.91	7,599.77
Other Comprehensive Income (OCI)		
Balance at the beginning of the year	(4.36)	(0.16)
Changes during the year	(2.58)	(4.20)
Balance at the end of the year	(6.94)	(4.36)
Deffered Revenue Grant Income(DGI)		
Balance at the beginning of the year	868.90	619.87
Changes during the year	129.63	249.03
Balance at the end of the year	998.53	868.90
Total Other Equity	43,428.50	8,464.31

Note - 14 - Long Term Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Secured Borrowings		
From Banks and NBFC	268.28	1,129.41
Less: Current Maturity	(123.60)	(329.53)
Less: IND AS Transaction Cost Adjustment	(2.16)	(3.19)
Total	142.52	796.69

Note :-Refer Note Number 14(A) for term & Condition related to Borrowing Taken By Company

14 (A) Long Term Borrowings (Secured)

(₹ in Lakhs)

S No.	Lender	Credit Facility	Type of Limit	Amt In Lakh	Rate of Interest/ Margin	Repayment Terms	Security / Principal terms and conditions	Collateral Security / Other Condition
1	HDFC	Vehicle	Main	83.60	7.00%	84 M	Vehicle	Vehicle
2	HDFC	Bbg-wc Term Loans	Main	600.00	8.48%	72 M	50300477307325, 50300722562196, Debtors, Fd, Flat No L-545, Industrial property, Lc Issued By Other Bank, P&M, PG of Directors & Collateral Owners, Residential, Residential property, Stock, TI Gift City For Us Dollars=176888.32 Sblc No-054sb-bl230530001	Property Description: (1) L-548, 5th Floor, Ashiana Town, Tower Beta, Vill. Thada Bhiwadi Alwar Rajasthan 301019 (Residential-Flat/Apartment) (2) Villa No. A-60 Villange Iswarsinghpura And Foladpur Green Acres Neemrana Neemrana Rajasthan 301705 (Resi-Row-House) (3) Plot No F-48, 49, Alwar Riico Industrial Area, Epip, Neemrana Neemrana Rajasthan 301705 (Commercial-office) (4) P No F-46 And 47 Epip Neemrana Alwar-301705 Riico Ind Area Neemrana Neemrana Rajasthan 301705 (Industrial Estates With Industrial Activity) (5) Plot No. F-44, Epip Neemrana Riico Industrial Area Epip Neemrana, Distt. Alwar-301705 (Rajasthan) (Industrial Estates With Industrial Activity) (6) L-545, 5th Floor, Ashiana Town, Tower Beta, Vill. Thada Bhiwadi Alwar Rajasthan 301019 (Residential-Flat/Apartment) (7) Flat No B-1004, Plot No Gh-2, Vasundhara Nagar, Bhiwadi, Dist - Alwar Block -b, 10th Floor, Sky View Apartments Bhiwadi Alwar Rajasthan 301019 (Residential Flat / Apartment)"
3	HDFC	Letter Of Credit	Sub Limit	(4,500.00)	0.50%	90D		
4	HDFC	Letter Of Credit	Main	4,000.00	0.50%	90D		
5	HDFC	Corporate Card	Main	10.00	0.00%	12D		
6	HDFC	Purchase Card	Main	10.00	0.00%	12M		
7	HDFC	Bank Guarantee	Sub Limit	(4,500.00)	1.00%	365D		
8	HDFC	Bank Guarantee	Sub Limit	(1,000.00)	1.00%	365D		
9	HDFC	Psr	Main	1,000.00	1.80%	365D		
10	HDFC	Derivative Psr	Sub Limit	(1,000.00)	1.80%	365D		

Note:- Rate of Interest for above facilities is subject to periodic changes in monetray policy of Reserve Bank Of India.

Note - 15 - Long Term Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for Employee benefits		
Gratuity (Unfunded)	57.97	36.71
Leave Encashment	33.88	30.93
Total	91.85	67.64

Note - 16 - Deferred Tax Assets / Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Expenses Allowed only on Payment	24.15	30.53
Allowance for doubtful debts (Expected Credit Loss)	17.48	16.68
Total Assets	41.63	47.21
Tax Rate as per Income Tax	29.12%	29.12%
Total Deferred Tax Assets	12.12	13.75
Depreciation As Per Companies Act 2013	365.44	391.93
Depreciation as Per Income Tax Act	213.88	364.21
Difference in WDV	(151.56)	(27.72)
Total Liability	(151.56)	(27.72)
Tax Rate as per Income Tax	29.12%	29.12%
Total Deferred Tax Liability	(44.13)	(8.07)
Closing (DTA) / DTL at the year end	(46.87)	9.38
Opening (DTA) / DTL	9.38	31.20
(DTA) / DTL Charged/Created during Current Year	(56.25)	(21.82)

Note - 17 - Short Term Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Secured (Repayable on Demand) (From Bank)		
HDFC BANK LTD- C.C A/C	1,166.25	2,842.72
CITI BANK WCL LOAN	-	1,500.00
Pre-shipment Loan	1,914.36	500.00
Total	3,080.61	4,842.72
Current Maturities of Non-Current Borrowings		
Current maturities of Long - Term Debt (Secured)	123.60	329.53
Current maturities of Long - Term Debt (Unsecured)	-	-
Total	123.60	329.53
Total	3,204.21	5,172.25



17 A) Short Term Borrowing

(₹ in Lakhs)								
S No.	Lender	Credit Facility	Type of Limit	Amt In Lakh	Rate of Interest/ Margin	Repayment Terms	Security / Principal terms and conditions	Collateral Security / Other Condition
1	HDFC	Cash Credit	Main Limit	4,500.00	8.25%	12M	50300477307325, 50300722562196, Debtors, Fd, Flat No L-545, Industrial property, Lc Issued By Other Bank, P&m, PG of Directors & Collateral Owners, Residential, Residential property, Stock, TI Gift City For Us Dollars=176888.32 Sblc No-054sb-bl230530001	"Property Description: (1) L-548, 5th Floor, Ashiana Town, Tower Beta, Vill. Thada Bhiwadi Alwar Rajasthan 301019 (ResidentialFlat/Apartment (2) Villa No. A-60 Vil-lange Iswarsinghpura And Foladpur Green Acres Neemrana Neem-rana Rajasthan 301705 (Resi-RowHouse) (3) Plot No F-48, 49, Alwar Riico Industrial Area, Epip, Neemrana Neemrana Neemrana Rajasthan 301705 (Commercial-office) (4) P No F-46 And 47 Epip Neemrana Alwar-301705 Riico Ind Area Neemrana Neemra-na Rajasthan 301705 (Industrial Estates With Industrial Activity) (5) Plot No. F-44, Epip Neemrana Riico Indus-trial Area Epip Neemra-na, Distt. Alwar-301705 (Rajasthan) (Industrial Estates With Industrial Activity) (6) L-545, 5th Floor, Ashiana Town, Tower Beta, Vill. Thada Bhiwadi Alwar Rajasthan 301019 (ResidentialFlat/Apartment) (7) Flat No B-1004, Plot No Gh-2, Vasundhara Nagar, Bhiwdi, Dist - Al-war Block -b, 10th Floor, Sky View Apartments Bhiwadi Alwar Rajasthan 301019 (Residential Flat / Apartment)"
2	HDFC	Pre Ship-ment Credit	Sub Limit	(2,500.00)	8.25%	12 M		
3	HDFC	Post Ship-ment Credit	Sub Limit	(2,500.00)	8.25%	12 M		
4	HDFC	Working Capital De-mand Loan	Sub Limit	(4,500.00)	8.25%	12 M		

(₹ in Lakhs)								
S No.	Lender	Credit Facility	Type of Limit	Amt In Lakh	Rate of Interest/ Margin	Repayment Terms	Security / Principal terms and conditions	Collateral Security / Other Condition
5	Citi Bank	Cash Credit	Main Limit	4,000.00	8.50%	365D		1. A first paripassu charge on Inventory 2. A first paripassu charge on Book debt 3. A first paripassu charge on Movable fixed assets (exclud-ing those funded out of term loan of other banks) 4. A first paripassu charge on Land and Building situated at (1) L-548, 5th Floor, Ashiana Town, Tower ,Bhiwadi Alwar Rajas-than 301019 (2) Villa No. A-60 Vil-lange Iswarsinghpura And Foladpur Green Acres Neemrana Neem-rana Rajasthan 301705 (3) Plot No F-48, 49, Alwar Riico Industrial Area, Epip, Neemrana Rajasthan 301705 (4) P No F-46 And 47 Epip Neemrana Alwar-301705 Riico Ind Area Neemrana Rajas-than 301705 (5) Plot No. F-44, Epip Neemrana Riico Indus-trial Area Epip Neem-rana, Alwar-Rajasthan 301705 (6) L-545, 5th Floor, Thada and Udaipur, Ashiana Tower Beta, Bhiwadi Alwar Rajasthan 301019 7) Flat No B-1004, Plot No Gh-2, Block -b, 10th Floor, Sky View Apart-ments Bhiwadi Alwar Rajasthan 301019 5. Personal Gurantee of Santosh Kumar Yadav and Mrs Anju Devi"

(₹ in Lakhs)

S No.	Lender	Credit Facility	Type of Limit	Amt In Lakh	Rate of Interest/ Margin	Repayment Terms	Security / Principal terms and conditions	Collateral Security / Other Condition
6	Citi Bank	Working Capital Demand Loan	Sub Limit	(4,000.00)	1 Month T Bill + 1.40%	180D		
7	Citi Bank	Bill Discounted	Sub Limit	(4,000.00)	1 Month T Bill + 1.40%	180D		
8	Citi Bank	Buyers Credit	Sub Limit	(4,000.00)	1 Month T Bill + 1.40%	180D		
9	Citi Bank	Pre-shipment Finance	Sub Limit	(4,000.00)	Overnight SOFR + 1.40%	180D		
10	Citi Bank	Post-shipment Finance	Sub Limit	(4,000.00)	Overnight SOFR + 1.40%	180D		
11	Citi Bank	Usance Letter of Credit	Sub Limit	(4,000.00)	Margin - 10%	180D		
12	Citi Bank	Sight Letter of Credit	Sub Limit	(4,000.00)	Margin - 10%	180D		

Note - 18 - Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Trade Payables Others		
Trade Payables for Supplies	4,591.07	3,039.12
Total	4,591.07	3,039.12
Trade Payables MSME		
Trade Payables for Supplies	676.04	546.74
Total	676.04	546.74
Total	5,267.11	3,585.86

Note:-

- The Company has initiated the process of identification of Vendors which falls under category of MSME, the disclosure relating to amount due to MSME are made to the extent information received.
- Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act 2006") are Provided as Under, to the Extent the Company has Received Intimation from the "Suppliers" Regarding their Status Under the Act :

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
• Principal amount due to Micro and Small Enterprise	676.04	546.74
• Interest due on above	-	-
Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act , 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year .	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprises.	-	-

Note - 19 - Short Term Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for Expense	157.19	113.41
Provision for Employee benefits		
Gratuity (Unfunded)	2.53	1.54
Leave Encashment	2.99	2.93
Total	162.71	117.88

Note - 20 - Other Current Liabilities (Non Financial)

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Advance from customers	23.40	15.46
Statutory Dues - GST and others	291.11	82.33
Others	-	2.09
Total	314.51	99.88

Note - 21 - Current Tax Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for Income Tax [net of prepaid taxes]	128.77	39.47
Total	128.77	39.47

Note - 22 - Revenue From Operations

(₹ in Lakhs)

Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Sale of Products		
Export Sales	6,745.10	4,526.64
Domestic Sales	36,359.58	26,280.46
Other Operating Revenue	14.29	16.44
Total	43,118.97	30,823.54

Note - 23 - Other Income

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Balance Written Off	1.31	19.97
Foreign Exchange Gain	204.25	228.57
Freight on Sales	70.50	69.58
Duty Drawback	36.21	13.85
Interest Income	270.90	60.91
Other Income	10.51	15.59
Government Grant	133.99	107.07
Income from Future Option & Other Segment	-	20.84
Total	727.67	536.38

Note - 24 - Cost Of Materials Consumed

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Opening Stock at the beginning of the year	6,788.74	4,314.42
Add : Purchases and Incidental Expenses (Net of returns, claims/ discount, if any)	33,343.22	25,158.54
Less : Closing Stock at the end of the year	(7,847.21)	(6,788.74)
Total	32,284.75	22,684.22

Note - 25 - Changes In Inventories Of Finished Goods, Work-In-Progress and Stock-In-Trade

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Opening Stock		
Work-in-Progress	680.31	403.23
Finished Goods / Stores, Spares & Fuels	971.47	790.78
	1,651.78	1,194.01
Closing Stock		
Work-in-Progress	(1.88)	(680.31)
Finished Goods / Stores, Spares & Fuels	(1,670.62)	(971.47)
	(1,672.50)	(1,651.78)
Total	(20.72)	(457.77)

Note - 26 - Employee Benefit Expenses

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Contributions to Provident and Other Fund	45.81	42.63
Director Remuneration	105.00	90.00
Gratuity and Leave Encashment (net of reversals, if any)	24.15	30.53
Salaries, Wages & Other Benefits	1,676.80	1,096.86
Staff Welfare Expenses	53.95	19.31
Total	1,905.71	1,279.33

Note - 27 - Finance Costs

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Financial Expenses to Bank		
Interest to Bank	280.17	245.43
Bank Charges	57.66	131.97
Loan Processing Fees	1.03	3.04
Financial Expenses to Others		
LC Advising Exp.	0.09	0.10
Interest on unsecured loan	-	17.10
Total	338.95	397.64

Note - 28 - Depreciation & Amortisation Expenses

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Depreciation on Property, Plant and Equipments	365.44	391.93
Total	365.44	391.93

Note - 29 - Other Expenses

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Manufacturing & Service Cost		
Electricity Exp	75.87	68.90
Diesel Exp	21.71	23.68
Freight & Carriage (Inward)	420.30	204.98
Import Clearance Expenses	245.80	197.42
Other Direct Expenses	156.08	80.20
Total Manufacturing & Service Cost	919.76	575.18
Administration, Selling & Other Expenses		
Audit Fees	11.00	6.50
Advertisement & Publicity	27.06	21.02
Business Promotion Exp	66.54	49.44
Conveyance & Travelling Expenses	87.48	28.69
Fees, Duties, Rates & Taxes	7.22	16.78
Freight Outward Expenses	356.21	281.12
Festival Expenses	29.67	17.44
Insurance Expenses	31.21	25.85
Office Expenses	2.61	3.36
Printing & Stationery	5.69	7.46
Rent Expense	5.71	4.85
Repairs & Maintenance Exp	40.66	39.69
Expected Credit Loss	17.48	16.68
Telephone Expenses	1.98	1.63

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Donation & Charity	0.51	1.57
Vehicle Running & Maintenance Expenses	2.32	1.31
Other Expense	2.33	5.80
Postage & Courier Expense	0.30	11.18
Discount	19.58	107.83
Security Charges	35.40	27.18
Legal & Professional Charges	60.74	90.50
Tax Expenses	36.12	5.70
CSR Expenditures	80.70	61.69
Loss on Sale of Fixed Assets	-	16.85
TOTAL Administration, Selling & Other Expenses	928.52	850.12
Total	1,848.28	1,425.30

Note - 30 - Tax Expense

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Tax Expenses	2,165.00	1,688.80
Deffered Tax Expenses/(Reversal)	(55.20)	(20.10)
Tax in respect of Earlier Years/(Reversal)	(3.03)	(17.92)
Total	2,106.77	1,650.78

Note-31 - Earnings Per Share (EPS)

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Net Profit / (Loss) for calculation of basic / diluted EPS	5,017.46	3,988.49
Weighted Average Number of Equity Shares in calculating Basic and Diluted EPS	54,229,967	44,951,546
Basic Earnings/ (Loss) Per Share	9.25	8.87
Diluted Earnings/ (Loss) Per Share	9.25	8.87
Nominal Value of Equity Shares	10.00	10.00

Note-32- Details of Employee Benefits:

The Company has the following post-employment benefit plans:

A. Defined Contribution Plan

Contribution to defined contribution plan recognised as expense for the period is as under:

The Company offers its employees benefits under defined contribution plans in the form of provident fund. Provident fund cover substantially all regular employees which are on payroll of the company. Both the employees and the Company pay predetermined contributions into the provident fund and approved superannuation fund. The contributions are normally based on a certain proportion of the employee's salary and are recognised in the Statement of Profit and Loss as incurred.

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Contribution to provident fund and other Fund	45.81	42.63

B. Defined Benefit Plan - Gratuity:

(i) The Company administers its employees' gratuity scheme funded liability. The present value of the liability for the defined benefit plan of gratuity obligation is determined based on actuarial valuation by an independent actuary at the period end, which is calculated using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(ii) Gratuity benefits in India are governed by the Payment of Gratuity Act, 1972. The key features are as under

Benefits Offered	15/26* salary* Duration of service
Salary Definition	Last Drawn Basic Salary including Dearness Allowance (if any)
Benefit Ceiling	Benefit Ceiling of Rs 20 Lakhs
Vesting Conditions	5 Years of Continuous Service (Not Applicable In Case of Death/ Disability)
Benefit Eligibility	Upon Death or resignation or withdrawal or retirement
Retirement Age	58 Years

(iii) Characteristics of defined benefit plans and risks associated with them:

Valuation of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience:

Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter- valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/ regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

B. Changes in the Present value of Obligation

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Present Value of Obligation as at the beginning	38.25	21.08
Current Service Cost	15.89	10.31
Interest Expense or Cost	2.72	1.56
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	3.02	4.48
- change in demographic assumptions	-	-
- experience variance	0.63	1.44
Benefits Paid	-	(0.62)
Present Value of Obligation as at the end of the year	60.51	38.25
Bifurcation of Actuarial losses/ (gains)		
Actuarial losses/ (gains) arising from change in financial assumptions	3.02	4.48
Actuarial losses/ (gains) arising from change in demographic assumptions	-	-
Actuarial losses/ (gains) arising from experience adjustments	0.63	1.44
Actuarial losses/ (gains)	3.65	5.92
Bifurcation of Present Value of Benefit Obligation		
Current - Amount due within one year	2.53	1.54
Non-Current - Amount due after one year	57.97	36.71
Total	60.50	38.25
Expected Benefit Payments in Future Years		
(Projections are for current members and their currently accumulated benefits)		
Year 1	2.53	1.54
Year 2	3.08	1.84
Year 3	3.92	2.22
Year 4	3.89	2.81
Year 5	4.68	2.64
Year 6 and above	21.65	15.35

Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Discount Rate Sensitivity		
Increase by 0.5%	57.16	36.12
Decrease by 0.5%	64.14	40.58
Salary growth rate Sensitivity		
Increase by 0.5%	63.03	40.02
Decrease by 0.5%	57.83	36.48
Withdrawal rate (W.R.) Sensitivity		
Increase by 1%	60.18	38.00
Decrease by 1%	60.80	38.48

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Amounts recognized in Balance Sheet		
Net Liability / (Asset) recognised in Balance Sheet	60.50	38.25
Amounts recognized in Statement of Profit and Loss		
Current Service Cost	15.89	10.31
Net interest on net Defined Liability / (Asset)	2.72	1.56
Expected return on plan assets	-	-
Net actuarial losses (gains) recognised in the year	3.64	5.92
Expenses recognised in Statement of Profit and Loss	22.26	17.79

Actuarial Assumptions

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Discount Rate	6.80%	7.25%
Expected rate of salary increase	8.00%	8.00%
Expected Return on Plan Assets	N/A	N/A
Mortality Rates	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Retirement Age	58	58

C. Defined Benefit Plan - Leave Benefit Note:

- (i) The objective of the valuation is to ascertain the liability on utilization of accumulated leave. The accumulated leave may also diminish on account of utilization if permissible in the course of employment. The effect of utilization will be reflected in year to year balance and the liability will be adjusted accordingly at every annual actuarial valuation. There is no separate accounting standard which lays down the actuarial valuation. There is no separate accounting standard which lays down the actuarial method to be adopted for valuation of liability to be adopted for valuation for liability in respect of balance of accumulated leave. However general principles to defined benefit retirement benefit have been applied.
- (ii) The benefits are governed by the Entity's Leave Policy. The key features are as under

Employee's Contribution	0%
Employer's Contribution	100%
Salary Definition for Encashment	Last drawn As per the company rules
Salary Definition for Availment	Last drawn CTC Salary
Vesting Condition	Not Applicable
Leave Credited Annually	15 days
Leave Denominator	30 days
Maximum Accumulation	60 days
Encashment during the Service	Allowed
Benefit On Retirement	Leave Days x Encashment Salary / Leave Denominator
Benefit on Resignation/Withdrawals	Same as Retirement Benefit
Benefit on death	Same as Retirement Benefit
Benefit on Availment	Leave Days x Availment Salary / Leave Denominator
Retirement Age	58 Years

(iii) Characteristics of defined benefit plans and risks associated with them:

Valuation of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience:

Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter- valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

D. Changes in the Present value of Obligation

(₹ in Lakhs)

Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Present Value of Obligation as at the beginning	33.87	16.43
Transfer in/(out) obligation	-	-
Current Service Cost	7.60	15.51
Interest Expense or Cost	2.43	1.18
Past Service Cost	-	-
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	2.44	-
- change in demographic assumptions	-	-
- experience variance	(6.92)	1.97
Benefits Paid by an entity	(2.55)	(1.22)
Present Value of Obligation as at the end of the year	36.87	33.87
Bifurcation of Actuarial losses/ (gains)		
Actuarial losses/ (gains) arising from change in financial assumptions	2.44	-
Actuarial losses/ (gains) arising from change in demographic assumptions	-	-
Actuarial losses/ (gains) arising from experience adjustments	(6.92)	1.97
Actuarial losses/ (gains)	(4.48)	1.97

(₹ in Lakhs)

Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Bifurcation of Present Value of Benefit Obligation		
Current - Amount due within one year	2.99	2.93
Non-Current - Amount due after one year	33.88	30.93
Total	36.87	33.86
Expected Benefit Payments in Future Years		
(Projections are for current members and their currently accumulated benefits)		
Year 1	2.99	2.93
Year 2	3.53	2.83
Year 3	2.74	3.09
Year 4	2.55	2.96
Year 5	2.95	2.47
Year 6 and above	11.77	12.72

Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions

(₹ in Lakhs)

Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Discount Rate Sensitivity		
Increase by 0.5%	35.10	36.46
Decrease by 0.5%	38.80	40.47
Salary growth rate Sensitivity		
Increase by 0.5%	38.79	40.45
Decrease by 0.5%	35.10	36.46
Withdrawal rate (W.R.) Sensitivity		
Increase by 1%	36.79	38.18
Decrease by 1%	36.96	38.59

(₹ in Lakhs)

Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Amounts recognized in Balance Sheet		
Net Liability / (Asset) recognised in Balance Sheet	36.87	33.86
Amounts recognized in Statement of Profit and Loss		
Current Service Cost	7.60	15.51
Past Service Cost	-	-
Net interest on net Defined Liability / (Asset)	2.43	1.18
Expected return on plan assets	-	-
Net actuarial losses (gains) recognised in the year	(4.48)	1.97
Expenses recognised in Statement of Profit and Loss	5.55	18.66

Actuarial Assumptions

Particulars	(₹ in Lakhs)	
	Year ended 31st March, 2025	Year ended 31st March, 2024
Discount Rate	6.80%	7.50%
Expected rate of salary increase	7.00%	7.00%
Expected Return on Plan Assets	N/A	N/A
Availment Rate	1.00%	1.00%
In Service Encashment Rate	0.00%	0.00%
Mortality Rates	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Retirement Age	58	58

Note- 33- Contingent Liabilities and Capital Commitments

Particulars	(₹ in Lakhs)	
	Year ended 31st March, 2025	Year ended 31st March, 2024
(I) Contingent Liabilities: *	-	-
a) Claims against the Company not acknowledged as debts:	-	-
b) Corporate Guarantees given By Company	1,493.18	270.73
c) Bank Guarrantees	4,390.40	1,540.68
d) Letter of Credit	0.44	7.02
e) Under Direct Tax	367.62	146.84
f) Under Indirect Tax	811.90	224.64
g) Under EPCG/Advance Authorisation Import Duty Benefit received from DGFT not considered as liability untill it fulfills the Export Obligation	-	-
(II) Capital Commitments: *	-	-
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	-	-

*The amount shown above are excluding interest and disclosed to the extent quantifiable and ascertainable.

Note - 34 – Financial Instruments

Financial Risk Management – Objectives and Policies

The Company's financial liabilities mainly comprise the loans and borrowings in domestic currency, money related to capital expenditures, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets comprise mainly of investments, security deposits, cash and cash equivalents, other balances with banks, trade and other receivables that derive directly from its business operations.

The Company is exposed to the Market Risk, Credit Risk and Liquidity Risk from its financial instruments.

The Management of the Company has implemented a risk management system which is monitored by the Board of Directors of the Company. The general conditions for compliance with the requirements for proper and future-oriented risk management within the Company are set out in the risk management principles. These principles aim at encouraging all members of staff to responsibly deal with risks as well as supporting a sustained process to improve risk awareness. The guidelines on risk management specify risk management processes, compulsory limitations, and the application of financial instruments. The risk management system aims to identify, assess, mitigate the risks in order to minimize the potential adverse effect on the Company's financial performance.

The following disclosures summarize the Company's exposure to the financial risks and the information regarding use of derivatives employed to manage the exposures to such risks. Quantitative Sensitivity Analysis has been provided to reflect the impact of reasonably possible changes in market rate on financial results, cash flows and financial positions of the Company.

A. Financial Assets and Liabilities

Particulars	(Rs in Lakhs)		
	As at 31st March, 2025		
	Amortised Cost **	FVTPL ***	FVTOCI
Assets Measured at			
Investments*	-	-	-
Trade receivables	9,274.32	-	-
Cash and Cash Equivalent	78.57	-	-
Other Bank Balances	3,293.95	-	-
Loans	7,791.98	-	-
Other Financial Assets	121.67	-	-
Total	20,560.49	-	-
Liabilities Measured at			
Borrowings (including current maturities of non-current borrowings)	3,346.73	-	-
Trade payables	5,267.11	-	-
Other Financial Liabilities	-	-	-
Total	8,613.84	-	-

Particulars	(Rs in Lakhs)		
	As at 31st March, 2024		
	Amortised Cost **	FVTPL ***	FVTOCI
Assets Measured at			
Investments*	-	-	-
Trade receivables	5,236.21	-	-
Cash and Cash Equivalent	1,016.08	-	-
Other Bank Balances	553.19	-	-
Loans	3,712.49	-	-
Other Financial Assets	99.80	-	-
Total	10,617.77	-	-
Liabilities Measured at			
Borrowings (including current maturities of non-current borrowings)	5,968.94	-	-
Trade payables	3,585.86	-	-
Other Financial Liabilities	-	-	-
Total	9,554.80	-	-

(*) Investment in subsidiaries are measured at cost as per Ind AS 27, "Separate financial statements", and hence not presented here.

(**) Fair value of financial assets and liabilities measured at amortized cost approximates their respective carrying values as the management has assessed that there is no significant movement in factor such as discount rates, interest rates, credit risk from the date of the transition. The fair values are assessed by the management using Level 3 inputs.

(***) The financial instruments measured at FVTPL represents current investments and derivative assets having been valued using level 2 valuation hierarchy.

Fair value hierarchy

The fair value of financial instruments as referred to in note below has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

B. Market Risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market Risk comprises three types of Risk: "Interest Rate Risk, Currency Risk and Other Price Risk". Financial instrument affected by the Market Risk includes loans and borrowings in foreign as well as domestic currency, retention money related to capital expenditures, trade and other payables.

(a) Interest Rate Risk

Interest Rate Risk is the risk that fair value or future cash outflows of a financial instrument will fluctuate because of changes in market interest rates. An upward movement in the interest rate would adversely affect the borrowing cost of the Company. The Company is exposed to long term and short - term borrowings. The Company manages interest rate risk by monitoring its mix of fixed and floating rate instruments and taking actions as necessary to maintain an appropriate balance. The Company has not used any interest rate derivatives.

Exposure to Interest Rate Risk

(₹ in Lakhs)

Particulars*	Year ended 31st March, 2025	Year ended 31st March, 2024
Borrowing bearing fixed rate of interest	-	-
Borrowing bearing variable rate of interest	3,348.89	5,972.13

Sensitivity Analysis

Profit / (Loss) estimates to higher / lower interest rate expense from borrowings bearing variable rate of interest as a result of changes in interest rate.

(₹ in Lakhs)

Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Interest Rate – Increase by 50 Basis Points	(16.74)	(29.86)
Interest Rate – Decrease by 50 Basis Points	16.74	29.86

(*) holding all other variable constant. Tax impact not considered.

(b) Foreign Currency Risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not the functional currency of the Company. Considering the volume of foreign currency transactions, the Company has taken certain forward contracts to manage its exposure.

Exposure to Foreign Currency Risk

The Carrying amount of Company's unhedged Foreign Currency denominated monetary items are as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2025			
	Amount in USD	Amount in EURO	Amount in GBP	Amount in ₹
"Net Unhedged Assets (Trade Receivables, Other Receivables, & Loans Given)"	23.56	3.37	0.03	2,330.85
Net Unhedged Liabilities	37.85	-	-	3,239.55
Net Exposure Assets / (Liabilities)	(14.29)	3.37	0.03	(908.70)

(₹ in Lakhs)

Particulars	As at 31st March, 2024			
	Amount in USD	Amount in EURO	Amount in GBP	Amount in ₹
"Net Unhedged Assets (Trade Receivables, Other Receivables, & Loans Given)"	12.91	1.68	0.05	1,228.13
Net Unhedged Liabilities	32.36	-	-	2,698.50
Net Exposure Assets / (Liabilities)	(19.45)	1.68	0.05	(1,470.37)

Sensitivity Analysis

The sensitivity of profit or (loss) to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Lakhs)

Particulars	As at 31st March, 2025			
	Amount in USD	Amount in EURO	Amount in GBP	Amount in ₹
INR / USD/EURO – Increase by 5%	(0.71)	0.17	0.00	(45.44)
INR / USD/EURO – Decrease by 5%	0.71	(0.17)	(0.00)	45.44

(₹ in Lakhs)

Particulars	As at 31st March, 2024			
	Amount in USD	Amount in EURO	Amount in GBP	Amount in ₹
INR / USD/EURO – Increase by 5%	(0.97)	0.08	0.00	(73.52)
INR / USD/EURO – Decrease by 5%	0.97	(0.08)	(0.00)	73.52

C. Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other Financial assets measured at amortized cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets. (i) Low credit risk, (ii) Moderate credit risk, (iii) High credit risk.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Financial assets (other than trade receivables) that expose the entity to credit risk are managed and categorized as follows:

Basis of categorisation	Asset class exposed to credit	Provision for expected credit loss
Low credit risk	Cash and Cash Equivalents, Other Bank Balances, Loans and Other Financial Assets	12 month expected credit loss.
Moderate credit risk	Other Financial Assets	12 month expected credit loss, unless credit risk has increased significantly since initial recognition, in which case allowance is measured at life time expected credit loss
High credit risk	Other Financial Assets	Life time expected credit loss (when there is significant deterioration) or specific provision whichever is higher

Financial assets (other than trade receivables) that expose the entity to credit risk (Gross exposure): -

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Low Credit Risk		
Cash and cash equivalents	78.57	1,016.08
Bank Balances other than above	3,293.95	553.19
Loans	7,791.98	3,712.49
Other Financial Assets	121.67	99.80
Moderate/ High Credit Risk	-	-
Total	11,286.17	5,381.56

(i) Cash and cash equivalent and bank balance:

Credit risk related to cash and cash equivalents and bank balance is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

(ii) Loans and Other financial assets measured at amortized cost:

Other financial assets measured at amortized cost includes Security Deposit to various authorities, Loans to staff and other receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

(iii) Trade receivables:

Life time expected credit loss is provided for trade receivables. Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

(A) Expected credit losses:
Expected credit loss for trade receivables under simplified approach:

The Company recognizes lifetime expected credit losses on trade receivables & other financial assets using a simplified approach, wherein Company has defined percentage of provision by analyzing historical trend of default based on the criteria defined below and such provision percentage determined have been considered to recognize life time expected credit losses on trade receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for). Further, the Company has evaluated recovery of receivables on a case to case basis. No provision on account of expected credit loss model has been considered for related party balances. The Company computes credit loss allowance based on provision matrix. The provision matrix is prepared on historically observed default rate over the expected life of trade receivable and is adjusted for forward - looking estimate. The provision matrix at the end of reporting period is as follows:

Particulars	Expected Loss Rate
Not Due	0.00%
Less than 6 Months	0.50%
6 Months to 1 Year	1.00%
1 Year to 2 Year	10.00%
2 Year to 3 Year	25.00%
3 Year >	50.00%

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Movement in Expected Credit Loss Allowance on Trade Receivables		
Balance at the beginning of the reporting period	38.86	22.18
Loss Allowance measured at lifetime expected credit losses	17.48	16.68
Balance at the end of reporting period	56.35	38.86

D. Liquidity Risk

Liquidity Risk is the risk that the Company will encounter difficulty in raising the funds to meet the commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Financing arrangements:

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Expiring within One Year		
- CC/EPC Facility	4,419.39	3,157.28
Expiring beyond One Year		
- CC/EPC Facility	-	-

The cash credit and other facilities may be drawn at any time and may be terminated by the bank without notice.

Maturities of Financial Liabilities:

The tables below analyze the Company's financial liabilities into relevant maturity based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. AS per Annexure "A"

E. Capital Management

The Company's capital management objectives are to ensure the company's ability to continue as a going concern, to provide an adequate return to share holders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet. Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company manages its capital on the basis of Net Debt to Equity Ratio which is Net Debt (Total Borrowings net of Cash and Cash Equivalents) divided by total equity.

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Total Borrowings	3,346.73	5,968.94
Less: Cash and Cash Equivalents	78.57	1,016.08
Net Debt (A)	3,268.16	4,952.86
Total Equity (B)	49,644.17	13,077.97
Capital Gearing Ratio (B/A)	15.19	2.64

The Company has complied with the covenants as per the terms and conditions of the major borrowing facilities throughout the Reporting Period.

Note - 35 – Balance confirmation of Receivables

Confirmation letters have not been obtained from all the parties in respect of Trade Receivable, Other Non- Current Assets and Other Current Assets. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

Note - 36 – Balance Confirmation of Payables

Confirmation letters have not been obtained from all the parties in respect of Trade Payable and other current liabilities. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

Note - 37 – Events occurring after the Balance sheet Date

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. There are no subsequent events to be recognized or reported that are not already disclosed.

Note 38 : Disclosure of Segment reporting

Segment reporting

Sundry Debtors:

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Segment revenue		
External revenue	43,118.97	30,823.54
Intersegment revenue	-	-
Total	43,118.97	30,823.54

Segments assets include:

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
India	6,999.82	4,046.94
Outside India	2,330.85	1,228.13
Total	9,330.67	5,275.07

Segments liabilities include:

Sundry Creditors:

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
India	2,027.56	887.36
Outside India	3,239.55	2,698.50
Total	5,267.11	3,585.86

(i) Details of revenue by Nature of business is as below:

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
a) Revenue from operations	43,118.97	30,823.54
b) Other income	727.67	536.38
Total	43,846.64	31,359.92

(ii) Details of revenue based on geographical location of customers is as below: (Total Revenue)

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
India	36,373.87	26,296.90
Outside India	6,745.10	4,526.64
Total	43,118.97	30,823.54

(iii) Details of non-currents assets (Property, plant and equipments based on geographical are as below:

(₹ in Lakhs)		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
India	2,580.68	2,695.42
Outside India	-	-
Total	2,580.68	2,695.42

Annexure "A"

Maturity Table of Financial Liabilities

As at 31st March, 2025

(₹ in Lakhs)					
Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Borrowings (including current maturities of non- current borrowing and excluding lease liabilities)	3,205.43	120.83	14.00	8.63	3,348.89
Less: IND AS Effect					(2.16)
Total	3,205.43	120.83	14.00	8.63	3,346.73
Trade payables	5,246.34	6.38	13.19	1.20	5,267.11
Total	8,451.77	127.21	27.19	9.83	8,613.84

As at 31st March, 2024

(₹ in Lakhs)					
Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Borrowings (including current maturities of non- current borrowing and excluding lease liabilities)	5,172.25	350.00	340.48	109.40	5,972.13
Less: IND AS Effect					(3.19)
Total	5,172.25	350.00	340.48	109.40	5,968.94
Trade payables	3,496.87	85.56	3.43	-	3,585.86
Total	8,669.12	435.56	343.91	109.40	9,554.80

Note - 39 - Related Parties Transaction

Disclosure of transactions with Related Parties, as required by Ind AS 24 "Related Party Disclosures" has been set out below. Related parties as defined under clause 9 of the Ind AS-24 have been identified on the basis of representations made by the management and information available with the Company and the same has been relied upon by the auditors.

Details of related party transactions during the year ended 31st March, 2025 and 31st March, 2024 and balances outstanding as at 31st March, 2025 and 31st March, 2024.

Sr No	Name Of Relationship	Name Of Related Parties
1	Directors/ Key Mangerial Personal	Santosh Kumar Yadav Anju Devi Manohar Lal Sonu Gupta Praveen Kumar (Till 17th February 2025)
2	Relative of Director	Sudesh Devi Kamla Devi
3	Associates/Subsidairy	KRN HVAC Products Private Limited Thermoteck Research Laboratory Private Limited KRNC coils Private Limited

Note : Jitendra Kumar Sharma appointed as Company Secratory as on 28th April, 2025

A) Details of related party transaction

(₹ in Lakhs)

SR NO.	PARTICULARS	Transaction Value for the year ended 31st March, 2025	Transaction Value for the year ended 31st March, 2024
1	Director Remuneration		
	Santosh Kumar Yadav	67.50	60.00
	Anju Devi	37.50	30.00
2	Salary		
	Sudesh Devi	24.00	24.00
	Sonu Gupta	15.53	7.65
	Praveen Kumar	8.01	7.56
3	Loan borrowed (Taken)		
	Santosh Kumar Yadav	-	60.00
4	Loan borrowed (Repaid)		
	Santosh Kumar Yadav	-	75.31
	Anju Devi	-	56.13
5	Loan and advances (Given)		
	KRN HVAC Products Private Limited	11,172.57	4,129.68
	KRNC coils Private Limited	-	829.94
6	Loan and advances (Repaid)		
	KRNC coils Private Limited	45.92	870.59
	KRN HVAC Products Private Limited	7,046.25	470.50
7	Interest expenses		
	Santosh Kumar Yadav	-	0.96
	Anju Devi	-	4.72
8	Purchase of goods and services		
	KRN HVAC Products Private Limited	766.87	1.52
	KRNC coils Private Limited	-	3.97

(₹ in Lakhs)

SR NO.	PARTICULARS	Transaction Value for the year ended 31st March, 2025	Transaction Value for the year ended 31st March, 2024
9	Sales of goods and services		
	KRNC coils Private Limited	382.18	863.40
	KRN HVAC Products Private Limited	900.05	17.34
10	Reimbursement Expenses		
	KRNC coils Private Limited	45.98	0.22
	Thermotech Research Lab Pvt Ltd	-	

B) Details of balance outstanding at the year end.

(₹ in Lakhs)

SR NO.	PARTICULARS	Outstanding As on 31st March, 2025	Outstanding As on 31st March, 2024
1	Director Remuneration Payables		
	Santosh Kumar Yadav	-	6.71
	Anju Devi	-	3.94
2	Salary Payable		
	Sudesh Devi	1.06	1.70
	Sonu Gupta	0.97	0.52
	Praveen Kumar	-	0.37
3	Loans & Advances		
	KRN HVAC Products Private Limited	7,785.49	3,659.18
	KRNC coils Private Limited	-	45.92
4	Interest Payable		
	Santosh Kumar Yadav	-	0.13
	Anju Devi	-	1.10
5	Trade Payables/(Advance to supplier)		
	KRN HVAC Products Private Limited	-	1.95
6	Trade Receivable/(Advance from customer)		
	KRNC coils Private Limited	(9.50)	-
	KRN HVAC Products Private Limited	39.33	21.20
7	Rent Receivable		
	KRNC coils Private Limited	-	1.32

Trade Receivables Ageing Schedule

As at 31st March, 2025

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Undisputed Trade Receivables							
- Considered Good	-	9,291.03	-	0.12	39.52	-	9,330.67
- Which have significant Increase in Credit Risk	-	-	-	-	-	-	-
- Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
- Considered Good	-	-	-	-	-	-	-
- Which have significant Increase in Credit Risk	-	-	-	-	-	-	-
- Credit Impaired	-	-	-	-	-	-	-
Less: Allowance for doubtful debts	-	-	-	-	-	-	(56.35)
Trade Receivables	-	9,291.03	-	0.12	39.52	-	9,274.32

As at 31st March, 2024

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Undisputed Trade Receivables							
- Considered Good	-	5,182.10	39.55	14.22	33.86	5.34	5,275.07
- Which have significant Increase in Credit Risk	-	-	-	-	-	-	-
- Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
- Considered Good	-	-	-	-	-	-	-
- Which have significant Increase in Credit Risk	-	-	-	-	-	-	-
- Credit Impaired	-	-	-	-	-	-	-
Less: Allowance for doubtful debts	-	-	-	-	-	-	(38.86)
Trade Receivables	-	5,182.10	39.55	14.22	33.86	5.34	5,236.21

Trade Payables Ageing Schedule

As at 31st March, 2025

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 Yea	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
MSME	-	671.93	4.09	-	0.02	676.04
Others	-	4,574.41	2.29	13.19	1.18	4,591.07
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
Trade Payables	-	5,246.34	6.38	13.19	1.20	5,267.11

Note :- Trade Payable Ageing schedule is given by management including related parties.

As at 31st March, 2024

(₹ in Lakhs)						
Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 Yea	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
MSME	-	540.36	6.38	-	-	546.74
Others	-	2,956.51	79.18	3.43	-	3,039.12
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
Trade Payables	-	3,496.87	85.56	3.43	-	3,585.86

Note :- Trade Payable Ageing schedule is given by management including related parties.

