



# IPO NOTE

## KRN HEAT EXCHANGER AND REFRIGERATION LIMITED



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(For listing gain & Long Term)



### ISSUE OFFER

Issue Opens on	SEP 25, 2024
Issue Close on	SEP 27, 2024
Total IPO size (cr)	₹341.95
Fresh issue (cr)	₹341.95
Offer For Sale (cr)	NIL
Price Band (INR)	209- 220
Market Lot	65
Face Value (INR)	₹10
Listing At	NSE, BSE
Market Capitalization (cr)	1309.51

### ISSUE BREAK-UP (%)

QIB Portion		50%
NII Portion		15%
Retail Portion		35%

### PROMOTER HOLDING %

Pre Issue	Post Issue
94.39%	70.81 %

### INDICATIVE TIMETABLE

Basis of Allotment	30-09-2024
Refunds/Unblocking ASBA Fund	01-10-2024
Credit of Share to Demat A/c	01-10-2024
Listing Date	03-10-2024

The Company manufactures fin and tube type heat exchangers for the Heat Ventilation Air Conditioning and Refrigeration Industry.

### OBJECTS OF THE ISSUE

- Invest in the wholly owned subsidiary, KRN HVAC Products Pvt Ltd.
- General corporate purposes.

### FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2024	FY 2023	FY 2022
Equity Share Capital	46	44	4
Net Worth	131	59	25
ROCE %	31.21%	50.46%	34.65%
Revenue	308	247	156
Operating Profit Margin %	18.96%	19.93%	10.85%
Net Profit of the year	39	32	10

### FINANCIAL RATIOS OF FY24



D/E



P/E



Asset Turnover

### OUTLOOK & VALUATION

- Industry leader with international quality standards.
- Quick turnaround time.
- Strong relationship with leading clients.
- Steady growth in both revenue and profitability.
- The IPO's valuation is considered fair, although there is no listed peer for comparison.
- Given its strong fundamentals and potential for listing gains, investors may consider subscribing this IPO for listing gain as well as for long term.



## COMPANY PROFILE

- leading manufacturer of fin and tube-type heat exchangers.
- Manufacturing facility is situated in Neemrana, Rajasthan.
- The company also export products overseas to countries.
- The company manufactures Copper and Aluminium fins and copper tubes heat exchangers, water coils, condenser coils, and evaporator coils.
- Products offered are used in the domestic, commercial, and industrial Heating.



## COMPETITIVE STRATEGIES

- Expanding its customer base.
- Focus on increasing operational efficiencies to improve returns.
- Enhancing existing products base and product quality.
- Regular Improvement in product design and development.
- Increasing its global footprint and augmenting growth in current geographies.



### KEY CONCERNS

- Dependence on a limited number of key customers.
- Do not have any long-term agreements with any of its customers.
- Rely on limited number of suppliers.
- Company has a limited operating history.
- Highly volatile and price sensitive raw materials



### KEY STRENGTHS

- Long-standing business relationships with leading clientele.
- Effective quality control checks.
- Consistent financial performance.
- Established Manufacturing facility.
- Promoters exhibit strong leadership and are supported by highly experienced senior management

## COMPARISON WITH LISTED INDUSTRY PEERS

THERE ARE NO LISTED COMPANIES IN INDIA THAT ENGAGE IN A BUSINESS SIMILAR TO THAT OF COMPANY. ACCORDINGLY, IT IS NOT POSSIBLE TO PROVIDE AN INDUSTRY COMPARISON IN RELATION TO THE COMPANY



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