

KRN Heat Exchangers IPO

KRN Heat Exchanger IPO Price: ₹209 to ₹220 per share
IPO Dates: 25 September 2024 - 27 September 2024



Company Overview

Established in 2017, KRN Heat Exchanger and Refrigeration Ltd is a leading manufacturer and exporter of fin and tube-type heat exchangers for the Heating, Ventilation, Air Conditioning, and Refrigeration (HVAC&R) industry. The company's product line includes condenser coils, evaporator units, copper header parts, fluid and steam coils, and sheet metal parts.

Product Offerings

KRN specializes in the manufacture of copper and aluminium fin and tube heat exchangers, which cater to domestic, commercial, and industrial HVAC&R systems. Their range covers:

- Water coils
- Condenser coils
- Evaporator coils
- Custom-sized heat exchanger tubes (5 mm to 15.88 mm)

These products are designed to control air temperature, humidity, and purity in HVAC systems, serving OEMs and other clients globally.

Manufacturing Excellence

KRN operates out of a consolidated manufacturing facility in Neemrana, Rajasthan, spread over 7,800 sq. mt. Their state-of-the-art plant houses advanced coil manufacturing machines, such as Hair Pin Benders, Fin Press Machines, CNC Tube Benders, and Vertical Expanders.

Clientele and Global Presence

The company boasts a prestigious client list, including Daikin Airconditioning India Pvt Ltd, Schneider Electric IT Business India Pvt Ltd, Kirloskar Chillers Private Ltd, Blue Star Ltd, Climaventa Climate Technologies Pvt Ltd, and Frigel Intelligent Cooling Systems India Pvt Ltd. In addition, KRN exports 33% of its production to international markets, including UAE, USA, Italy, Saudi Arabia, Norway, Czech Republic, Germany, and the UK.

Business Expansion

To further expand its product portfolio, KRN has incorporated a wholly owned subsidiary, KRN HVAC Products Pvt Ltd, focusing on manufacturing heat exchangers currently not produced by the parent company. This move supports forward integration and enhances their offering of value-added products.

Revenue Distribution

As of FY 2024, KRN maintains a diversified customer base of over 115 clients across geographies. However, the company is heavily reliant on Daikin Airconditioning India Pvt Ltd, which accounts for 33.34% of their FY 2024 revenue. The top 10 key customers contribute around 72.31% of the company's revenue for the same period.

Competitive Strengths

State-of-the-Art Facility: An established and advanced manufacturing setup.

Experienced Leadership: Strong leadership from promoters and senior management.

Robust Client Relationships: Long-standing business relationships with leading clients.

Quality Assurance: Effective quality control measures ensure international quality standards.

Consistent Financial Performance: Proven financial resilience over the years.

KRN Heat Exchanger IPO Specifics:

IPO Date	September 25, 2024 to September 27, 2024
Listing Date	Thursday, October 3, 2024
Face Value	₹10 per share
Price Band	₹209 to ₹220 per share
Lot Size	65 Shares
Total Issue Size	15,543,000 shares (aggregating up to ₹341.95 Cr)
Fresh Issue	15,543,000 shares (aggregating up to ₹341.95 Cr)
Issue Type	Book Built Issue IPO
Listing At	BSE, NSE
Share holding pre issue	43,999,980
Share holding post issue	59,542,980

KRN Heat Exchanger IPO Timetable (Important Dates)

IPO Open Date	Wednesday, September 25, 2024
IPO Close Date	Friday, September 27, 2024
Basis of Allotment	Monday, September 30, 2024
Initiation of Refunds	Tuesday, October 1, 2024
Credit of Shares to Demat	Tuesday, October 1, 2024
Listing Date	Thursday, October 3, 2024
Cut-off time for UPI mandate confirmation	5 PM on September 27, 2024

KRN Heat Exchanger IPO Lot Size

Bidders have the opportunity to bid for a minimum of 65 shares, with the option to increase in multiples. The table below outlines the minimum and maximum investment thresholds for both retail investors and High Net Worth Individuals (HNIs), specifying the corresponding number of shares and amounts involved.

Application	Lots	Shares	Amount
Retail (Min)	1	65	₹14,300
Retail (Max)	13	845	₹1,85,900
S-HNI (Min)	14	910	₹2,00,200
S-HNI (Max)	69	4,485	₹9,86,700
B-HNI (Min)	70	4,550	₹10,01,000

KRN Heat Exchanger IPO Reservation

QIB Shares Offered	Not more than 50% of the Net offer
Retail Shares Offered	Not less than 35% of the Offer
NII (HNI) Shares Offered	Not less than 15% of the Offer

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KRN Heat Exchanger and Refrigeration Limited IPO Financial Information

Period Ended	31 Mar 2024
Assets	258.36
Revenue	313.54
Profit After Tax	39.07
Net Worth	131.65
Total Borrowing	59.69

Amount in ₹ Crore

Key Performance Indicator - KRN Heat Exchanger IPO

KPI	Values
Market Cap	₹ 1309.51 Cr.
EPS	₹8.88
P/E (x)	24.78
ROE	40.86%
ROCE	31.21%
Debt / Equity	0.45
RoNW	29.68%
P/BV	12.67

as of Mar 31, 2024

Objects of the Issue:

The net proceeds from the fresh issue will be utilized for the following purposes:

- General corporate purposes.
- Investment in the wholly owned subsidiary, KRN HVAC Products Pvt. Ltd., to establish a new manufacturing facility in Neemrana, Alwar, Rajasthan.

Prospectus Links:

Prospectus: Official documents that provide detailed information about the IPO and the company.

[KRN Heat Exchanger and Refrigeration Limited IPO DRHP.](#)

[KRN Heat Exchanger and Refrigeration Limited IPO RHP.](#)