Note – 40 – Additional regulatory information

- A) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- B) The Company does not have any investment property.
- C) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible assets.
- D) There are loans or advances in the nature of loans are granted to Promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are outstanding as on 31st March, 2025 are as follows which is repayables on demand:

(₹ in Lakhs)

Types of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
KRN HVAC Products Private Limited	7,785.49	99.92%

- E) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- F) The company is not declared willful defaulter by any bank or financial institution or other lender.
- G) The company has not undertaken any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- H) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

- I) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- J) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- K) No transactions has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961. There are no such previously unrecorded income or related assets.
- L) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- M) Corporate Social Responsibility

The Company has formed a Corporate Social Responsibility Committee as required under Section 135 of the Companies Act, 2013. The funds have been spent on the activities specified in Schedule VII of the Act. Details of the CSR spending are as follows:

1. Gross amount required to be spent:

(₹ in Lakhs)		
Sr No.	Year Ended	Prescribed CSR Expenditure (Amount in Lakhs)
1	31-Mar-25	80.03
2	31-Mar-24	45.52

2. Amount spent for the period/years ended:

(₹ in Lakhs)		
Sr No.	Year Ended	Other Than Construction/Acquisition of Assets (Amount in Lakhs)
1	31-Mar-25	80.70
2	31-Mar-24	45.52

3. Amount outstanding to be Spent:

(₹ in Lakhs)		
Sr No.	Year Ended	Other Than Construction/Acquisition of Asset (Amount in Lakhs)
1	31-Mar-25	-
2	31-Mar-24	-

- N) The Company has raised the paid up capital by issuing 1,55,43,000 (One crore Fifty- Five Lakhs And Forty Three Thousands) Equity shares by way of Initial public offering as on 30th September, 2024 at an issue Price of ₹ 220.00 Per Equity Share (including face value of ₹ 10.00 per Equity Share and Security Premium of ₹ 210.00 per Equity Share).

- O) The Proceeds From IPO Net Off Issue Expense Is ₹ 31,111.66 Lakhs And Utilisation of the same is as follows :

Particulars	Planned as per Prospectus	Utilization upto 31st March, 2025	Balance as at 31st March, 2025
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")	23,575.66	23,575.66	-
General corporate purposes	7,536.00	7,536.00	-
Total	31,111.66	31,111.66	-

Note – 41 – Previous year's figures have been regrouped, reclassified wherever necessary to correspond with the current year classification / disclosure.

Note : 42 :- Accounting Ratios:

(₹ in Lakhs)				
Ratio	As at 31 March, 2025	As at 31 March, 2024	% change	Reason for Variance*
A Current ratio (In times)				
Current Assets	31,174.83	19,634.21		Since Revenue increased significantly and due to orders in hand, inventory holding at the end is high. Current ratio is improved.
Current Liabilities	9,077.31	9,015.34		
Current ratio (In times)	3.43	2.18	57.69%	
B Debt-Equity Ratio (in times)				
Total Debts	3,346.73	5,968.94		During the year, company issue equity share which increase networth of the company due to which ratio decreased.
Share Holder's Equity + RS	49,644.17	13,077.97		
Debt-Equity Ratio	0.07	0.46	-85.23%	
C Debt Service Coverage Ratio(in times)				
Earning available for debt service	7,548.18	6,162.61		Not Applicable
Interest + installment	919.64	574.82		
Debt Service Coverage Ratio,	8.21	10.72	-23.44%	
D Return on Equity Ratio (in %)				
Net After Tax	5,017.46	3,988.49		During the year, company issue equity share and there is increase in reserve i.e security premium which increase networth of the company due to which ratio decreased.
Average Share Holder's Equity	31,361.07	9,433.30		
Return on Equity Ratio,	16.00%	42.28%	-62.16%	
E Inventory Turnover Ratio (In times)				
Cost of Goods Sold	33,183.79	22,801.63		Not Applicable
Average Inventory	8,980.12	6,974.48		
Inventory Turnover Ratio	3.70	3.27	13.03%	



(₹ in Lakhs)				
Ratio	As at 31 March, 2025	As at 31 March, 2024	% change	Reason for Variance*
F				
Trade Receivables turnover ratio (In times)				
Net Credit Sales	43,118.97	30,823.54		
Average Receivable	7,255.27	4,550.77		
Trade Receivables turnover ratio	5.94	6.77	-12.26%	Not Applicable
G				
Trade payables turnover ratio (In times)				
Credit Purchase	33,343.22	25,158.54		At the end of the year credit purchase of the company increased. Hence, Trade Payables Turnover ratio increased.
Average Payable	4,426.49	4,263.40		
Trade payables turnover ratio	7.53	5.90	27.65%	
H				
Net capital turnover ratio (In times)				
Revenue from Operations	43,118.97	30,823.54		Since Revenue increased significantly and due to orders in hand, inventory holding at the end is high.
Net Working Capital	22,097.52	10,618.87		
Net capital turnover ratio	1.95	2.90	-32.78%	
I				
Net profit ratio (in %)				
Net Profit	5,017.46	3,988.49		Not Applicable
Revenue form Operation	43,118.97	30,823.54		
Net profit ratio	11.64%	12.94%	-10.07%	
J				
Return on Capital employed (in %)				
Earning Before Interest and Taxes	7,463.18	6,036.91		During the year, company issue equity share which increase networth of the company due to which ratio decreased.
Capital Employed	52,990.90	19,046.91		
Return on Capital employed	14.08%	31.69%	-55.56%	
K				
Return on investment (in %)				
Income Generated from Investment Funds (Refer Note)	270.90	60.91		Interest Income and balances with Fixed Deopsits Significantly Increased Due to which Ratio Increased.
Invested funds	3,293.95	1,556.19		
Return on investment	8.22%	3.91%	110.12%	

Note:- The above Income from Investment is Interest earned on Fixed Deposits(FD). The said FDs are held as pledged against credit facility. Hence is not held for investment purpose.

Note- 43 - Foreign Exchange in flow/out flow

(₹ in Lakhs)				
Particulars	As at 31st March, 2025			
	Amount (USD)	Amount (EURO)	Amount (GPB)	Amount (INR)
Income in Foreign Currency				
Sale (Exclude Freight and Insurance)	69.31	10.42	0.05	6,745.10
Sale return (Exclude Freight and Insurance)				
Value of Imports				
Purchase of Raw material (Including Freight)	266.44	0.82	-	22,821.30
Machine , Tools and Die and Consumables	0.10	0.04		12.47

(₹ in Lakhs)				
Particulars	As at 31st March, 2024			
	Amount (USD)	Amount (EURO)	Amount (GPB)	Amount (INR)
Income in Foreign Currency				
Sale (Exclude Freight and Insurance)	45.58	8.88	0.07	4,526.64
Value of Imports				
Purchase of Raw material (Including Freight)	235.10	0.01	-	19,664.64
Machine , Tools and Die and Consumables	1.39	0.16	-	130.91

As per report of even date

For, **Keyur Shah & Co.**
F.R. No: 141173W
Chartered Accountants

Keyur Shah
Proprietor
M.No. 153774

Date : 12th May, 2025
Place : Ahmedabad

For and on the behalf of Board of Directors
For, **KRN Heat Exchanger and Refrigeration Limited**

Santosh Kumar Yadav
Chairman & Managing Director
(DIN: 07789940)

Jitendra Kumar Sharma
Company Secretary
M. No. A65048

Date : 12th May, 2025
Place : Neemrana

Anju devi
Whole Time Director
(DIN: 06858442)

Sonu Gupta
Chief Financial Officer

Independent Auditor's Report

To
The Members of
KRN Heat Exchanger and Refrigeration Limited
(Formerly known as KRN Heat Exchanger and Refrigeration Private Limited)
Neemrana, Rajasthan – 301705

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **KRN Heat Exchanger and Refrigeration Limited (Formerly known as KRN Heat Exchanger and Refrigeration Private Limited)** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprises of the consolidated balance sheet as at 31st March, 2025, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and consolidated statement of cash flows for the year ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our knowledge and according to the explanations given to us, the aforesaid Consolidated Financial Statements gives the information required by the Companies Act, 2013, in the manner so required, and gives true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2025 and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended 31st March, 2025.

Basis for Opinion

We have conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India, the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statement.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31st March, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. There are no key audit matters which need to be reported.

Information other than the financial statements and Auditor's report thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our Auditor's Report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the Consolidated financial position and Consolidated financial performance including other comprehensive income, consolidated cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the Company included in the Group are responsible for

maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statement, that gives a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objective is to obtain reasonable assurance about whether the consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional

omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are Independent Auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also

provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended 31st March, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements / financial information of two (2) subsidiaries, whose financial statements / financial information reflect total assets of Rs. 33,462.98 Lakhs as at 31st March, 2025, revenue from operations of Rs. 1,551.05 Lakhs, and net cash inflow of Rs. 933.04 Lakhs for the year ended 31st March, 2025 as considered in the consolidated financial statements. These annual financial statements of the subsidiary have been audited by its respective independent auditor. The independent auditor's report on the financial statements of the aforesaid subsidiary have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiary, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraph 3(xxi) of the Order.
- As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statement have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- The Consolidated Balance Sheet, The Consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the consolidated financial statement.
- In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rule, 2015 as amended.
- On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2025 taken on record by the Board of Directors of the Holding Company and subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- With respect to the adequacy of the internal financial controls with reference to these consolidated financial statements of the holding company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
 - The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer note 35 to the consolidated financial statements;

- The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its Subsidiary companies incorporated in India.
- The respective management of the holding company and its subsidiary company which in incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in Note 44 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or such subsidiary company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the respective Holding Company or such subsidiary company ("Ultimate Beneficiaries") or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - The respective management of the holding company and its subsidiary company which in incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in Note 44 to the consolidated financial statements, no funds have been received by the Holding Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

- Provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

- Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under a) and (b) above, contain any material misstatements.

- No dividend has been declared or paid during the year ended 31st March, 2025 by the Holding Company and its subsidiaries, as the provisions of Section 123 of the Companies Act, 2013 are not applicable to the Holding Company.

- With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

- Based on our examination which included test checks, the Holding Company and its subsidiary company which are companies incorporated in India has used accounting software for maintaining its books of account for the year ended 31st March, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software.

For Keyur Shah & Co.
Chartered Accountants
FRN.: 141173W

Keyur Shah Proprietor
Membership No.: 153774
UDIN : 25153774BMOKF3710

Date: 12th May, 2025
Place: Ahmedabad



With reference to the "Annexure A" referred to in the Independent Auditors' Report to the members of the Holding Company, Subsidiary companies incorporated in india on Consolidated Financial Statements for the year ended 31st March 2025, We report the Following:

According to the information and explanations given to us, companies incorporated in India and included in the Consolidated Financial Statements, there have been no remarks included in their reports under Companies (Auditor's Report) Order, 2020 ("CARO"), which have been reproduced as per the requirements of the Guidance Note on CARO 2020, issued by Institute of Chartered Accountants of India.

"Annexure B" to the Independent Auditor's Report of even date to the members of KRN Heat Exchanger And Refrigeration Limited (Formerly Known as KRN Heat Exchanger And Refrigeration Private Limited) on the Consolidated Financial Statements for the year ended 31st March, 2025.

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of KRN Heat Exchanger And Refrigeration Limited as of and for the year ended 31st March, 2025, we have audited the internal financial controls over financial reporting of KRN Heat Exchanger And Refrigeration Limited (Formerly known as KRN Heat Exchanger And Refrigeration Private Limited) (hereinafter referred to as the "Holding Company") and its subsidiary, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company, its subsidiaries, which are companies incorporated in India, internal financial controls over financial reporting with reference to these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both, issued by ICAI, and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these Consolidated Financial Statements.

Meaning of Internal Financial Controls with Reference to these Consolidated Financial Statements

A Company's internal financial control over financial reporting with reference to these Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the

assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements to future year are subject to the risk that the internal financial control over financial reporting with reference to these Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph below, the Holding Company, its subsidiary, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements and such internal financial controls over financial reporting with reference to these Consolidated Financial Statements were operating effectively as at 31st March, 2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Keyur Shah & Co.
Chartered Accountants
FRN.: 141173W

Keyur Shah Proprietor
Membership No.: 153774
UDIN : 25153774BMI0KF3710

Date:12th May, 2025
Place: Ahmedabad

Consolidated Balance Sheet

as at March 31, 2025

(₹ in Lakhs)				
Sr. No.	Particulars	Note No.	As at 31st March, 2025	As at 31st March, 2024
I	ASSETS			
A	Non-Current Assets			
a)	Property Plant & Equipments and Intangible asset	2A	8,519.84	5,182.46
b)	Right of Use Assets	2B	-	2,987.63
c)	Capital Work-in-progress	2C	8,227.43	444.76
d)	Financial Assets			
-	Investments		-	-
-	Loans		-	-
-	Other Financial Assets	3	179.42	149.33
e)	Deferred Tax Assets (Net)	17	30.92	
f)	Other Non-Current Assets		-	-
	Total Non Current Assets		16,957.61	8,764.18
B	Current Assets			
a)	Inventories	4	9,585.49	8,440.52
b)	Financial Assets			
-	Trade receivables	5	9,296.12	5,243.87
-	Cash and Cash Equivalents	6	1,026.34	1,030.81
-	Bank Balances other than cash and cash equivalents	7	14,089.95	568.69
-	Loans	8	7.57	53.47
-	Other Financial Assets	9	175.32	13.72
c)	Other Current Assets	10	8,310.92	1,626.99
d)	Other Tax Assets (net)	11	62.13	-
	Total Current Assets		42,553.84	16,978.07
	TOTAL ASSETS		59,511.45	25,742.25
II	EQUITY AND LIABILITIES			
1	EQUITY			
a)	Equity Share capital	12	6,215.66	4,613.66
b)	Other Equity - attributable to owners of the company	13	43,647.79	8,414.81
	Equity attributable to shareholders of the company		49,863.45	13,028.47
2	NON - CONTROLLING INTEREST			
			-	0.05
	Total Equity		49,863.45	13,028.52
3	LIABILITIES			
A	Non-Current Liabilities			
a)	Financial Liabilities			
-	Long Term Borrowings	14	142.52	796.94
-	Long Term Lease Liabilities	15	-	1,636.05
b)	Long Term Provisions	16	100.95	69.15
c)	Deferred Tax Liabilities (Net)	17	-	13.00
	Total Non Current Liabilities		243.47	2,515.14
B	Current Liabilities			
a)	Financial Liabilities			
-	Short Term Borrowings	18	3,204.21	5,172.25
-	Short Term Lease Liabilities	19	-	1,090.72
-	Trade payables	20		
(i)	Total outstanding dues of Micro Enterprise and Small Enterprises		676.04	570.01
(ii)	Total outstanding dues of creditors other than Micro Enterprise and Small Enterprises		4,856.15	3,090.39
b)	Short-Term Provisions	21	202.93	125.26
c)	Other Current Liabilities	22	336.43	110.54
d)	Current Tax Liabilities (Net)	23	128.77	39.42
	Total Current Liabilities		9,404.53	10,198.59
	Total Liabilities		9,648.00	12,713.73
	TOTAL EQUITY & LIABILITIES		59,511.45	25,742.25
	The accompanying notes are integral part of these Consolidated financial statements	1-47		

As per report of even date

For, Keyur Shah & Co.
Chartered Accountants
F.R. No: 141173W

Keyur Shah
Proprietor
M.No. 153774

Date : 12th May, 2025
Place : Ahmedabad

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

Santosh Kumar Yadav
Chairman & Managing Director
(DIN: 07789940)

Jitendra Kumar Sharma
Company Secretary
M. No. A65048

Date : 12th May, 2025
Place : Neemrana

Anju devi
Whole Time Director
(DIN: 06858442)

Sonu Gupta
Chief Financial Officer

Consolidated Statement of Profit & Loss

for the year ended March 31, 2025

			(₹ in Lakhs)	
Sr. No.	Particulars	Note No.	Year ended 31st March, 2025	Year ended 31st March, 2024
I	Income			
a)	Revenue from operations	24	42,984.93	30,828.31
b)	Other income	25	1,185.71	545.78
	Total Income		44,170.64	31,374.09
II	Expenses			
a)	Cost of materials consumed	26	31,914.90	22,683.35
b)	Changes in Inventories of Finished Goods, Work-In Progress and Stock-In-Trade	27	(20.72)	(457.77)
c)	Employee Benefit Expenses	28	2,108.86	1,310.41
d)	Finance costs	29	341.21	398.58
e)	Depreciation and amortization expense	30	463.25	399.05
f)	Other Expenses	31	1,930.98	1,447.08
	Total Expenses		36,738.48	25,780.70
III	Profit Before Exceptional Item/Prior period items and Tax (I-II)		7,432.16	5,593.39
IV	Exceptional Item/Prior period items		-	-
V	Profit Before Tax (III+IV)		7,432.16	5,593.39
VI	Tax Expense			
a)	Current tax	32	2,190.45	1,688.80
b)	Deferred tax Liability / (Assets)	32	(42.80)	(16.48)
c)	Income Tax (Prior Period)	32	(3.03)	(17.92)
	Total Tax Expenses		2,144.62	1,654.40
VII	Profit After Tax (PAT) (V-VI)		5,287.54	3,938.99
VIII	Other Comprehensive (Income) /Expense			
a)	Items that will not be reclassified to Profit & Loss		4.05	5.92
	Income tax in respect of above		(1.13)	(1.72)
b)	Items that may be reclassified to Profit & Loss		-	-
	Income tax in respect of above		-	-
	Total Other Comprehensive Income		2.92	4.20
IX	Total Comprehensive Income for the Year (VII-VIII)		5,284.62	3,934.79
X	Earnings per equity share of ₹ 10/- each (in ₹)			
a)	Basic	33	9.75	8.76
b)	Diluted	33	9.75	8.76
	The accompanying notes are integral part of these Consolidated financial statements	1-47		

As per report of even date
For, Keyur Shah & Co.
Chartered Accountants
F.R. No: 141173W

Keyur Shah
Proprietor
M.No. 153774

Date : 12th May, 2025
Place : Ahmedabad

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

Santosh Kumar Yadav
Chairman & Managing Director
(DIN: 07789940)

Jitendra Kumar Sharma
Company Secretary
M. No. A65048

Date : 12th May, 2025
Place : Neemrana

Anju devi
Whole Time Director
(DIN: 06858442)

Sonu Gupta
Chief Financial Officer

Consolidated Cashflow Statement

for the year ended on 31st March, 2025

Contd...

Particulars	(₹ in Lakhs)	
	Year ended 31st March, 2025	Year ended 31st March, 2024
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit Before Tax and Extraordinary Items	7,432.16	5,593.39
Adjustments For:		
Depreciation	463.25	399.05
Provision for Gratuity and Leave Encashment	31.52	32.12
Adjustment Related to OCI	(4.05)	(5.92)
Loss on acquisition of interest in subsidiary	(0.95)	-
Interest Received	(712.22)	(61.41)
Profit/Loss on Sale of Fixed Assets	-	16.85
Changes to other equity	129.63	249.03
Interest and Finance Charges	341.21	398.58
Operating Profit before working capital changes	7,680.55	6,621.69
Adjustment For:		
Changes in Inventories	(1,144.97)	(2,932.09)
Changes in Trade receivables	(4,052.25)	(1,378.55)
Changes in Other Financial Asset	(161.60)	3.94
Changes in Other Current Asset	(192.75)	(550.96)
Changes in Trade Payables	1,871.79	(1,280.57)
Changes in Short Term Provisions	77.67	8.09
Changes in Long Term Provisions	0.28	1.57
Changes in Other Current Liabilities	225.91	2,685.05
Cash Generated from Operations	4,304.61	3,178.17
Taxes Paid	(2,160.21)	(1,485.70)
Net Cash From /(Used In) Operating Activities (A)	2,144.40	1,692.47
CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) / Sale of Fixed Assets/ Capital Work In Progress	(826.75)	(6,145.62)
(Purchase)/Sale of Capital Work in Progress	(7,782.67)	329.52
Sale of Fixed Assets	13.75	-
Change in Bank Balance other than cash and cash equivalent	(13,521.26)	236.31
Advance for capital Goods	(6,491.18)	(832.99)
Changes in Other Financial Asset	(30.09)	(76.50)
Interest Received	712.22	61.41
Changes in Other Non-Current Asset	-	11.00
Net Cash From /(Used In) Investing Activities (B)	(27,925.98)	(6,416.87)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest and Finance Charges	(341.21)	(398.58)
Changes in Non-controlling interest	(0.05)	-
Proceeds from Issue of Shares	1,602.01	3,056.07
Security Premium	29,819.68	-

Consolidated Cashflow Statement

for the year ended on 31st March, 2025

Particulars	(₹ in Lakhs)	
	Year ended 31st March, 2025	Year ended 31st March, 2024
Proceeds/(Repayment) from Short Term Borrowing	(1,968.04)	2,895.95
Proceeds/(Repayment) from Short Term Lease	(1,090.72)	-
Proceeds/(Repayment) from Short-term loans and advances	45.90	47.26
Proceeds/(Repayment) from Long Term Lease	(1,636.05)	-
Repayment of Long Term Borrowing	(654.42)	(591.19)
Net Cash From Financing Activities (c)	25,777.11	5,009.51
Net Increase / (Decrease) in Cash (A)+(B)+(C)	(4.47)	285.11
Cash and Cash equivalents at the beginning of the year	1,030.81	745.70
Cash and Cash equivalents at the end of the year	1,026.34	1,030.81

1 The above cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 - 'Statement of Cash Flows'.

2 Movement in Financial Liabilities arising from Financial Activities:

Particulars	(₹ in Lakhs)			
	Long Term Borrowings	Short Term Borrowings	Lease Liabilities	Interest
Balance as at 01st April, 2024	796.94	5,172.25	2,726.77	-
Interest and Finance Charges	-	-	-	(341.21)
Repayment from Lease Liabilites	-	-	(2,726.77)	-
Repayment of Long Term Borrowing	(654.42)	-	-	-
Proceeds/(Repayment) from Short Term Borrowing	-	(1,968.04)	-	-
Net Cash Movement during the year	(654.42)	(1,968.04)	(2,726.77)	(341.21)
Interest Charged to Statement of Profit and Loss	-	-	-	341.21
Balance as at 31st March, 2025	142.52	3,204.21	-	-

Previous Reporting Period

Particulars	(₹ in Lakhs)			
	Long Term Borrowings	Short Term Borrowings	Lease Liabilities	Interest
Balance as at 01st April, 2023	1,388.13	2,276.30	-	-
Interest and Finance Charges	-	-	-	(398.58)
Proceeds from Lease Liabilites	-	-	2,726.77	-
Repayment of Long Term Borrowing	(591.19)	-	-	-
Proceeds/(Repayment) from Short Term Borrowing	-	2,895.95	-	-
Net Cash Movement during the year	(591.19)	2,895.95	2,726.77	(398.58)
Interest Charged to Statement of Profit and Loss	-	-	-	398.58
Balance as at 31st March, 2024	796.94	5,172.25	2,726.77	-

As per report of even date
For, Keyur Shah & Co.
Chartered Accountants
F.R. No: 141173W

Keyur Shah
Proprietor
M.No. 153774

For and on the behalf of Board of Directors
For, KRn Heat Exchanger and Refrigeration Limited

Santosh Kumar Yadav
Chairman & Managing Director
(DIN: 07789940)

Jitendra Kumar Sharma
Company Secretary
M. No. A65048

Anju devi
Whole Time Director
(DIN: 06858442)

Sonu Gupta
Chief Financial Officer

Date : 12th May, 2025
Place : Ahmedabad

Date : 12th May, 2025
Place : Neemrana

Consolidated statement of changes in equity

for the year ended on 31st March, 2025

Contd...

A. Equity Share Capital

For the year ended 31st March, 2025

(₹ in Lakhs)	
Particulars	Amount
As at 1st April, 2024	4,613.66
Changes in Equity Share Capital during the year	1,602.00
As at 31st March, 2025	6,215.66

For the year ended 31st March, 2024

(₹ in Lakhs)	
Particulars	Amount
As at 1 April, 2023	4,400.00
Changes in Equity Share Capital during the year	213.66
As at 31 March, 2024	4,613.66

B. Other Equity

For the year ended 31st March, 2025

(₹ in Lakhs)					
Particulars	Reserves & Surplus		Deffered Revenue Grant Income	Other Comprehensive Income	Total
	Retained earnings	Securities Premium			
Balance as at 1st April, 2024	4,707.91	2,842.36	868.90	(4.36)	8,414.81
Net Profit/ (Loss) during the Year	5,287.54	-	-	-	5,287.54
Changes during the year		29,819.68	129.63	-	29,949.31
Loss on acquisition of interest in subsidiary	(0.95)				(0.95)
Remeasurement Gain/(Loss) on defined benefit plan (net of tax)	-	-	-	(2.92)	(2.92)
Total Comprehensive Income/ (Expense)	5,286.59	29,819.68	129.63	(2.92)	35,232.98
Balance as at 31st March, 2025	9,994.50	32,662.04	998.53	(7.28)	43,647.79

Consolidated statement of changes in equity

for the year ended on 31st March, 2025

For the year ended 31st March, 2024

(₹ in Lakhs)					
Particulars	Reserves & Surplus		Deffered Revenue Grant Income	Other Comprehensive Income	Total
	Retained earnings	Securities Premium			
Balance as at 1 April, 2023	768.92	-	619.87	(0.16)	1,388.63
Net Profit/ (Loss) during the Year	3,938.99	-	-	-	3,938.99
Changes during the year	-	2,842.36	249.03	-	3,091.39
Loss on acquisition of interest in subsidiary	-	-	-	-	-
Remeasurement Gain/(Loss) on defined benefit plan (net of tax)		-	-	(4.20)	(4.20)
Total Comprehensive Income/ (Expense)	3,938.99	2,842.36	249.03	(4.20)	7,026.18
Balance as at 31st March, 2024	4,707.91	2,842.36	868.90	(4.36)	8,414.81

Nature and Purpose of Reserves

- (a) Securities Premium: The amount received in excess of face value of the equity shares is recognised in securities premium reserve.
- (b) Retained earnings: Retained earnings are the profits that the group has earned till date, less any transfer to general reserve, dividends or other distributions to shareholders.

The accompanying notes are integral part of these Consolidated financial statements.

As per report of even date
For, Keyur Shah & Co.
Chartered Accountants
F.R. No: 141173W

Keyur Shah
Proprietor
M.No. 153774

For and on the behalf of Board of Directors
For, KRn Heat Exchanger and Refrigeration Limited

Santosh Kumar Yadav
Chairman & Managing Director
(DIN: 07789940)

Jitendra Kumar Sharma
Company Secretary
M. No. A65048

Anju devi
Whole Time Director
(DIN: 06858442)

Sonu Gupta
Chief Financial Officer

Date : 12th May, 2025
Place : Ahmedabad

Date : 12th May, 2025
Place : Neemrana



Notes to the Consolidated Financial Statements

for the year ended on 31st March, 2025

Contd...

NOTE - 1

1.1 Group Overview:

KRN Heat Exchanger And Refrigeration Limited ('the holding Group'/'Group') is a limited Group (Formerly known as KRN Heat Exchanger And Refrigeration Private Limited) domiciled and incorporated in India. The registered office of the Group is located at Plot No. F- 46,47,48,49 EPIP, RIICO Industrial Area Neemrana RJ-301705, Rajasthan, India.

The Group is engaged in the activity of manufacturing and sale of Heating Ventilation & Air conditioning (HVAC) parts & accessories.

Following are the details of the subsidiaries consolidated in these financial statements:

Name of the entity	Country of Incorporation	% Equity interest 31st March, 2025	% Equity interest 31st March, 2024
KRN HVAC PRODUCTS PRIVATE LIMITED	India	100.00%	99.99%
THERMOTECH RESEARCH LABORATORY PRIVATE LIMITED	India	100.00%	-

Principal of Consolidation :-

The Consolidated financials statements related to KRN Heat Exchanger and Refrigeration Limited ("the holding company") and its WOS (wholly owned subsidiary) subsidiary entity viz KRN HVAC Products Private Limited and Thermotech Research Laboratory Pvt Ltd (Together would be called as "Group"). The Consolidated Financial Statements have been prepared on the following basis:

- i. The financial statements of the holding company and its subsidiary entity, used in the consolidation are drawn up to the same date as that of the group i.e. 31st March, 2025.
- ii. The financial statements of the holding company and its subsidiary entity have been combined on line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealized profit or losses, unless cost cannot be recovered.
- iii. The excess of cost to the company of its investment in the subsidiary entity over its share of equity of the subsidiary entity, at the date on which the investment in the subsidiary entity were made, is recognized as 'Goodwill' being an asset in the consolidated financial statement and is tested for impairment on annual basis.
- iv. Goodwill arising on consolidation is not amortized but tested for impairment.
- v. The consolidated financial statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements.

1.2 General Information & Statement of Compliance with Ind AS:

These financial statements are the separate financial statements of the Group (also called as consolidated financial statements) prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules,2015, as amended.

1.3 Significant Accounting Policies:

1.3.1Basis of Preparation and Presentation

The Consolidated Financial Statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- (a) Certain Financial Assets and Liabilities (including derivative instruments if any), and
- (b) Defined Benefit Plans – Plan Assets
- (c) Certain Property Plant And Equipment Which are Revalued (if any).

The financial statements of the Group have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

The Group's Consolidated Financial Statements are presented in Indian Rupees, which is also its functional currency.

1.3.2 Basis of consolidation

The consolidated financial statements have comprised financial statements of the Holding Group and its subsidiaries. Subsidiaries are all entities (including

structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable. The Group combines the financial statements of the Holding Group and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intergroup transactions, balances and unrealized gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group i.e. its subsidiaries. It also includes the Group's share of profits, net assets and retained post-acquisition reserves of subsidiaries that are consolidated using the equity or proportionate method of consolidation, as applicable.

Control is achieved when the Group is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power to direct the relevant activities of the entity.

Wherever necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

Intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-Controlling interest in net profits or losses of consolidated subsidiaries for the Period is identified and adjusted against the income or loss in order to arrive at the net income or loss attributable to the shareholders of the Company. Non-Controlling interest in the net assets of the consolidated financial statements consists of the amount of equity attributable to the Non-Controlling shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of initial investments as stated above.

The difference between the cost to the group of investment in subsidiaries and the proportionate share in the equity of the investee Company as at the date of acquisition of stake is recognized in the consolidated financial statements as goodwill or capital reserve, as the case may be. Goodwill arising on consolidation is tested for impairment annually. The proportionate share in equity has been calculated by time proportioning the adjusted profits/losses of the subsidiary Company.

1.3.3 Fair Value Measurement

Some of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.3.4 Current and Non-Current Classification

The Group presents assets and liabilities in the Balance Sheet based on Current /Non- Current classification.

An asset is treated as Current when it is –

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.3.5 Property, Plant and Equipment

(a) Tangible Assets

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Based on technical evaluation carried out by management, depreciation on fixed assets has been provided on the Straight line method as per the useful life and residual value prescribed Schedule II to the Companies Act, 2013. Residual value has been assessed at 5% of cost of the assets.

Depreciation and amortization on addition to fixed assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation and amortization on sale/ discard from fixed assets is provided for up to the date of sale, deduction or discard of fixed assets as the case may be.

Individual assets costing Rs. 5,000 or below are depreciated/ amortized in full in the year of purchase. Depreciation/ Amortization method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the depreciation/ amortization period is changed accordingly.

Asset	Useful Life
Factory Building	20 years
Plant & machinery (computers)	3 years
Plant & machinery (tools & dies)	3 years
Plant & machinery (solar plant)	15 years
Plant & machinery (electric installation)	8 years
Plant & machinery (others)	10 years
Furniture & fixtures	10 years
Office equipment's	5 years
Vehicles	8 years

(b) Capital Work-in-Progress and Capital Advances

Cost of Property, Plant and Equipment not ready for intended use, as on the balance sheet date, is shown as a "Capital Work-in-Progress". The Capital Work-in-Progress is stated at cost. Any expenditure in relation to survey and investigation of the properties is carried as Capital Work-in-Progress. Such expenditure is either capitalized as cost of the projects on completion of construction project or the

same is expensed in the period in which it is decided to abandon such project. Any advance given towards acquisition of Property, Plants and Equipment outstanding at each balance sheet date is disclosed as "Other Current Assets".

(c) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization /depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Intangible Assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Amortization

The amortization expenses on Intangible assets with the finite lives are recognized in the Statement of Profit and Loss. The Group's intangible assets comprises assets with finite useful life which are amortized on a straight-line basis over the period of their expected useful life.

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at each financial year end and adjusted prospectively, if appropriate.

1.3.6 Impairment of Non-Financial Assets – Property, Plant and Equipment and Intangible Assets

The Group assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated

future cash flows, discounted to their present value using pre- tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

There are no losses from impairment of assets to be recognized in the consolidated financial statements.

1.3.7 Investment Properties

Investment properties (if any), are measured initially at cost, including transaction costs. Subsequent to initial recognition. Items of investment properties are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Investment properties are depreciated on straight line method on pro-rata basis at the rates specified therein. Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Long-term investments are stated at cost. Provision for diminution in the value of Long- Term investment is being made only if such decline is of other than temporary in nature in the opinion of management. Current investments are stated at lower of cost or fair value.

1.3.8 Inventories

Inventory includes raw material, work in progress, finished goods and stock in trade.

- a) Inventories values at lower of cost or net realisable value. Cost includes purchase price, taxes (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average method is used.
- b) Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.
- c) The comparison of cost or net realisable value is made on item by item basis.



- d) Stock of Finished Goods and Work in Progress are valued at lower of cost or net realizable value and cost is determined by taking material, labour and related overheads
- e) Scrap is valued at net realizable value.

1.3.9 Borrowing Costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

1.3.10 Employee Benefits

(A) Short-Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

(B) Post-Employment Benefits

(i) Defined Contribution Plans

The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre- payment will lead to a reduction in future payment or a cash refund.

(ii) Defined Benefit Plans

- (a) Gratuity Scheme: The Group pays gratuity to the employees who have completed five years of service with the Group at the time of resignation/superannuation. The gratuity

is paid @ 15 days basic salary and dearness allowances for every completed year of service as per the Payment of Gratuity Act, 1972. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income.

- (iii) Other Long - Term Employee Benefits Entitlement to annual leave is recognized when they accrue to employees.

1.3.11 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

The Group has generally typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised on when the services are rendered and related cost are incurred over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

Export Incentives

Export incentive revenues are recognized when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection.

Interest Income

Interest Income from a Financial Assets is recognised using effective interest rate method.

Dividend Income

Dividend Income is recognised when the Group's right to receive the amount has been established.

Surplus / (Loss) on disposal of Property, Plants and Equipment / Investments

Surplus or loss on disposal of property, plants and equipment or investment is recorded on transfers of title from the Group, and is determined as the difference between the sales price and carrying value of the property, plants and equipment or investments and other incidental expenses.

Rental Income

Rental income arising from operating lease on investments properties is accounted for on a straight - line basis over the lease term except the case where the incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

Insurance Claim

Claim receivable on account of insurance is accounted for to the extent the Group is reasonably certain of their ultimate collections.

Other Income

Revenue from other income is recognized on accrual basis.

1.3.12 Foreign Currency Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss

arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

1.3.13 Government Grants and Subsidies

Grants in the nature of subsidies which are non-refundable are recognized as income where there is reasonable assurance that the Group will comply with all the necessary conditions attached to them. Income from grants is recognized on a systematic basis over periods in which the related costs that are intended to be compensated by such grants are recognized.

Refundable government grants are accounted in accordance with the recognition and measurement principle of Ind AS 109, "Financial Instruments". It is recognized as income when there is a reasonable assurance that the Group will comply with all necessary conditions attached to the grants. Income from such benefit is recognized on a systematic basis over the period of the grants during which the Group recognizes interest expense corresponding to such grants.

1.3.14 Financial Instruments – Financial Assets

(A) Initial Recognition and Measurement

All Financial Assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

(B) Subsequent Measurement

- a) Financial Assets measured at Amortized Cost (AC)

A Financial Asset is measured at Amortized Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.
- b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual

cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

Further, the Group, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Group has made such election on an instrument-by-instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Group recognizes dividend income from such instruments in the Statement of Profit and Loss.

- c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories is measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Group changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

(C) Investments

Investments are classified in to Current or Non-Current Investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as Current Investments. All other Investments are classified as Non - Current Investments. However, that part of Non - Current Investments which are expected to be realized within twelve months from the Balance Sheet date is also presented under "Current Investments" under "Current portion of Non-Current Investments" in consonance with Current/ Non-Current classification of Schedule - III of the Act.

All the equity investment which covered under the scope of Ind AS 109, "Financial Instruments" is measured at the fair value. Investment in Mutual Fund is measured at fair value through profit and loss (FVTPL). Trading Instruments are measured at fair value through profit and loss (FVTPL).

(D) Investment in Subsidiaries, Associates and Joint Ventures

The Group has accounted for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any).

(E) Impairment of Financial Assets

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

1.3.15 Financial Instruments – Financial Liabilities

(A) Initial Recognition and Measurement

All Financial Liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

(B) Subsequent Measurement

Financial Liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.3.16 Derivative Financial Instruments and Hedge Accounting

The Group enters into derivative contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial assets measured at amortized cost.

The Group formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognised financial assets ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Group's Risk Management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a cash flow hedge under Ind AS 109, 'Financial Instruments'.

Recognition and measurement of cash flow hedge:

The Group strictly uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. As per Ind AS 109 - Financial Instruments, foreign currency forward contracts are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that

are designated and effective as hedges of future cash flows are recognised in hedge reserve (under reserves and surplus) through other comprehensive income and the ineffective portion is recognised immediately in the statement of profit and loss.

The accumulated gains / losses on the derivatives accounted in hedge reserve are transferred to the statement of profit and loss in the same period in which gains / losses on the underlying item hedged are recognised in the statement of profit and loss.

Derecognition:

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. When hedge accounting is discontinued for a cash flow hedge, the net gain or loss will remain in hedge reserve and be reclassified to the statement of profit and loss in the same period or periods during which the formerly hedged transaction is reported in the statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gains / losses recognised in hedge reserve is transferred to the statement of profit and loss.

Fair Value Hedge:

The Group designates derivative contracts or non-derivative Financial Assets/Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to Statement of Profit and Loss over the period of maturity.

1.3.17 Derecognition of Financial Instruments

The Group derecognizes a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.3.18 Financial Instruments – Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Group has a legally enforceable right

to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

1.3.19 Taxes on Income

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

(a) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

(b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Presentation

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

1.3.20 Segment Reporting

Segments are identified having regard to the dominant source and nature of risks and returns and the internal organization and management structure. Operating

segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman and Managing Director (CMD) of the Company have been identified as the Chief Operating Decision Maker (CODM).

1.3.21 Research and Development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss as and when incurred.

Development costs are capitalized as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss.

1.3.22 Earnings per Share

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

1.3.23 Provisions, Contingent Liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

1.3.24 Events after Reporting Date

Where events occurring after the Balance Sheet date provide evidence of condition that existed at the end of reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

1.3.25 Non – Current Assets Held For Sales

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable.

A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification.

Non-current assets held for sale are neither depreciated nor amortised.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of sale and are presented separately in the Balance Sheet.

1.3.26 Cash Flows Statement

Cash Flows Statements are reported using the method set out in the Ind AS – 7, "Cash Flow Statements", whereby the Net Profit / (Loss) before tax is adjusted for the effects of the transactions of a Non-Cash nature, any deferrals or accrual of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

1.3.27 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.3.28 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA has notified Ind AS-117 – Insurance Contracts and amendments to Ind AS-116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

1.4 Critical Accounting Judgments and Key Sources of Estimation Uncertainty:

The preparation of the Group's Financial Statements requires management to make judgment, estimates and assumptions that affect the reported amount of revenue,

expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

1.4.1 Income Tax

The Group's tax jurisdiction is in India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the income tax provisions, including the amount expected to be paid / recovered for uncertain.

1.4.2 Property Plant and Equipment/ Intangible Assets

Estimates are involved in determining the cost attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Property, Plant and Equipment/Intangible Assets are depreciated/ amortised over their estimated useful life, after taking into account estimated residual value.

Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful life and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation/ amortisation for future periods is revised if there are significant changes from previous estimates.

1.4.3 Defined Benefits Obligations

The costs of providing Gratuity and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS – 19, "Employee Benefits" over the period during which benefit is derived from the employees' services. It is determined by using the Actuarial Valuation and assessed on the basis of assumptions selected by the management. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. Due to complexities involved in the valuation and its long term in nature, a defined benefit obligation is highly sensitive to change in these assumptions. All assumptions are reviewed at each balance sheet date.

1.4.4 Fair value measurements of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be

measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgments and assumptions.

1.4.5 Recoverability of Trade Receivables

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

1.4.6 Provisions

The timing of recognition and quantification of the liability (including litigations) requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

1.4.7 Impairment of Financial and Non – Financial Assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

In case of non-financial assets Group estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

1.4.8 Recognition of Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Group uses judgment to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

Note - 2A : Property Plant & Equipments and Intangible asset

Particulars	(₹ in Lakhs)										
	Land	Land (Lease-hold)	Factory Building	Solar Plant	Plant & Machinery	Tools and Dies	Electric Installation	Furniture & Fixture	Vehicles	Computers	Office Equipment
Gross Block											
As at 31 March, 2023		887.43	436.70	147.13	1,723.63	613.85	58.07	22.22	153.70	32.61	49.95
Additions	60.79	1,659.93	164.82	-	699.28	60.87	22.77	0.77	-	35.38	8.62
Disposals/ Adjustments		(347.83)			-	-	-	-	-	-	-
As at 31 March, 2024	60.79	2,199.53	601.52	147.13	2,422.91	674.72	80.84	22.99	153.70	67.99	58.57
Additions	-	3,156.08	283.18	-	242.06	51.56	0.24	2.81	14.40	51.60	12.45
Disposals/ Adjustments	-	-			(13.75)						
As at 31 March, 2025	60.79	5,355.61	884.70	147.13	2,651.22	726.28	81.08	25.80	168.10	119.59	71.02
Accumulated Depreciation											
As at 31 March, 2023	-	15.70	50.91	18.74	409.89	327.20	16.77	5.93	38.27	11.38	15.85
Depreciation charge for the year	-	6.63	21.46	9.35	175.16	136.71	7.17	2.15	18.30	11.95	10.17
Reversal on Disposal/ Adjustments	-	(1.46)	-	-	-	-	-	-	-	-	-
As at 31 March, 2024	-	20.87	72.37	28.09	585.05	463.91	23.94	8.08	56.57	23.33	26.02
Depreciation charge for the year	-	9.59	30.45	9.32	236.22	109.20	9.60	2.33	18.52	26.64	11.60
Reversal on Disposal/ Adjustments	-	-			(0.22)						
As at 31 March, 2025	-	30.46	102.82	37.41	821.05	573.11	33.54	10.41	75.09	49.97	37.62
Net Block											
Balance as on 31 March, 2024	60.79	2,178.66	529.15	119.04	1,837.86	210.81	56.90	14.91	97.13	44.66	32.55
Balance as on 31 March, 2025	60.79	5,325.15	781.88	109.72	1,830.17	153.17	47.54	15.39	93.01	69.62	33.40

Note :-

1. Leasehold land located at Plot No. SP1-24 Industrial Area Kolia Joga, Neemrana Dist. Alwar (Rajasthan), is on a lease of 99 years. The operation is not yet started at such place, therefore amortization of land will be done after the start of operation on the remaining period of lease.
2. The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
3. Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in Note - 14 & 18 .

Note - 2B : Right of Use of Assets

Particulars	(₹ in Lakhs)	
	ROU	Total
Gross Block		
As at 31st March, 2023	-	-
Additions	2,987.63	2,987.63
Disposals/ Adjustments		
As at 31st March, 2024	2,987.63	2,987.63
Additions	-	-
Disposals/ Adjustments	2,987.63	2,987.63
As at 31st March, 2025	-	-

Particulars	(₹ in Lakhs)	
	ROU	Total
Accumulated Depreciation		
As at 31st March, 2023	-	-
Depreciation charge for the year	-	-
Reversal on Disposal/ Adjustments	-	-
As at 31st March, 2024	-	-
Depreciation charge for the year	-	-
Reversal on Disposal/ Adjustments	-	-
As at 31st March, 2025	-	-
Balance as on 31st March, 2024	2,987.63	2,987.63
Balance as on 31st March, 2025	-	-

Note - 2C : Capital Work In Progress

Particulars	(₹ in Lakhs)	
	Asset in WIP	Total
Gross Block		
As at 31st March, 2023	-	-
Additions	444.76	444.76
Capitalised During the Year	-	-
As at 31st March, 2024	444.76	444.76
Additions	7,833.58	7,833.58
Capitalised During the Year	(50.91)	(50.91)
As at 31st March, 2025	8,227.43	8,227.43

Capital Work-in-progress ageing Schedule

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Less than 1 year	7,731.76	444.76
1 to 2 years	495.67	-
2 to 3 years	-	-
More than 3 Years	-	-

Note - 3 Other Financial Assets- Non Current

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Unsecured		
Security Deposits Others	111.42	81.33
Doubtful Receivable	68.00	68.00
Total	179.42	149.33

Note - 4 - Inventories

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Raw materials	7,912.99	6,788.74
Work-in-progress	1.88	680.31
Finished goods/ Stock in Trade	1,670.62	971.47
Total	9,585.49	8,440.52

Note :-

- 1) Raw Materials, Work in Progress and Stores and Spares are valued at Landed Cost. Finished Goods and Scrap are valued at cost or net realisable value whichever is less.
- 2) Inventories is certified and verified by the management of the group as on 31st March, 2025.

Note - 5 - Trade Receivables - Current

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Considered Goods	9,352.78	5,282.89
Less: Allowance for Expected Credit Loss	(56.66)	(39.02)
Total	9,296.12	5,243.87

Note :-

- 1) Trade Receivables is certified and verified by the management of the group as on 31st March, 2025.

Trade Receivables Ageing Schedule

As at 31st March, 2025

(₹ in Lakhs)							
Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 1 Yea	6 Months 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Considered Good	-	9,313.14	-	0.12	39.52	-	9,352.78
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-
Less: Allowance for doubtful debts	-	-	-	-	-	-	(56.66)
Trade Receivables	-	9,313.14	-	0.12	39.52	-	9,296.12

As at 31st March, 2024

(₹ in Lakhs)							
Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Considered Good	-	5,189.92	39.55	14.22	33.86	5.34	5,282.89
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-
Less: Allowance for doubtful debts	-	-	-	-	-	-	(39.02)
Trade Receivables	-	5,189.92	39.55	14.22	33.86	5.34	5,243.87

Note - 6 - Cash & Cash Equivalents

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Cash and Cash Equivalents		
Cash in Hand	1.02	1.27
Bank Balance		
In Current Accounts	400.32	26.54
In Deposit Accounts (maturity within 3 months from reporting date)	625.00	1,003.00
Total	1,026.34	1,030.81

Note :- Cash-in-Hand is taken as certified by the management of the group.

Note - 7 - Bank Balances other than Cash and Cash Equivalents

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Balances with bank in Fixed deposit accounts (maturity more than 3 Months but less than 12 Months from reporting date)	14,089.95	568.69
Total	14,089.95	568.69

Note:- Balance represent in fixed deposit accounts are held as pledged against credit facility.

Note - 8 - Loans

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Loans & Advances		
Loans to Staff	7.57	7.54
Loans to Related Parties	-	45.93
Total	7.57	53.47

Note - 9 - Other Financial Assets

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Interest Receivable from Deposit	174.52	11.60
Other Receivable	0.80	2.12
Total	175.32	13.72

Note - 10 - Other Current Assets

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Loans & Advances		
Advance for Expenses	46.18	-
Advance For Capital goods	337.44	-
Advance to Suppliers	6,738.44	917.70
Others		
Prepaid Expenses	24.28	13.59
Prepaid IPO Expenses	-	227.55
GST Receivable	-	130.80
Advance Custom Duty	271.44	75.31
GST Receivable	566.80	-
Subsidy Receivable	326.34	262.04
Total	8,310.92	1,626.99

Note - 11 - Other Tax Assets

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Prepaid Income Tax/ TDS (Net of Prov, if any)	62.13	-
Total	62.13	-

Note - 12 - Equity Share Capital

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Authorised		
7,20,00,000 (Previous Year 660,00,000) Equity Shares of ₹ 10 each	7,200.00	6,600.00
	7,200.00	6,600.00
Issued,Subscribed & Paid up		
6,21,56,600 (Previous Year 4,61,36,600) Equity Shares of ₹ 10 each	6,215.66	4,613.66
Total	6,215.66	4,613.66
Reconciliation of equity share capital		
Balance at the beginning of the year		
- Number of shares	46,136,600	44,000,000
- Amount in Lakhs	500.00	4,400.00
Add: Shares issued during the year		
- Number of shares	16,020,000	2,136,600
- Amount in Lakhs	5,715.66	213.66
Balance at the end of the year		
- Number of shares	62,156,600	46,136,600
- Amount in Lakhs	6,215.66	4,613.66

Notes :

- The holding company has raised the paid up share capital by issuing 4,77,000 (Four lakhs Seventy-seven thousands) Equity shares at the issue price of ₹ 200/- per equity share (including face value of RS.10/- per equity share and premium of ₹ 190/- per equity share) through private placement by passing special resolution in EGM held at the registered office of company on 06th August, 2024. The said shares were Alloted to the shareholders on 14th August, 2024.
- The holding company has further raised the paid up capital by issuing 1,55,43,000 (One crore Fifty-Five Lakhs And Forty Three Thousands) Equity Shares at the issue price of ₹ 220/- per equity share (including face value of ₹ 10/- per equity share and premium of ₹ 210/-per equity share) through public issue by passing special resolution in EGM held at the registered office of the company on 26th March, 2024. The shares were allotted to the new shareholders vide board resolution dated 30th September, 2024.
- In Financial year 2023-24 the Company had raised the paid up capital by issuing 21,36,600 (Twenty One Lakhs Thirty Six Thousand Six Hundred) equity shares at the face value of ₹ 10/- per share through private placement by passing special resolution in EGM held at the registered office of the Company on September 25th, 2023. The shares were allotted to the new shareholders vide Board Resolution dated October 21st, 2023
- In Financial year 2023-24 the Company had increased its authorized share capital from ₹ 6600.00 Lakhs to 7200.00 Lakhs vide resolution passed at the EGM of the company held at the registered office of the company on December 23rd, 2023.
- Rights, Preferences and Restrictions Attached to Equity shares :

The Group has one class of equity shares having a par value of ₹ 10/- each. Each shareholder is eligible for one vote per share held. The dividend, if any proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their share holding.

Notes :

a) Details of Shares held by each shareholder holding more than 5% of share capital

Particulars	(₹ in Lakhs)		
	As at 31st March, 2025		
	No of Shares	No of Shares	% held
Equity Shares			
Santosh Kumar Yadav	20,299,950	32.66%	-11.34%
Anju Devi	23,700,000	38.13%	-13.24%

Particulars	(₹ in Lakhs)		
	As at 31st March, 2024		
	No of Shares	% held	% held
Equity Shares			
Santosh Kumar Yadav	20,299,950	44.00%	0.00%
Anju Devi	23,700,000	51.37%	0.00%

b) Details of Shares held by Promoter of the company and change in stake of the company during the year

Particulars	(₹ in Lakhs)		
	As at 31st March, 2025		
	No of Shares	% held	% Change
Equity Shares			
Santosh Kumar Yadav	20,299,950.00	32.66%	-11.34%
Anju Devi	23,700,000.00	38.13%	-13.24%
Manohar Lal	10.00	0.00%	0.00%

(₹ in Lakhs)

Particulars	As at 31st March, 2024		
	No of Shares	% held	% Change
Equity Shares			
Santosh Kumar Yadav	20,299,950.00	44.00%	0.00%
Anju Devi	23,700,000.00	51.37%	0.00%
Manohar Lal	10.00	0.00%	0.00%

Note - 13 - Other Equity

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Retained Earning		
Balance at the beginning of the year	4,707.91	768.92
Add/Less : Loss on acquisition of interest in subsidiary	(0.95)	-
Add: Net Profit/(Net Loss) For the year	5,287.54	3,938.99
Balance at the end of the year (A)	9,994.50	4,707.91
Securities Premium Reserve		
Balance at the beginning of the year	2,842.36	-
Add : Securities premium credited on share issue	33,546.60	3,033.97
Less: Expenses for issue of equity shares during the year	(3,726.92)	(191.61)
Balance at the end of the year (B)	32,662.04	2,842.36
Other Comprehensive Income (OCI)		
Balance at the beginning of the year	(4.36)	(0.16)
Changes during the year	(2.92)	(4.20)
Balance at the end of the year (C)	(7.28)	(4.36)
Deferred Revenue Grant Income(DGI)		
Balance at the beginning of the year	868.90	619.87
Changes during the year	129.63	249.03
Balance at the end of the year (D)	998.53	868.90
Total Other Equity (A+B+C+D)	43,647.79	8,414.81

Note - 14 - Long Term Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Secured Borrowings		
From Banks and NBFC	268.28	1,129.41
Less: Current Maturity	(123.60)	(329.53)
Less: IND AS Transaction Cost Adjustment	(2.16)	(3.19)
Total (A)	142.52	796.69
Loans from Directors & Related Parties		
KRN Heat Exchanger & Refrigeration Limited	-	-
Santosh Kumar Yadav	-	0.25
Total (B)	-	0.25
Total (A+B)	142.52	796.94

Note :-Refer Note Number 14.1 for term & Condition related to Borrowing Taken By Group.

14 (A) Long Term Borrowings (Secured)

(₹ in Lakhs)

S No.	Lender	Credit Facility	Type of Limit	Loan	Rate of Interest/ Margin	Repayment Terms	Security / Principal terms and conditions	Collateral Security / Other Condition
1	HDFC	Vehicle	Main	83.60	7.00%	84 M	Vehicle	Vehicle
2	HDFC	Bbg-wc Term Loans	Main	600.00	8.48%	72 M	50300477307325, 50300722562196, Debtors, Fd, Flat No	Property Description: (1) L-548, 5th Floor, Ashiana Town, Tower Beta, Vill. Thada Bhiwadi Alwar Rajasthan 301019 (Residential Flat/ Apartment)
3	HDFC	Letter Of Credit	Sub Limit	(4,500.00)	0.50%	90D	L-545, Industrial property, Lc Issued By Other Bank, P&M, PG of Directors & Collateral Owners, Residential	(2) Villa No. A-60 Village Iswarsinghpura And Foladpur Green Acres Neemrana Neemrana Rajasthan 301705 (Resi-RowHouse)
4	HDFC	Letter Of Credit	Main	4,000.00	0.50%	90D	TI Gift City For Us Dollars=176888.32 Sbhc No-	(3) Plot No F-48, 49, Alwar Riico Industrial Area, Epip, Neemrana Rajasthan 301705 (Commercial-office)
5	HDFC	Corporate Card	Main	10.00	0.00%	12D		(4) P No F-46 And 47 Epip Neemrana Alwar-301705 Riico Ind Area Neemrana Neemrana Rajasthan 301705 (Industrial Estates With Industrial Activity)
6	HDFC	Purchase Card	Main	10.00	0.00%	12M		(5) Plot No. F-44, Epip Neemrana Riico Industrial Area Epip Neemrana, Distt. Alwar-301705 (Rajasthan) (Industrial Estates With Industrial Activity)
7	HDFC	Bank Guarantee	Sub Limit	(4,500.00)	1.00%	365D		(6) L-545, 5th Floor, Ashiana Town, Tower Beta, Vill. Thada Bhiwadi Alwar Rajasthan 301019 (Residential Flat/ Apartment)
8	HDFC	Bank Gurantee	Sub Limit	(1,000.00)	1.00%	365D		(7) Flat No B-1004, Plot No Gh-2, Vasundhara Nagar, Bhiwdi, Dist - Alwar Block -b, 10th Floor, Sky View Apartments Bhiwadi Alwar Rajasthan 301019 (Residential Flat / Apartment)
9	HDFC	Psr	Main	1,000.00	1.80%	365D		
10	HDFC	Derivative Psr	Sub Limit	(1,000.00)	1.80%	365D		

Note:- Rate of Interest for above facilities is subject to periodic changes in monetary policy of Reserve Bank Of India.

Note - 15 - Long Term Lease Liabilities

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Lease Liabilities	-	1,636.05
Total	-	1,636.05

Note - 16 - Long Term Provisions

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for Employee benefits		
Gratuity (Unfunded)	63.39	37.18
Leave Encashment	37.56	31.97
Total	100.95	69.15

Note - 17 - Deferred Tax Assets / Liabilities

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Expenses Allowed only on Payment	16.78	32.12
Expected Credit Loss Provision	(0.15)	-
Allowance for doubtful debts (Expected Credit Loss)	17.48	16.84
Total Assets	34.11	48.96
Tax Rate as per Income Tax *		
Total Deferred Tax Assets	13.42	14.050
 Depreciation As Per Companies Act 2013	 463.25	 399.05
Depreciation as Per Income Tax Act	391.08	394.16
Total Liability	(72.17)	(4.89)
Tax Rate as per Income Tax *		
Total Deferred Tax Liability	(30.51)	(4.154)
Closing (DTA) / DTL at the year end	(30.92)	13.00
 Opening (DTA) / DTL	 (1.84)	 31.20
(DTA)/DTL Charged/Created during Current Year	(43.93)	(18.20)

* Tax rate for the KRN Heat Exchanger and Refrigeration Limited (Holding co.) is 29.168% and for KRN HVAC Products Private Limited(Subsidiary Co.) is 17.60%.

Note - 18 - Short Term Borrowings

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Secured (Repayable on Demand) (From Bank)		
HDFC BANK LTD- C.C A/C	1,166.25	2,842.72
CITI BANK - C.C A/C	-	-
WCL LOAN (CITI BANK)	-	1,500.00
HDFC BANK LTD- Pre - Shipment Loan	1,914.36	500.00
Total (A)	3,080.61	4,842.72
Current Maturities of Non-Current Borrowings		
Current maturities of Long - Term Debt (Secured)	123.60	329.53
Total (B)	123.60	329.53
Total (A+B)	3,204.21	5,172.25

Note :- Refer Note Number 18.1 for term & Condition related to Borrowing Taken By Company

Note - 18.1 - Short Term Borrowing

(₹ in Lakhs)								
S No.	Lender	Credit Facility	Type of Limit	Loan	Rate of Interest/ Margin	Repayment Terms	Security / Principal terms and conditions	Collateral Security / Other Condition
1	HDFC	Cash Credit	Main Limit	4,500.00	8.25%	12M	50300477307325, 50300722562196, Debtors, Fd, Flat No L-545, Industrial property, Lc Issued By Other Bank, P&m, PG of Directors & Collateral Owners, Residential property, Stock, TI Gift City For Us Dollars=176888.32	Property Description: (1) L-548, 5th Floor, Ashiana Town, Tower Beta, Vill. Thada Bhiwadi Alwar Rajasthan 301019 (Residential Flat/Apartment) (2) Villa No. A-60 Village Iswarsinghpura And Foadpur Green Acres Neemrana Neemrana Rajasthan 301705 (Resi-RowHouse) (3) Plot No F-48, 49, Alwar Riico Industrial Area, Epip, Neemrana Neemrana Neemrana Rajasthan 301705 (Commercial-office) (4) P No F-46 And 47 Epip Neemrana Alwar-301705 Riico Ind Area Neemrana Neemrana Rajasthan 301705 (Industrial Estates With Industrial Activity) (5) Plot No. F-44, Epip Neemrana Riico Industrial Area Epip Neemrana, Distt. Alwar-301705 (Rajasthan) (Industrial Estates With Industrial Activity) (6) L-545, 5th Floor, Ashiana Town, Tower Beta, Vill. Thada Bhiwadi Alwar Rajasthan 301019 (Residential Flat/Apartment) (7) Flat No B-1004, Plot No Gh-2, Vasundhara Nagar, Bhiwdi, Dist - Alwar Block -b, 10th Floor, Sky View Apartments Bhiwadi Alwar Rajasthan 301019 (Residential Flat / Apartment)
2	HDFC	Pre Shipment Credit	Sub Limit	2,500.00)	8.25%	12 M		
3	HDFC	Post Shipment Credit	Sub Limit	(2,500.00)	8.25%	12 M		
4	HDFC	Working Capital Demand Loan	Sub Limit	(4,500.00)	8.25%	12 M		
5	Citi Bank	Cash Credit	Main Limit	4,000.00	8.50%	365D	Sblc No-054sb-bl230530001	
6	Citi Bank	Working Capital Demand Loan	Sub Limit	(4,000.00)	1 Month T Bill + 1.40%	180D		
7	Citi Bank	Bill Discounted	Sub Limit	(4,000.00)	1 Month T Bill + 1.40%	180D		
8	Citi Bank	Buyers Credit	Sub Limit	(4,000.00)	1 Month T Bill + 1.40%	180D		
9	Citi Bank	Pre-shipment Finance	Sub Limit	(4,000.00)	Overnight SOFR + 1.40%	180D		
10	Citi Bank	Post-shipment Finance	Sub Limit	(4,000.00)	Overnight SOFR + 1.40%	180D		
11	Citi Bank	Usance Letter of Credit	Sub Limit	(4,000.00)	Margin - 10%	180D		
12	Citi Bank	Sight Letter of Credit	Sub Limit	(4,000.00)	Margin - 10%	180D		

(₹ in Lakhs)								
S No.	Lender	Credit Facility	Type of Limit	Loan	Rate of Interest/ Margin	Repayment Terms	Security / Principal terms and conditions	Collateral Security / Other Condition
								1. A first paripassu charge on Inventory 2. A first paripassu charge on Book debt 3. A first paripassu charge on Movable fixed assets (excluding those funded out of term loan of other banks) 4. A first paripassu charge on Land and Building situated at (1) L-548, 5th Floor, Ashiana Town, Tower ,Bhiwadi Alwar Rajasthan 301019 (2) Villa No. A-60 Village Iswarsinghpura And Foadpur Green Acres Neemrana Neemrana Rajasthan 301705 (3) Plot No F-48, 49, Alwar Riico Industrial Area, Epip, Neemrana Rajasthan 301705 (4) P No F-46 And 47 Epip Neemrana Alwar-301705 Riico Ind Area Neemrana Rajasthan 301705 (5) Plot No. F-44, Epip Neemrana Riico Industrial Area Epip Neemrana, Alwar-Rajasthan 301705 (6) L-545, 5th Floor, Thada and Udaipur, Ashiana Tower Beta, Bhiwadi Alwar Rajasthan 301019 (7) Flat No B-1004, Plot No Gh-2, Block -b, 10th Floor, Sky View Apartments Bhiwadi Alwar Rajasthan 301019 5. Personal Guarantee of Santosh Kumar Yadav and Mrs Anju Devi

Note:- Rate of Interest for above facilities is subject to periodic changes in monetary policy of Reserve Bank Of India.

Note - 19 - Short Term Lease Liabilities

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Current maturities of Lease Liabilities	-	1,090.72
Total	-	1,090.72

Note - 20 - Trade Payables

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Trade Payables MSME		
Trade Payables for Supplies	676.04	570.01
Total (A)	676.04	570.01
Trade Payables Others		
Trade Payables for Supplies	4,856.15	3,090.39
Total (B)	4,856.15	3,090.39
Total (A+B)	5,532.19	3,660.40

Notes :

- Trade Payables has been taken as certified and verified by the management of the group as on 31st March, 2025.
- The Company has initiated the process of identification of Vendors which falls under category of MSME, the disclosure relating to amount due to MSME are made to the extent information received.
- Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act 2006") are Provided as Under, to the Extent the Company has Received Intimation from the "Suppliers" Regarding their Status Under the Act :

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
• Principal amount due to Micro and Small Enterprise	676.04	570.01
• Interest due on above	-	-
Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act , 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year .	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprises.	-	-

Note - 21 - Short Term Provisions

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for Expense	197.14	120.71
Provision for Employee benefits		
Gratuity (Unfunded)	2.54	1.54
Leave Encashment	3.25	3.01
Total	202.93	125.26

Note - 22 - Other Current Liabilities (Non Financial)

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Advance from customers	23.40	15.48
Statutory Dues - GST and others	313.03	92.97
Others	-	2.09
Total	336.43	110.54

Note - 23 - Current Tax Liabilities

(₹ in Lakhs)		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for Income Tax [net of prepaid taxes]	128.77	39.42
Total	128.77	39.42

Trade Payables Ageing Schedule

As at 31st March, 2025

(₹ in Lakhs)						
Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
MSME	-	671.93	4.09		0.02	676.04
Others	-	4,839.49	2.29	13.19	1.18	4,856.15
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
Trade Payables	-	5,511.42	6.38	13.19	1.20	5,532.19

As at 31st March, 2024

Particulars	(₹ in Lakhs)					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 6 Months	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
MSME	-	563.63	6.38	-	-	570.01
Others	-	3,007.78	79.18	3.43	-	3,090.39
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
Trade Payables	-	3,571.41	85.56	3.43	-	3,660.40

Note :- Trade Payable Ageing schedule is given by management of the Group.

Note - 24 - Revenue From Operations

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Sale of Products		
Export Sales	6,745.10	4,526.64
Domestic Sales	36,170.87	26,285.23
Job Work Income	54.67	-
Other Operating Revenue	14.29	16.44
Total	42,984.93	30,828.31

Note - 25 - Other Income

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Balance Written Off	17.81	19.97
Discount Received	0.22	-
Foreign Exchange Gain	204.25	236.88
Freight on Sales	70.50	70.16
Duty Drawback	36.21	13.85
Interest Income	712.22	61.41
Other Income	10.51	15.59
Government Grant	133.99	107.07
Income from Future Option & Other Segment	-	20.85
Total	1,185.71	545.78

Note - 26 - Cost Of Materials Consumed

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Opening Stock at the beginning of the year	6,788.74	4,314.42
Add : Purchases and Incidental Expenses (Net of returns, claims/ discount, if any)	33,039.15	25,157.67
Add: Job Work Charges	-	-
Less : Closing Stock at the end of the year	(7,912.99)	(6,788.74)
Total	31,914.90	22,683.35

Note - 27 - Changes In Inventories Of Finished Goods, Work-In-Progress and Stock-In-Trade

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Opening Stock		
Work-in-Progress	680.31	403.23
Finished Goods / Stores, Spares & Fuels	971.47	790.78
	1,651.78	1,194.01
Closing Stock		
Work-in-Progress	(1.88)	(680.31)
Finished Goods / Stores, Spares & Fuels	(1,670.62)	(971.47)
	(1,672.50)	(1,651.78)
Total	(20.72)	(457.77)

Note - 28 - Employee Benefit Expenses

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Contributions to Provident and Other Fund	61.95	43.94
Director Remuneration	105.00	90.00
Gratuity and Leave Encashment (net of reversals, if any)	31.52	32.12
Salaries, Wages & Other Benefits	1,856.05	1,108.51
Staff Welfare Expenses	54.34	35.84
Total	2,108.86	1,310.41

Note - 29 - Finance Costs

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Financial Expenses to Bank		
Interest to Bank	279.02	245.43
Bank Charges	59.92	132.91
Loan Processing Fees	1.03	3.04
Financial Expenses to Others		
LC Advising Exp.	0.09	0.10
Interest on unsecured loan	1.15	17.10
Total	341.21	398.58

Note - 30 - Depreciation & Amortisation Expenses

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Depreciation on Property, Plant and Equipments	463.25	399.05
Total	463.25	399.05

Note - 31 - Other Expenses

(₹ in Lakhs)		
Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Manufacturing & Service Cost		
Electricity Exp	75.87	68.90
Diesel Exp	21.71	23.68
Freight & Carriage (Inward)	431.36	205.62
Import Clearance Expenses	253.21	197.42
Other Direct Expenses	156.08	80.20
Total Manufacturing & Service Cost	938.23	575.82
Administration, Selling & Other Expenses		
Audit Fees	12.25	7.50
Advertisement & Publicity	27.06	21.02
Business Promotion Exp	66.54	49.44
Conveyance & Travelling Expenses	91.06	29.37
Fees, Duties, Rates & Taxes	20.27	31.68
Freight Outward Expenses	356.21	281.12
Festival Expenses	29.67	17.44
Insurance Expenses	34.06	26.23
Office Expenses	12.34	3.68
License & Membership Fees	0.39	-
Printing & Stationery	6.44	7.46
Professional Fees	0.25	-
Rent Expense	5.71	4.85
Repairs & Maintenance Exp	41.78	40.66
Expected Credit Loss	17.63	16.83
Telephone Expenses	2.79	1.68
Service Charges Paid	1.27	-
Donation & Charity	0.51	1.57
Vehicle Running & Maintenance Expenses	2.67	1.31
Other Expense	2.63	6.29
Postage & Courier Expense	0.30	11.18
Discount	19.58	107.83
Security Charges	35.40	27.18
Legal Charges	10.24	-
Legal & Professional Charges	70.26	92.68
Water Exp	-	-
Tax Expenses	36.14	5.72
Concor charges	0.02	
CSR Expenditures	80.70	61.69
RIICO Charges	0.48	
Exchange Difference- Forex	8.10	
Loss on Sale of Fixed Assets	-	16.85
Total Administration, Selling & Other Expenses	992.75	871.26
Total	1,930.98	1,447.08

Note - 32 - Tax Expense

(₹ in Lakhs)		
Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Tax Expenses	2,190.45	1,688.80
Deffered Tax Expenses/(Reversal)	(42.80)	(16.48)
Tax in respect of Earlier Years/(Reversal)	(3.03)	(17.92)
Total	2,144.62	1,654.40

Note-33 - Earnings Per Share (EPS)

(₹ in Lakhs)		
Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Net Profit / (Loss) for calculation of basic / diluted EPS	5,287.54	3,938.99
Weighted Average Number of Equity Shares in calculating Basic and Diluted EPS	54,229,967	44,951,546
Basic Earnings/ (Loss) Per Share	9.75	8.76
Diluted Earnings/ (Loss) Per Share	9.75	8.76
Nominal Value of Equity Shares	10.00	10.00

Note-34 - Details of Employee Benefits:

The Company has the following post-employment benefit plans:

A. Defined Contribution Plan

Contribution to defined contribution plan recognised as expense for the period is as under:

The Company offers its employees benefits under defined contribution plans in the form of provident fund. Provident fund covers substantially all regular employees which are on payroll of the company. Both the employees and the Company pay predetermined contributions into the provident fund and approved superannuation fund. The contributions are normally based on a certain proportion of the employee's salary and are recognised in the Statement of Profit and Loss as incurred.

(₹ in Lakhs)		
Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Contribution to provident fund and other Fund	61.95	43.94

B. Defined Benefit Plan - Gratuity:

(i) The Company administers its employees' gratuity scheme funded liability. The present value of the liability for the defined benefit plan of gratuity obligation is determined based on actuarial valuation by an independent actuary at the period end, which is calculated using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(ii) Gratuity benefits in India are governed by the Payment of Gratuity Act, 1972. The key features are as under

Benefits Offered	15/26* salary* Duration of service
Salary Definition	Last Drawn Basic Salary including Dearness Allowance (if any)
Benefit Ceiling	Benefit Ceiling of ₹ 20 Lakhs
Vesting Conditions	5 Years of Continuous Service (Not Applicable In Case of Death/ Disability)
Benefit Eligibility	Upon Death or resignation or withdrawal or retirement
Retirement Age	58 Years

(iii) Characteristics of defined benefit plans and risks associated with them:

Valuation of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter- valuation period."

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows."

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective."

B. Changes in the Present value of Obligation

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Present Value of Obligation as at the beginning	38.72	21.08
Current Service Cost	20.41	10.78
Interest Expense or Cost	2.75	1.56
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	3.28	4.48
- change in demographic assumptions	-	-
- experience variance	0.77	1.44
Past Service Cost	-	-
Benefits Paid	-	(0.62)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Present Value of Obligation as at the end of the year	65.93	38.72
Bifurcation of Actuarial losses/ (gains)		
Actuarial losses/ (gains) arising from change in financial assumptions	3.28	4.48
Actuarial losses/ (gains) arising from change in demographic assumptions	-	-
Actuarial losses/ (gains) arising from experience adjustments	0.77	1.44
Actuarial losses/ (gains)	4.05	5.92
Bifurcation of Present Value of Benefit Obligation		
Current - Amount due within one year	2.54	1.54
Non-Current - Amount due after one year	63.39	37.18
Total	65.93	38.72
Expected Benefit Payments in Future Years		
(Projections are for current members and their currently accumulated benefits)		
Year 1	2.54	1.54
Year 2	3.10	1.84
Year 3	3.94	2.22
Year 4	3.91	2.81
Year 5	5.01	2.64
Year 6 and above	25.41	15.55

Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions

(₹ in Lakhs)

Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Discount Rate Sensitivity		
Increase by 0.5%	62.27	36.56
Decrease by 0.5%	69.94	41.08
Salary growth rate Sensitivity		
Increase by 0.5%	68.77	40.51
Decrease by 0.5%	63.01	36.92
Withdrawal rate (W.R.) Sensitivity		
Increase by 1%	65.49	38.46
Decrease by 1%	66.36	38.96

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Amounts recognized in Balance Sheet		
Net Liability / (Asset) recognised in Balance Sheet	65.94	38.72
Amounts recognized in Statement of Profit and Loss		
Current Service Cost	20.42	10.31
Net interest on net Defined Liability / (Asset)	2.75	1.56
Expected return on plan assets	-	-
Net actuarial losses (gains) recognised in the year	4.05	6.39
Expenses recognised in Statement of Profit and Loss	27.22	18.26

Actuarial Assumptions

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Discount Rate	6.80%	7.25%
Expected rate of salary increase	8.00%	8.00%
Expected Return on Plan Assets	N/A	N/A
Mortality Rates	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Retirement Age	58	58

C. Defined Benefit Plan - Leave Benefit Note:

- (i) The objective of the valuation is to ascertain the liability on utilization of accumulated leave. The accumulated leave may also diminish on account of utilization if permissible in the course of employment. The effect of utilization will be reflected in year to year balance and the liability will be adjusted accordingly at every annual actuarial valuation. There is no separate accounting standard which lays down the actuarial valuation. There is no separate accounting standard which lays down the actuarial method to be adopted for valuation of liability to be adopted for valuation for liability in respect of balance of accumulated leave. However general principles to defined benefit retirement benefit have been applied.
- (ii) The benefits are governed by the Entity's Leave Policy. The key features are as under

Employee's Contribution	0%
Employer's Contribution	100%
Salary Definition for Encashment	Last drawn As per the company rules
Salary Definition for Availment	Last drawn CTC Salary
Vesting Condition	Not Applicable
Leave Credited Annually	15 days
Leave Denominator	30 days
Maximum Accumulation	60 days
Encashment during the Service	Allowed
Benefit On Retirement	Leave Days x Encashment Salary / Leave Denominator
Benefit on Resignation/Withdrawals	Same as Retirement Benefit
Benefit on death	Same as Retirement Benefit
Benefit on Availment	Leave Days x Availment Salary / Leave Denominator
Retirement Age	58 Years

(iii) Characteristics of defined benefit plans and risks associated with them:

Valuation of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter- valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

D. Changes in the Present value of Obligation

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Present Value of Obligation as at the beginning	34.99	16.43
Transfer in/(out) obligation	-	-
Current Service Cost	10.44	16.63
Interest Expense or Cost	2.51	1.18
Past Service Cost	-	-
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	2.60	-
- change in demographic assumptions	-	-
- experience variance	(7.18)	1.97
Benefits Paid by an entity	(2.53)	(1.22)
Present Value of Obligation as at the end of the year	40.83	34.99
Bifurcation of Actuarial losses/ (gains)		
Actuarial losses/ (gains) arising from change in financial assumptions	2.60	-
Actuarial losses/ (gains) arising from change in demographic assumptions	-	-
Actuarial losses/ (gains) arising from experience adjustments	(7.18)	1.97
Actuarial losses/ (gains)	(4.58)	1.97
Bifurcation of Present Value of Benefit Obligation		
Current - Amount due within one year	3.25	3.01
Non-Current - Amount due after one year	37.56	31.97
Total	40.81	34.98
Expected Benefit Payments in Future Years		
(Projections are for current members and their currently accumulated benefits)		

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Year 1	3.25	3.01
Year 2	3.78	2.90
Year 3	2.99	3.16
Year 4	2.80	3.03
Year 5	3.19	2.54
Year 6 and above	13.73	13.05

Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Discount Rate Sensitivity		
Increase by 0.5%	38.83	37.52
Decrease by 0.5%	42.95	41.65
Salary growth rate Sensitivity		
Increase by 0.5%	42.94	41.63
Decrease by 0.5%	38.83	37.52
Withdrawal rate (W.R.) Sensitivity		
Increase by 1%	40.72	39.30
Decrease by 1%	40.90	39.71

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Amounts recognized in Balance Sheet		
Net Liability / (Asset) recognised in Balance Sheet	40.80	34.98
Amounts recognized in Statement of Profit and Loss		
Current Service Cost	10.44	16.63
Past Service Cost	-	-
Net interest on net Defined Liability / (Asset)	2.51	1.18
Expected return on plan assets	-	-
Net actuarial losses (gains) recognised in the year	(4.58)	1.97
Expenses recognised in Statement of Profit and Loss	8.37	19.78

Actuarial Assumptions

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Discount Rate	6.80%	7.50%
Expected rate of salary increase	7.00%	7.00%
Expected Return on Plan Assets	N/A	N/A
Availment Rate	1.00%	1.00%
In Service Encashment Rate	0.00%	0.00%
Mortality Rates	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Retirement Age	58	58

Note- 35- Contingent Liabilities and Capital Commitments

(₹ in Lakhs)

Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
(I) Contingent Liabilities: *	-	-
a) Claims against the Company not acknowledged as debts:		-
b) Corporate Guarantees given By Company		
c) Bank Guarantees	1,654.26	270.73
d) Letter of Credit	4,390.40	1,540.68
e) PSR	21.51	-
f) Under Direct Tax	0.44	7.02
g) Under Indirect Tax	367.62	146.84
h) Under EPCG/Advance Authorisation Import Duty Benefit received from DGFT not considered as liability until it fulfills the Export Obligation	811.90	224.64
(II) Capital Commitments: *		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	7,821.32	6,152.38

*The amount shown above are excluding interest and disclosed to the extent quantifiable and ascertainable.

Note -36 - Leases (Right to Use of Assets)

The Company's significant leasing arrangements are in respect of Land premises taken on lease.

The Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount. The weighted average incremental borrowing rate applied to lease liabilities is 8.50 %.

The break-up of current and non-current lease liabilities is as follows:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Current Lease Liabilities	-	1,090.72
Non - Current Lease Liabilities	-	1,636.05
Total	-	2,726.77

The movement in lease liabilities is as follows:

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Balance at the beginning	2,726.77	-
Addition during the year	-	2,987.63
Finance cost accrued	157.09	63.48
Payment of lease liabilities	2,883.86	324.34
Deduction / Reversal During the year	-	-
Balance at the end	-	2,726.77

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Not later than one year	-	1,090.72
1-2 Years	-	1,090.72
2-3 Years	-	545.33
More than 3 Years	-	-

Note - 37 – Financial Instruments

Financial Risk Management – Objectives and Policies

The Company's financial liabilities mainly comprise the loans and borrowings in domestic currency, money related to capital expenditures, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets comprise mainly of investments, security deposits, cash and cash equivalents, other balances with banks, trade and other receivables that derive directly from its business operations.

The Company is exposed to the Market Risk, Credit Risk and Liquidity Risk from its financial instruments.

The Management of the Company has implemented a risk management system which is monitored by the Board of Directors of the Company. The general conditions for compliance with the requirements for proper and future-oriented risk management within the Company are set out in the risk management principles. These principles aim at encouraging all members of staff to responsibly deal with risks as well as supporting a sustained process to improve risk awareness. The guidelines on risk management specify risk management processes, compulsory limitations, and the application of financial instruments. The risk management system aims to identify, assess, mitigate the risks in order to minimize the potential adverse effect on the Company's financial performance.

The following disclosures summarize the Company's exposure to the financial risks and the information regarding use of derivatives employed to manage the exposures to such risks. Quantitative Sensitivity Analysis has been provided to reflect the impact of reasonably possible changes in market rate on financial results, cash flows and financial positions of the Company.

A. Financial Assets and Liabilities

Particulars	(₹ in Lakhs)		
	Year ended 31st March, 2025		
	Amortised Cost *	FVTPL **	FVOCI
Assets Measured at			
Trade receivables	9,296.12	-	-
Cash and Cash Equivalent	1,026.34	-	-
Bank Balances other than cash and cash equivalents	14,089.95	-	-
Loans	7.57	-	-
Other Financial Assets	354.74	-	-
Total	24,774.72	-	-

Liabilities Measured at			
Borrowings (including current maturities of non-current borrowings)	3,346.73	-	-
Trade payables	5,532.19	-	-
Other Financial Liabilities	-	-	-
Total	8,878.92	-	-

Particulars	(₹ in Lakhs)		
	Year ended 31st March, 2024		
	Amortised Cost *	FVTPL **	FVOCI
Assets Measured at			
Trade receivables	5,243.87	-	-
Cash and Cash Equivalent	1,030.81	-	-
Bank Balances other than cash and cash equivalents	568.69	-	-
Loans	53.47	-	-
Other Financial Assets	163.05	-	-
Total	7,059.89	-	-
Liabilities Measured at			
Borrowings (including current maturities of non-current borrowings)	5,969.19	-	-
Trade payables	3,660.40	-	-
Other Financial Liabilities	-	-	-
Total	9,629.59	-	-

(*) Fair value of financial assets and liabilities measured at amortized cost approximates their respective carrying values as the management has assessed that there is no significant movement in factor such as discount rates, interest rates, credit risk from the date of the transition. The fair values are assessed by the management using Level 3 inputs.

(**) The financial instruments measured at FVTPL represents current investments and derivative assets having been valued using level 2 valuation hierarchy.

Fair value hierarchy

The fair value of financial instruments as referred to in note below has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

B. Market Risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market Risk comprises three types of Risk: "Interest Rate Risk, Currency Risk and Other Price Risk". Financial instrument affected by the Market Risk includes loans and borrowings in foreign as well as domestic currency, retention money related to capital expenditures, trade and other payables.

(a) Interest Rate Risk

Interest Rate Risk is the risk that fair value or future cash outflows of a financial instrument will fluctuate because of changes in market interest rates. An upward movement in the interest rate would adversely affect the borrowing cost of the Company. The Company is exposed to long term and short - term borrowings. The Company manages interest rate risk by monitoring its mix of fixed and floating rate instruments and taking actions as necessary to maintain an appropriate balance. The Company has not used any interest rate derivatives.

Exposure to Interest Rate Risk

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Borrowing bearing fixed rate of interest	-	0.25
Borrowing bearing variable rate of interest	3,348.89	5,972.13

Sensitivity Analysis

Profit / (Loss) estimates to higher / lower interest rate expense from borrowings bearing variable rate of interest as a result of changes in interest rate.

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Interest Rate – Increase by 50 Basis Points	(16.74)	(29.86)
Interest Rate – Decrease by 50 Basis Points	16.74	29.86

(*) holding all other variable constant. Tax impact not considered.

(b) Foreign Currency Risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not the functional currency of the Company. Considering the volume of foreign currency transactions, the Company has taken certain forward contracts to manage its exposure.

Exposure to Foreign Currency Risk

The Carrying amount of Company's unhedged Foreign Currency denominated monetary items are as follows:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2025			
	Amount in USD	Amount in EURO	Amount in GBP	Amount in ₹
Net Unhedged Assets (Trade Receivables, Other Receivables, & Loans Given)	23.56	3.37	0.03	2,330.85
Net Unhedged Liabilities	38.04	-	-	3,218.36
Net Exposure Assets / (Liabilities)	(14.48)	3.37	0.03	(887.51)

(₹ in Lakhs)

Particulars	As at 31st March, 2024			
	Amount in USD	Amount in EURO	Amount in GBP	Amount in ₹
Net Unhedged Assets (Trade Receivables, Other Receivables, & Loans Given)	12.91	1.68	-	1,228.13
Net Unhedged Liabilities	32.96	-	-	2,748.25
Net Exposure Assets / (Liabilities)	(20.05)	1.68	-	(1,520.12)

Sensitivity Analysis

The sensitivity of profit or (loss) to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Lakhs)

Particulars	Year ended 31st March, 2025			
	Amount in USD	Amount in EURO	Amount in GBP	Amount in ₹
INR / USD/EURO – Increase by 5%	(0.72)	0.17	0.00	(44.39)
INR / USD/EURO – Decrease by 5%	0.72	(0.17)	(0.00)	44.39

(₹ in Lakhs)

Particulars	Year ended 31st March, 2024			
	Amount in USD	Amount in EURO	Amount in GBP	Amount in ₹
INR / USD/EURO – Increase by 5%	(1.00)	0.08	-	(76.01)
INR / USD/EURO – Decrease by 5%	1.00	(0.08)	-	76.01

C. Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other Financial assets measured at amortized cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets. (i) Low credit risk, (ii) Moderate credit risk, (iii) High credit risk.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Financial assets (other than trade receivables) that expose the entity to credit risk are managed and categorized as follows:

Basis of categorisation	Asset class exposed to credit	Provision for expected credit loss
Low credit risk	Cash and Cash Equivalents, Other Bank Balances, Loans and Other Financial Assets	12 month expected credit loss.
Moderate credit risk	Other Financial Assets	12 month expected credit loss, unless credit risk has increased significantly since initial recognition, in which case allowance is measured at life time expected credit loss
High credit risk	Other Financial Assets	Life time expected credit loss (when there is significant deterioration) or specific provision whichever is higher

Financial assets (other than trade receivables) that expose the entity to credit risk (Gross exposure): –

(₹ in Lakhs)

Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Low Credit Risk		
Cash and cash equivalents	1026.34	1030.81
Bank Balances other than cash and cash equivalents	14089.95	568.69
Loans	7.57	53.47
Other Financial Assets	354.74	163.05
Moderate/ High Credit Risk	-	-
Total	15478.60	1816.02

(i) Cash and cash equivalent and bank balance:

Credit risk related to cash and cash equivalents and bank balance is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

(ii) Loans and Other financial assets measured at amortized cost:

Other financial assets measured at amortized cost includes Security Deposit to various authorities , Loans to staff and other receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

(iii) Trade receivables:

Life time expected credit loss is provided for trade receivables. Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

(A) Expected credit losses:**Expected credit loss for trade receivables under simplified approach:**

The Company recognizes lifetime expected credit losses on trade receivables & other financial assets using a simplified approach, wherein Company has defined percentage of provision by analyzing historical trend of default based on the criteria defined below and such provision percentage determined have been considered to recognize life time expected credit losses on trade receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for). Further, the Company has evaluated recovery of receivables on a case to case basis. No provision on account of expected credit loss model has been considered for related party balances. The Company computes credit loss allowance based on provision matrix. The provision matrix is prepared on historically observed default rate over the expected life of trade receivable and is adjusted for forward - looking estimate. The provision matrix at the end of reporting period is as follows:

Particulars	Expected Loss Rate	
< 90 Days -	0.00%	
120 to 180 days	0.50%	
180 to 365 days	1.00%	
1 Year to 2 Year	10.00%	
2 Year to 3 Year	25.00%	
3 Year >	50.00%	

(₹ in Lakhs)		
Movement in Expected Credit Loss Allowance on Trade Receivables	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Balance at the beginning of the reporting period	39.01	22.18
Loss Allowance measured at lifetime expected credit losses	17.63	16.83
Balance at the end of reporting period	56.64	39.01

D. Liquidity Risk

Liquidity Risk is the risk that the Company will encounter difficulty in raising the funds to meet the commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Financing arrangements:

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	(₹ in Lakhs)	
	Year ended 31st March, 2025	Year ended 31st March, 2024
Expiring within One Year		
- CC/EPC Facility	4,419.39	3,157.28
Expiring beyond One Year		
- CC/EPC Facility		

The cash credit and other facilities may be drawn at any time and may be terminated by the bank without notice.

Maturities of Financial Liabilities:

The tables below analyze the Company's financial liabilities into relevant maturity based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. As per Annexure "A"

E. Capital Management

The Company's capital management objectives are to ensure the company's ability to continue as a going concern, to provide an adequate return to shareholders.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet. Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company manages its capital on the basis of Net Debt to Equity Ratio which is Net Debt (Total Borrowings net of Cash and Cash Equivalents) divided by total equity.

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Total Borrowings	3346.73	5969.19
Less: Cash and Cash Equivalents	1026.34	1030.81
Net Debt (A)	2320.39	4938.38
Total Equity (B)	49863.45	13028.47
Capital Gearing Ratio (B/A)	21.49	2.64

The Company has complied with the covenants as per the terms and conditions of the major borrowing facilities throughout the Reporting Period.

Note - 38 – Balance confirmation of Receivables

Confirmation letters have not been obtained from all the parties in respect of Trade Receivable, Other Non- Current Assets and Other Current Assets. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

Note - 39 – Balance Confirmation of Payables

Confirmation letters have not been obtained from all the parties in respect of Trade Payable and other current liabilities. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

Note - 40 – Events occurring after the Balance sheet Date

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. There are no subsequent events to be recognized or reported that are not already disclosed.

Note : 41 - Disclosure of Segment Reporting**Segment reporting**

(₹ in Lakhs)		
Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Segment revenue		
External revenue	42,984.93	30,828.31
Intersegment revenue	-	-
Total	42,984.93	30,828.31

Segments assets include:

(₹ in Lakhs)		
Sundry Creditors	For the year ended 31st March, 2025	For the year ended 31st March, 2024
India	7,021.93	4,054.76
Outside India	2,330.85	1,228.13
Total	9,352.78	5,282.89

Segments liabilities include:

(₹ in Lakhs)		
Sundry Creditors	For the year ended 31st March, 2025	For the year ended 31st March, 2024
India	2,313.83	912.15
Outside India	3,218.36	2,748.25
Total	5,532.19	3,660.40

(i) Details of revenue by Nature of business is as below:

(₹ in Lakhs)		
Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
a) Revenue from operations	42,984.93	30,828.31
b) Other income	1,185.71	545.78
Total	44,170.64	31,374.09

(ii) Details of revenue based on geographical location of customers is as below:

(₹ in Lakhs)		
Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
India	36,239.83	26,301.67
Outside India	6,745.10	4,526.64
Total	42,984.93	30,828.31

(iii) Details of non-currents assets (Property, plant and equipments, excluding CWIP) based on geographical are as below:

(₹ in Lakhs)		
Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
India	8,519.84	5,182.46
Outside India	-	-
Total	8,519.84	5,182.46

Annexure "A"**Maturity Table of Financial Liabilities****As at 31st March, 2025**

(₹ in Lakhs)					
Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Borrowings (including current maturities of non- current borrowing and excluding lease liabilities)	3,205.43	120.83	14.00	8.63	3,348.89
Less: IND AS Effect					(2.16)
Total	3,205.43	120.83	14.00	8.63	3,346.73
Trade payables	5,511.42	6.38	13.19	1.20	5,532.19
Total	8,716.85	127.21	27.19	9.83	8,878.92

As at 31st March, 2024

(₹ in Lakhs)					
Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Borrowings (including current maturities of non- current borrowing and excluding lease liabilities)	5,172.50	350.00	340.48	109.40	5,972.38
Less: IND AS Effect					(3.19)
Total	5,172.50	350.00	340.48	109.40	5,969.19
Trade payables	3,571.41	85.56	3.43	-	3,660.40
Total	8,743.91	435.56	343.91	109.40	9,629.59

Note - 42 - Related Parties Transaction

Disclosure of transactions with Related Parties, as required by Ind AS 24 "Related Party Disclosures" has been set out below. Related parties as defined under clause 9 of the Ind AS 24 have been identified on the basis of representations made by the management and information available with the Company and the same has been relied upon by the auditors.

Sr No	Name Of Relationship	Name Of Related Parties
1	Promoter	Santosh Kumar Yadav Anju Devi Manohar Lal
2	Promoter Group	KRN Coils Private Limited Sudesh Devi Komal Yadav Yashpal Yadav
3	Key Managerial Person	Sonu Gupta Praveen Kumar (Till 17th February, 2025)
4	Subsidiary	Thermotech Research Laboratory Private Limited KRN HVAC Products Private Limited
5	Parent Company	KRN Heat Exchangers and Refrigeration Limited

Note : Jitendra Kumar Sharma appointed as Company Secretary as on 28th April, 2025

A) Details of related party transaction

(₹ in Lakhs)

SR NO.	PARTICULARS	Transactions for the year ended on 31st March, 2025	Transactions for the year ended on 31st March, 2024
1	Director Remuneration		
	Santosh Kumar Yadav	67.50	60.00
	Anju Devi	37.50	30.00
2	Salary		
	Sudesh Devi	24.00	24.00
	Komal Yadav	4.00	10.00
	Yashpal Yadav	-	9.00
	Sonu Gupta	15.53	7.65
	Praveen Kumar	8.01	7.56
3	Loan Repaid		
	Santosh Kumar Yadav	0.25	75.31
	Anju Devi	-	56.13
	KRN Heat Exchangers and Refrigerator Limited	7,046.25	470.50
4	Loan Taken		
	Santosh Kumar Yadav	-	60.25
	KRN Heat Exchangers and Refrigerator Limited	11,172.57	4129.68
5	Interest Expenses		
	Santosh Kumar Yadav	-	0.96
	Anju Devi	-	4.72
6	Loans and advances given		
	KRN Coils Private Limited	-	829.94
	KRN HVAC Products Private Limited	11,172.57	4129.68
7	Loans and advances repaid		
	KRN Coils Private Limited	45.92	870.59
	KRN HVAC Products Private Limited	7,046.25	470.50
8	Reimbursement Expenses		
	Thermotech Research Lab Pvt Ltd		
	KRN Coils Private Limited	45.98	0.22
9	Purchases		
	KRN Coils Private Limited	-	3.97
	KRN HVAC Products Private Limited	766.87	1.52
	KRN Heat Exchangers and Refrigerator Limited	900.05	17.34
10	Sales		
	KRN Coils Private Limited	382.18	863.40
	KRN HVAC Products Private Limited	900.05	17.34
	KRN Heat Exchangers and Refrigerator Limited	766.87	1.52

B) Details of balance outstanding at the year end.

(₹ in Lakhs)

SR NO.	PARTICULARS	Outstanding As on 31st March, 2025	Outstanding As on 31st March, 2024
1	Director Remuneration Payables		
	Santosh Kumar Yadav	-	6.71
	Anju Devi	-	3.94
2	Long Term Borrowings		
	Santosh Kumar Yadav	-	0.25
	KRN Heat Exchangers and Refrigerator Limited	7,785.49	3,659.18
3	Trade Payables		
	KRN Heat Exchangers and Refrigerator Limited	39.33	21.20
	KRN HVAC Products Private Limited		1.95
4	Trade Receivables/ (Advance from Customers)		
	KRN Heat Exchangers and Refrigerator Limited		1.95
	KRN HVAC Products Private Limited	39.33	21.20
	KRN Coils Private Limited	(9.50)	-
5	Salary Payables		
	Sudesh Devi	1.06	1.70
	Komal Yadav	-	0.93
	Sonu Gupta	0.97	0.52
	Praveen Kumar	-	0.37
6	Loans and Advances		
	KRN HVAC Products Private Limited	7785.49	3,659.18
	KRN Coils Private Limited	-	45.92
7	Interest Payable		
	Santosh Kumar Yadav	-	0.13
	Anju Devi	-	1.10
8	Rent Receivable		
	KRN Coils Private Limited	-	1.32

Note - 43 - PRINCIPLES OF CONSOLIDATION

The Consolidated audited financial statements related to KRN Heat Exchanger and Refrigeration Limited ("the company") and its WOS subsidiary entity viz KRN HVAC Products Private Limited and Thermotech Research Laboratory Pvt. Ltd. (Together would be called as "Group"). The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the company and its subsidiary entity, used in the consolidation are drawn up to the same date as that of the company i.e 31st March 2025.
- The Consolidated audited financial statements of the Company and its subsidiary entity have been combined on line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealized profit or losses, unless cost cannot be recovered.
- The excess of cost to the company of its investment in the subsidiary entity over its share of equity of the subsidiary entity, at the date on which the investment in the subsidiary entity were made, is recognized as 'Goodwill' being an asset in the consolidated financial statement and is tested for impairment on annual basis.
- Goodwill arising on consolidation is not amortized but tested for impairment.
- The Restated consolidated financial statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements.
- Following subsidiary company/entity, associate and jointly controlled entities have been considered in the preparation of the Restated consolidated financial statement:"

(₹ in Lakhs)

Name of the Company	Relationship	Country of incorporation	% of Holding and voting power either directly or indirectly through subsidiary (As at 31st March, 2025)
KRN HVAC Producers Private Limited	Wholly Owned Subsidiary	INDIA	100.00%
Thermotech Research Laboratory Pvt Ltd	Wholly Owned Subsidiary	INDIA	100.00%

Note – 44 – Additional regulatory information

- A) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- B) The Company does not have any investment property.
- C) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible assets.
- D) There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are outstanding as on 31st March, 2025.
- E) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- F) The company is not declared willful defaulter by any bank or financial institution or other lender.
- G) The company has not undertaken any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- H) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- I) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- J) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- K) No transactions has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961. There are no such previously unrecorded income or related assets.
- L) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- M) Corporate Social Responsibility

The Company has formed a Corporate Social Responsibility Committee as required under Section 135 of the Companies Act, 2013. The funds have been spent on the activities specified in Schedule VII of the Act. Details of the CSR spending are as follows:

1. Gross amount required to be spent:

(₹ in Lakhs)

Sr No.	Year Ended	Prescribed CSR Expenditure
1	31-Mar-25	80.03
2	31-Mar-24	45.52

2. Amount spent for the period/years ended:

(₹ in Lakhs)

Sr No.	Year Ended	Other Than Construction/Acquisition of Assets
1	31-Mar-25	80.70
2	31-Mar-24	45.52

3. Amount outstanding to be Spent:

(₹ in Lakhs)

Sr No.	Year Ended	Other Than Construction/Acquisition of Asset
1	31-Mar-25	-
2	31-Mar-24	-

- N) The Company has raised the paid up capital by issuing 1,55,43,000 (One crore Fifty-Five Lakhs And Forty Three Thousands) Equity shares by way of Initial public offering as on 30th September, 2024 at an issue Price of ₹ 220.00 Per Equity Share (including face value of ₹ 10.00 per Equity Share and Security Premium of ₹ 210.00 per Equity Share).
- O) The Proceeds from IPO Net Off Issue Expenses is ₹ 31,111.66 Lakhs and Utilisation of the same is as follows :

(₹ In Lakhs)

Particulars	Planned as per Prospectus	Utilization upto 31st March, 2025	Balance as at 31st March, 2025
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")*	23,575.66	23,575.66	-
General corporate purposes	7,536.00	7,536.00	-
Total	31,111.66	31,111.66	-

*However as on 31st March, 2025, Out of ₹23,575.66 Lakh which is invested in Subsidiary Company, ₹ 11,020.16 Lakhs were pending to be utilised towards the proposed project .

Note – 45 – Previous year's figures have been regrouped, reclassified wherever necessary to correspond with the current year classification / disclosure.

Note : 46 :- Accounting Ratios:

(₹ in Lakhs)			
Ratio	As at 31 March, 2025	As at 31 March, 2024	% change
A Current ratio (In times)			
Current Assets	42,553.84	16,978.07	
Current Liabilities	9,404.53	10,198.59	
Current ratio (In times)	4.52	1.66	171.80%
B Debt-Equity Ratio (in times)			
Total Debts	3,346.73	5,969.19	
Share Holder's Equity + RS	49,863.45	13,028.47	
Debt-Equity Ratio	0.07	0.46	-85.35%
C Debt Service Coverage Ratio(in times)			
Earnings available for debt service	7,953.92	5,848.88	
Interest + installment	919.64	706.23	
Debt Service Coverage Ratio	8.65	8.28	4.43%
D Return on Equity Ratio (in %)			
Net After Tax	5,287.54	3,938.99	
Average Share Holder's Equity	31,445.96	9,408.55	
Return on Equity Ratio,	16.81%	41.87%	-59.84%
E Inventory Turnover Ratio (In times)			
Cost of Goods Sold	32,832.41	22,801.40	
Average Inventory	9,013.01	6,974.48	
Inventory Turnover Ratio	3.64	3.27	11.43%
F Trade Receivables turnover ratio (In times)			
Net Credit Sales	42,984.93	30,828.31	
Average Receivable	7,270.00	4,554.60	
Trade Receivables turnover ratio	5.91	6.77	-12.65%
G Trade payables turnover ratio (In times)			
Credit Purchase	33,039.15	25,157.67	
Average Payable	4,596.30	4,300.67	
Trade payables turnover ratio	7.19	5.85	22.88%
H Net capital turnover ratio (In times)			
Revenue from Operations	42,984.93	30,828.31	
Net Working Capital	33,149.31	6,779.48	
Net capital turnover ratio	1.30	4.55	-71.48%
I Net profit ratio (in %)			
Net Profit	5,287.54	3,938.99	
Revenue form Operation	42,984.93	30,828.31	
Net profit ratio	12.30%	12.78%	-3.73%

(₹ in Lakhs)

Ratio	As at 31 March, 2025	As at 31 March, 2024	% change
J Return on Capital employed (in %)			
Earnings Before Interest and Taxes	7,773.37	5,991.97	
Capital Employed	53,210.18	18,997.67	
Return on Capital employed	14.61%	31.54%	-53.68%
K Return on investment (in %)			
Income Generated from Investment Funds (Refer Note 1)	712.22	61.41	
Invested funds	14,714.95	1,571.69	
Return on investment	4.84%	3.91%	23.87%

Note 1:- The above Income from Investment is Interest earned on Fixed Deposits(FD). The said FDs are held as pledged against credit facility. Hence is not held for investment purpose.

Reason for variance More than 25 %

A Current ratio (In times)

Company's current assets has increased and current liabilities has decreased. Thus, current ratio improved from 1.66 % to 4.52 % as the company has more short-term assets to cover its short-term obligations.

B Debt-Equity Ratio (in times)

During the year, debt equity ratio reduced from 0.46 to 0.07 due to decrease in total debts from ₹ 5,969.19 Lakhs to ₹ 3,346.76 Lakhs and a significant increase in equity as compared to previous year.

D Return on Equity Ratio (in %)

Return on Equity Ratio decreased from 41.87% to 16.81% due to lower proportional increase in the net profit after tax relative to the increase in average shareholder's equity.

H Net capital turnover ratio (In times)

The Net Capital Turnover Ratio declined from 4.55 times to 1.30 times, primarily because revenue from operations did not grow in proportion to the significant increase in net working capital.

J Return on Capital employed (in %)

Return on Capital employed decreased from 31.54% to 14.61% due to capital employed increasing in greater proportion compared to earnings before interest and tax.



Note- 47 - Foreign Exchange in flow/out flow

(₹ in Lakhs)

Particulars	As at 31st March, 2025			
	Amount (USD)	Amount (EURO)	Amount (GPB)	Amount (INR)
Income in Foreign Currency				
Sale (Exclude Freight and Insurance)	69.31	10.42	0.05	6,745.10
Sale return (Exclude Freight and Insurance)	-	-	-	-
Value of Imports				
Purchase of Raw material (Including Freight)	268.49	0.82	-	22,995.64
Machine , Tools and Die	0.25	0.23	-	42.91

(₹ in Lakhs)

Particulars	As at 31st March, 2024			
	Amount (USD)	Amount (EURO)	Amount (GPB)	Amount (INR)
Income in Foreign Currency				
Sale (Exclude Freight and Insurance)	45.58	8.88	0.07	4,526.64
Sale return (Exclude Freight and Insurance)	-	-	-	-
Value of Imports				
Purchase of Raw material (Including Freight)	235.10	0.01	-	19,664.64
Machine, Tools and Die	6.42	0.33	-	651.27

As per report of even date
For, Keyur Shah & Co.
Chartered Accountants
F.R. No: 141173W

Keyur Shah
Proprietor
M.No. 153774

Date : 12th May, 2025
Place : Ahmedabad

For and on the behalf of Board of Directors
For, KRn Heat Exchanger and Refrigeration Limited

Santosh Kumar Yadav
Chairman & Managing Director
(DIN: 07789940)

Jitendra Kumar Sharma
Company Secretary
M. No. A65048

Date : 12th May, 2025
Place : Neemrana

Anju devi
Whole Time Director
(DIN: 06858442)

Sonu Gupta
Chief Financial Officer

KRN Heat Exchanger and Refrigeration Limited
Plot No. F-46,47,48,49, EPIP, RIICO Industrial Area,
Neemrana, Alwar, Rajasthan, India, 301705
Phone: +919255025440
Email:- cs@krnheatexchanger.com



KRN Heat Exchanger and Refrigeration Limited

CIN: L29309RJ2017PLC058905

REGISTERED OFFICE: Plot No. F-46,47,48,49, EPIP, RIICO Industrial Area Neemrana,
Alwar, Rajasthan, India, 301705 | Phone: 9257025440

Website: www.krnheatexchanger.com | Email Id: investors@krnheatexchanger.com

Notice

Notice is hereby given that the 8th Annual General Meeting ("**AGM**") of the members ("**Members or Shareholders**") of **KRN Heat Exchanger and Refrigeration Limited (KRN/ the Company)** will be held on Tuesday, September 16, 2025 at 3:00 p.m. IST through Video Conferencing ("**VC**") / Other Audio Visual Means ("**OAVM**"), to transact the following businesses.

ORDINARY BUSINESS:

- To receive, consider and adopt the –
 - audited standalone financial statements of March 31, 2025 together with the Reports of the Board of Directors and Auditors thereon; and
 - audited consolidated financial statements of March 31, 2025 together with the Reports of the Board of Directors and Auditors thereon.
- To appoint a Director in place of Mr. Santosh Kumar Yadav (DIN: 07789940), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

- To consider and approve the appointment of Mrs. Meenakshi Sharma (DIN: 11153602) as an Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and rules made thereunder (including any statutory modification(s) or reenactment thereof for the time being in force), Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and other laws, rules and regulations as may be applicable from time to time and pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors ("the Board"), the consent of the members be and is hereby accorded for the appointment of Mrs. Meenakshi Sharma (DIN: 11153602), who has been appointed as an additional director w.e.f. June 18, 2025 pursuant to the provision of Section 161(1) of the Act, as a Non-Executive Independent Director of the Company, to hold office for a term of 3 (three) years commencing from June 18, 2025 to June 17, 2028 (both days inclusive), whose office shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable for the purpose of giving effect to this Resolution."

- To ratify the remuneration payable to M/s. R S Chauhan & Associates, Cost Accountants, Cost Auditor of the Company for the Financial Year ending on March 31, 2026.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. R S Chauhan & Associates, Cost Accountants (FRN: 003517), appointed by the Board of Directors on the recommendation of the Audit Committee, as Cost Auditors of the Company for conducting cost audit of the Company for the financial year 2025-26, , amounting to Rs. 1,00,000/- (Rupees one lakh only) excluding applicable tax and reimbursement of out-of- pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified.

Resolved further that the Board of directors of the Company be and is hereby authorised to do all such acts, deeds and things as it may consider necessary and proper to give effect to this resolution."

5. To Approve the appointment of M/s SMD & Co., Practicing Company Secretaries as Secretarial Auditors of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Regulation 24A and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable, including any amendments, modifications, variations, or re-enactments thereof, based on the recommendation of the Audit Committee and the Board of Directors, approval of the members be and is hereby accorded to appoint M/s. SMD & Co., a peer reviewed firm of Company Secretaries in Practice (Firm Registration Number S2023HR924000) as Secretarial Auditors of the Company for conducting Secretarial Audit for a term of five consecutive years, commencing from financial year 2025-26 till financial year 2029-30 and to avail any other services, certificates, or reports as may be permissible under applicable laws, on such remuneration and reimbursement of expenses to be decided from time to time, by the Board of Directors of the Company or any other person as authorized by the Board of Directors and mutually agreed with the Secretarial Auditors."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it may, in their absolute discretion, deem necessary or desirable in order to give effect to the above resolution for and on behalf of the Company."

By the order of the Board
For **KRN Heat Exchanger and Refrigeration Limited**

Jitendra Kumar Sharma

Company Secretary & Compliance officer
ACS 65048

Place: Neemrana

Date: 18th August, 2025

NOTES:

1. The Ministry of Corporate Affairs ("MCA") with reference to Circular Nos. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 latest being 09/2024 dated September 19, 2024 all other relevant circulars issued from time to time (hereinafter collectively referred to as "MCA Circulars") has allowed companies whose AGMs are due in the year 2024 or 2025, to conduct their AGM through VC/OAVM, in accordance with the requirements laid down in paragraphs 3 and 4 of the General Circular No. 20/2020 dated May 5, 2020. Further, the Securities Exchange Board of India ("SEBI") Circulars dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023, October 7, 2023 and latest being Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 (hereinafter referred as "SEBI Circulars") has provided some relaxation from compliance with the certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"). Hence, in compliance with these Circulars, the 8th AGM of the Company will be conducted through VC/OAVM, without the physical presence of the Members. The deemed venue for the 8th AGM shall be the Registered Office of the Company.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to special business to be transacted at the AGM) as set out under Item Nos. 3, 4 and 5 is annexed hereto.
3. Members may join the AGM through VC/ OAVM facility, by following the procedure as mentioned in the notice and the facility for participation shall be kept open for the members at least 15 minutes before the time scheduled to start the AGM and the Company may close the window for joining the VC/ OAVM facility 15 minutes after the scheduled time to start the AGM.
4. Members may note that the VC/ OAVM facility provided by NSDL, allows participation of 1000 members on a first-come-first-served basis. The large members (i.e. members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on first-come first-served basis. The Company reserves the right to restrict the number of questions and speakers, as appropriate for smooth conduct of the AGM.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration)

Rules, 2014, Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars, as amended, the Company is providing remote e-Voting facility to its members in respect of the business to be transacted at the 8th AGM and facility for those members participating in the AGM to cast vote through e-Voting system during the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency and NSDL will be providing facility for voting through remote e-Voting, for participation in the AGM through VC/ OAVM facility and for e-Voting during the AGM.

7. In terms of the MCA Circulars, the Notice convening the AGM and Annual Report for the financial year ended 31st March, 2025, will be available on the website of the Company at www.krnheatexchanger.com, BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and NSDL at www.evoting.nsdl.com.
8. In compliance with 'MCA Circulars' and 'SEBI Circulars', Notice of AGM and Annual Report for the financial year ended 31st March, 2025, are being sent to all the members whose email addresses are registered with the Company/ Depository Participant(s) for communication purposes. Further a Letter is being sent to shareholders providing a web link for accessing the Notice of AGM and Annual Report for the Financial Year 2024-25 at their registered address to those shareholders whose email addresses had not registered with the Company / Depositories. Members may note that the Notice and the Annual Report 2024-25 will also be available on the Company's website at www.krnheatexchanger.com and on websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of the NSDL HYPERLINK www.evoting.nsdl.com. Members can attend and participate in the AGM through VC/ OAVM facility only.
9. In case any member is desirous of obtaining hard copy of the Annual Report for the financial year ended 31st March, 2025, and Notice convening the AGM of the Company, he/she may send request to the Company's e-mail address at investors@krnheatexchanger.com mentioning the DP ID and Client ID.
10. Details as required under Regulation 36(3) of the Listing Regulations and in terms of Secretarial Standard - 2 in respect of the Directors seeking appointment/ re-appointment at the AGM are annexed hereto as Annexure - A to the Notice which forms part of the Explanatory Statement. The Company has received relevant disclosures/consent from the Directors seeking re-appointment.
11. Members who would like to express their views/ask questions during the meeting, may register themselves as a speaker and/or send their questions at least 7 days in advance i.e. on or before 3.00 P.M. on Monday, the September 9, 2025, by mentioning their name, demat account number, email id, mobile number at email: investors@krnheatexchanger.com to enable the Company to reply suitably during the AGM. The Chairman will endeavour to respond to the same at the AGM. Queries received after this time and date may not be responded to at the AGM. Further, the Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and All the documents referred to in the accompanying Notice and the statement pursuant to Section 102(1) of the Act shall be available for inspection through electronic mode without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members are requested to write to the Company at investors@krnheatexchanger.com for an inspection of said documents. Further abovementioned documents will be available electronically for inspection by the Members during the AGM.
13. Members holding shares in dematerialised form:
 - a) may contact their Depository Participant(s) for recording nomination in respect of their shares.
 - b) are requested to intimate all changes pertaining to their bank details, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their DP only. Changes intimated to the DP will then be automatically reflected in the Company's records.
14. Members holding the shares in physical form:
 - a) are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
 - b) In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual members holding shares in the physical form. The members who are desirous of availing this facility, may kindly write to Company's R & T Agent for nomination form by quoting their folio number.
15. Since the AGM will be held through VC/ OAVM, the facility to appoint proxy to attend and cast vote for the Members is not

available for the AGM. Therefore, the route map, proxy form and attendance slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting. Institutional/ Corporate Shareholders are required to send a scanned copy of their Board or Governing Body Resolution/ Authorization, etc., authorizing its representative to attend the AGM through VC/ OAVM on their behalf and to vote through remote e-Voting/ e-Voting. The said resolution/ authorization shall be sent to Scrutinizer by email at cs@csdeepakarora.com and to NSDL by email at evoting@nsdl.com and to the Company at investors@karnheatexchanger.com.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Saturday, the 13th September, 2025 at 9:00 A.M. and ends on Monday, the 15th September, 2025 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, 9th September, 2025, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the said cut-off date.

The Members, whose names appear in the Register of Members/ list of Beneficial Owners as of the Cut-off Date, are entitled to vote on the resolutions set forth in the Notice. A person who is not a member as of the Cut-off Date should treat this Notice for information purposes only. Any person, who acquires shares of the Company and becomes a Member of the Company after the Company dispatch the Notice and holds shares as on the Cut-off Date date may cast their vote.

Members who have cast their votes by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/ OAVM, but they shall not be entitled to cast their vote again. However, Members who have voted on some of the resolutions during the remote e-voting period are also eligible to vote on the remaining resolutions during the AGM.

In the case of joint holders attending the AGM, only such joint holders who are higher in the order of names will be entitled to vote at the AGM.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	- Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below :
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - (a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - (b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs@csdeepakarora.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre – Senior Manager, NSDL at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investors@krnheatexchanger.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested

scanned copy of Aadhar Card) to investors@krneatexchanger.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investors@krneatexchanger.com. The same will be replied by the company suitably.

Other instructions:

1. The Board of Directors appointed Mr. Deepak Arora, Partner, Deepak Arora & Associates, Practicing Company Secretaries as Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner.
2. The Scrutinizer shall, immediately after conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and shall within two working days or not later than 3 (three) days, whichever is earlier, of conclusion of the AGM, submit a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of voting forthwith.
3. The resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions. The results shall be declared within two working days of conclusion of the AGM of the Company. The results along with Scrutiniser's Report shall be placed on the website of the Company at www.krneatexchanger.com and NSDL at evoting@nsdl.com and will simultaneously be submitted to the Stock Exchanges. It shall also be displayed on the Notice Board at the Registered Office of the Company.

EXPLANATORY STATEMENT

(Pursuant to the provisions of Section 102 of the Companies Act, 2013)

Item No. 3

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee (NRC), approved the appointment of Mrs. Meenakshi Sharma (DIN: 11153602) as an Additional Director in the category of Non- Executive Independent Director w.e.f. June 18, 2025 under Sections 161 and 149 of the Companies Act, 2013 ("the Act") read with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulation") for a term of three years commencing from June 18, 2025 to June 17, 2028 (both days inclusive), not liable to retire by rotation, subject to the approval of the shareholders.

The Company has received the consent in writing from her to act as Director of the Company and a declaration that she is not disqualified to act as Director under Section 164(2) of the Act and meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR Regulations, along with a confirmation that she is registered in the Independent Director's databank. The Company has also received a declaration from him that she is not debarred from holding the office of director pursuant to any SEBI order or any other such authority.

Mrs. Meenakshi Sharma is a highly educated individual with a solid academic background in commerce, accounts, and finance. With dual postgraduate degrees-M.Com. (Accounts) and MBA (Finance)-she possesses in-depth knowledge of financial systems and business operations. The Board noted that Mrs. Sharma meets the attributes/skills/ capabilities required for the role as an Independent Director, as identified by the NRC of the Company i.e. (i) Leadership (ii) Financial Expertise (iii) Business Strategy (iv) Governance etc.

In the opinion of the Board, Mrs. Meenakshi Sharma fulfills all the terms and conditions required for appointment of independent director as specified in the Act/Regulations and he is independent of the management and the said appointment of Mrs. Meenakshi Sharma as Non-Executive Independent Director of the Company is in due compliance of the Companies Act, 2013 and SEBI LODR Regulations, amended as on date. The Company has received a notice in writing pursuant to Section 160 of the Act from a Member proposing her candidature for the appointment as an Independent Director of the Company.

The brief profile, specific area of expertise along with other details of Mrs. Meenakshi Sharma is provided in the "Annexure" to the Notice, pursuant to the provisions of (i) SEBI LODR Regulations and (ii) Secretarial Standard on General Meetings ('SS-2'), issued by the Institute of Company Secretaries of India. The terms and conditions of appointment of Mrs. Meenakshi Sharma as Director of the Company would be available for electronic inspection between 11.00 a.m. and 1.00 p.m. (IST) on all working day of the Company up to the date of the E-Voting. Members seeking to inspect such documents can send an email to investors@krmheatexchnager.com.

Pursuant to SEBI LODR Regulations, the approval of shareholders for the appointment of a director shall be taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, it is proposed to seek approval of shareholders of the Company by way of a Special Resolution for the appointment of Mrs. Meenakshi Sharma (DIN: 11153602) as a Non-Executive Independent Director of the Company for a first term of three years commencing from June 18, 2025 to June 17, 2028 (both days inclusive), not liable to retire by rotation, on such terms and conditions as determined/ to be determined by the Board.

Relevant Details relating to appointment and continuation of directorship of Mrs. Meenakshi Sharma including her profile, as required by the Act, Listing Regulations and Secretarial Standards issued by ICSI are provided in the "Annexure" to the Notice.

Except Mrs. Meenakshi Sharma and her relatives, None of the Directors and Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in passing the aforesaid resolution set out in Item No. 3, except to the extent of their shareholding in the Company.

The Board recommends the resolution proposed at Item No. 3, for the approval of Members as an Special Resolution.

Item No. 4

The Board of directors, based on the recommendation of the Audit Committee, at its meeting held on 18th August, 2025 has approved the appointment of M/s. R S Chauhan & Associates, Cost Accountants (Firm Registration No. 003517), as Cost Auditors of the Company for the financial year 2025-26 at a remuneration of Rs. 1,00,000/- (Rupees One Lakh only) excluding applicable taxes and reimbursement of out of pocket expenses, to conduct the audit of cost records pertaining to its manufacturing of heat exchangers and other HVAC products business as maintained by the Company.

Pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors is required to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for the remuneration payable to the Cost Auditors.

None of the Directors and Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in passing the aforesaid resolution set out in Item No. 4, except to the extent of their shareholding in the Company.

The Board recommends the resolution proposed at Item No. 4, for the approval of Members as an Ordinary Resolution.

Item No. 5

In terms of provisions of Section 204 of the Companies Act, 2013, and relevant rules thereunder, read with Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and other applicable provisions, every listed Company is required to annex with its Board's Report, a secretarial audit report, issued by a Practicing Company Secretary.

SEBI vide its notification dated December 12, 2024, amended the SEBI Listing Regulations, 2015. The amended regulations require, inter alia, listed companies to obtain shareholders' approval for appointment of Secretarial Auditors, in addition to approval by the Board of Directors. Further, such Secretarial Auditor must be a peer reviewed Company Secretary as per certificate issued by Institute of Company Secretaries of India and should not have incurred any of the disqualifications as specified by SEBI.

Details in relation to credentials of the Secretarial auditor(s) proposed to be appointed

M/s SMD & Co., is a leading firm of Practicing Company Secretaries with experience in delivering comprehensive professional services across Corporate Laws, SEBI Regulations and compliance management Over the years, firm has built a diverse client base..

Furthermore, in terms of the amended regulations, the firm has provided a confirmation that they have subjected themselves to the peer review process of the Institute of Company Secretaries of India and hold a valid peer review certificate. Moreover they are not disqualified from being appointed as Secretarial Auditor and that they have no conflict of interest. Further they have furnished a declaration that they have and shall not take up any prohibited non-secretarial audit assignments for the Company, its Holding and Subsidiary Companies.

Basis of recommendation

After evaluating and considering various factors such as industry experience, competence of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on August 18, 2025, proposed the appointment of M/s. SMD & Co., a firm of Practicing Company Secretaries as the Secretarial Auditors of the Company, for a term of five consecutive years commencing from Financial Year 2025-26 until Financial Year 2029-30 commencing from the conclusion of this Annual General Meeting and ending with the AGM to be held in the year 2029-30.

Proposed fees payable to Secretarial Auditors

The proposed remuneration to be paid to M/s. SMD & Co. for conducting the secretarial audit of the Company for the financial year ending March 31, 2026 (FY 2025-26) is Rs. 1 lacs (Rupees One lakh). The remuneration for the subsequent financial years during the term of their appointment shall be decided by the Board of Directors of the Company or any other person as authorized by the Board and mutually agreed with the M/s SMD & Co., Secretarial Auditors. Besides the secretarial audit services, the Company may also avail other permissible non-secretarial audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the Members of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in the Resolution set out at Item No. 5 of the Notice.

By the order of the Board
For **KRN Heat Exchanger and Refrigeration Limited**

Jitendra Kumar Sharma
Company Secretary & Compliance officer
ACS 65048

Place: Neemrana
Date: 18th August, 2025

ANNEXURE-A

INFORMATION OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE 8TH ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF SEBI (LODR) REGULATIONS, COMPANIES ACT, 2013 AND SECRETARIAL STANDARDS ('SS-2'), ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA ON GENERAL MEETINGS:

Name of Director	Mr. Santosh Kumar Yadav (DIN : 07789940)	Ms. Meenakshi Sharma (DIN : 11153602)
Age/Date of Birth	44 Years/17-11-1980	40 Years/16-11-1984
Qualification	Diploma in Business Management and Diploma in Mechanical Engineering.	M.Com. (Accounts) and MBA (Finance)
Nationality	Indian	Indian
Experience	He has more than 20 years of experience in the business of manufacturing heat exchangers and other HVAC products.	She has experience in the business operations and Finance.
Brief Resume	He is the Promoters, Chairman and Managing Director of Company. He has gathered great experience by working as the head of operations department with LLOYD Electric and Engineering Limited. He has more than 20 years of experience in the business of manufacturing heat exchangers and refrigeration units. In his capacity as a Chairman and Managing Director, he mentors, guides and provides perspective to the Board and Management of the Company for strategic planning and enriching the brand for long run. He has been appointed as a Director on the Board of the Company since incorporation.	She is a highly educated individual with a solid academic background in commerce, accounts, and finance. With dual postgraduate degrees-M. Com. (Accounts) and MBA (Finance)- she possesses in-depth knowledge of financial systems and business operations.
Expertise in specific functional areas	Business operations and Manufacturing of Heat Exchangers and other HVAC products	Business Operations and Finance
Terms & Conditions of appointment/re-appointment	The said re-appointment is pursuant to retirement by rotation. There is no change in the terms and conditions of Mr. Santosh Kumar Yadav as Managing Director.	For details, please refer to the Explanatory Statement of the respective Resolution in this Notice.
Remuneration Last drawn & sought to be paid	As provided in the Corporate Governance Report	NA
Date of first appointment on the Board	25 th August, 2017	18th June, 2025
Chairperson/ Members of the Statutory Committee (s) of Board of Directors of the Company	As provided in Corporate governance report	Nil
Directorship held in other Companies on 31st March, 2025 [along with listed entities from which the person has resigned in the past three years];	1. KRN HVAC Products Private Limited 2. KRNCools Private Limited	Nil
Name of Listed entities from which the Director has resigned in the past three years	Nil	Nil

Name of Director	Mr. Santosh Kumar Yadav (DIN : 07789940)	Ms. Meenakshi Sharma (DIN : 11153602)
Memberships/ Chairmanship of committees of other companies as on 31st March, 2025 [along with listed entities from which the person has resigned in the past three years];	Nil	Nil
Shareholding in the Company (Equity)	2,02,99,950	Nil
Inter-se Relationship with other Directors/ Manager/ other Key Managerial Personnel	He is a brother of Mr. Manohar Lal and husband of Mrs. Anju Devi.	None
Number of Board meetings attended during the financial year 2024-25	12 out of 12	NA
Justification for choosing the appointee for appointment as Independent Director	NA	Her in-depth practical experience and extensive knowledge of financial systems and business operations. She is capable in planning and execution of large scale, strategy, governance, etc. as well as her educational background, enable her to provide the Board with valuable insights and guidance across extensive issues in business and governance matters of the Company
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	NA	As per the resolution at Item No. 3 of this Notice, read with the explanatory statement and annexure thereto