



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: 20th May, 2026

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

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

Script Code: 544263

Script Symbol: KRN

Subject: Transcript of Investors/Analysts Call held on 15th May, 2026

Dear Sir/Madam,

With reference to our letter dated 11th May, 2026 in respect of Investors/Analysts Call, held on Friday, the 15th May, 2026, please find enclosed herewith the Transcript of discussion held during the said Investors/ Analysts Call.

The aforesaid information shall also be disclosed on the website of the Company at www.krnheatexchanger.com.

Kindly take the above information on your record.

Thanking You,

For KRN Heat Exchanger and Refrigeration Limited

Jitendra Kumar Sharma
Company Secretary & Compliance officer



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“KRN Heat Exchanger and Refrigeration Limited Q4 & 12-
months FY26 Earnings Conference Call”

May 15, 2026



DOLAT CAPITAL



MANAGEMENT: **MR. SANTOSH KUMAR YADAV – CHAIRMAN & MANAGING
DIRECTOR, KRN HEAT EXCHANGER AND
REFRIGERATION LIMITED**
**MR. PAWAN NAWAL – CHIEF FINANCIAL OFFICER, KRN
HEAT EXCHANGER AND REFRIGERATION LIMITED**
**MR. JITENDRA KUMAR SHARMA – COMPANY SECRETARY
& COMPLIANCE OFFICER, KRN HEAT EXCHANGER AND
REFRIGERATION LIMITED**
**MS. KOMAL YADAV – WHOLE-TIME DIRECTOR, KRN
HVAC PRODUCTS PRIVATE LIMITED**

MODERATOR: **MS. HIRAL PAREKH – DOLAT CAPITAL**



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Moderator: Ladies and Gentlemen, Good Day and Welcome to the KRN Heat Exchanger and Refrigeration Limited Q4 & 12-months FY26 Earnings Conference Call hosted by Dolat Capital Markets Private Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone.

I now hand the conference over to Ms. Hiral Parekh from Dolat Capital. Thank you and over to you, ma'am.

Hiral Parekh: Thank you, Shailendra. Good afternoon, ladies and gentlemen. On behalf of Dolat Capital, I am pleased to invite all of you to the Q4 FY26 Earnings Conference Call with the Management of KRN Heat Exchanger & Refrigeration Limited.

The Management is represented by Mr. Santosh Kumar Yadav – the Chairman and M.D., Mr. Pawan Nawal – the CFO, Mr. Jitendra Sharma – the Company Secretary and Ms. Komal – Whole-Time Director, KRN HVAC Private Limited.

With that, I will hand over the call to “Komal ma'am for the Opening Remarks.” Over to you, Komal.

Komal Yadav: Good afternoon, everyone, and thank you for joining us.

FY26 has been an important year for us. In many ways, this is the year where the groundwork we have been putting in over the last few years has started reflecting in our numbers and overall business momentum. If I look at the year, what stands out is not just growth, but how the business is shaping up. We are seeing better traction across segments, stronger engagement with customers, and more consistency in execution.

The new HVAC facility and the commission during the year has started contributing, and while it is still in the ramp-up phase, the response from customers has been encouraging. We are also seeing our business becoming more balanced.

Earlier, a large part of our focus was on four heat exchanger products, but now we are gradually moving towards a more integrated offering.

Our presence today spans across HVAC, Data Centers, Industrial Cooling, Transport Applications, and Refrigeration. This diversification is helping us build stability in the business.



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Export is another area where we are seeing steady progress. Markets like UAE and U.S. continue to do well for us, and we are also seeing initial traction coming from Europe. It is still early, but the direction is positive and gives us confidence for the coming years.

During the year, we also entered the Bus AC segment. This is a strategic move for us. It allows us to go beyond being just a component supplier and participate in system-level opportunities. We believe this will open up a meaningful growth avenue over the next few years.

On the operations side, we have stayed focused on execution, whether it is managing raw material volatility, improving efficiency, or working on backward integration. The effort has been to keep the business steady while scaling up. As the new plant stamps up further, we expect operating leverage to start playing clearly.

Coming to our “Financial Performance.” For FY2026, our standalone total income grew by 57.36% year-on-year to Rs.689.95 crores, while EBITDA increased by 19.41% to Rs.84.79 crores, and net profit rose by 42.11% to Rs.71.31 crores.

On a consolidated basis, total income stood at Rs.609.81 crores, up 38.06% year-on-year, with EBITDA growing by 59.52% to Rs.112.48 crores, and net profit increasing by 44.62% to Rs.76.47 crores.

For Q4 2026 FY, standalone total income grew by 55.06% year-on-year to Rs.204.93 crores, with net profit rising by 22.69% to Rs.16.87 crores.

On the consolidated side, total income came in at Rs.181.40 crores, up 33.5% year-on-year, while EBITDA increased by 77.56% to Rs.33.55 crores, and net profit rose by 57.14% to Rs.23.36 crores.

Overall, the environment remain supportive, with demand across sectors such as data centers, infrastructure, and mobility. With the capabilities and scale we have built, we believe we are well-positioned to capture these opportunities.

With that, we would be happy to take your questions.

Moderator: We will now begin the question-and-answer session. The first question is from Anuj Haria from Inter Globe Services. Please go ahead.

Anuj Haria: Hi. My question is more around the data center front, where a lot of the new AI data centers require a lot of liquid cooling and not a lot of air cooling. So, in the new facility that we are setting up, are there any new products that we are developing that can assist with the liquid cooling AI data centers?



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Santosh Kumar Yadav: Good afternoon to all. So, basically, data center, there are two segments. One is the Audio side and another is the IDO side. So, IDO side is changing like in liquid cooling, but still I think it is early phase in India. So, outside, like as a chiller or maybe dry cooler our product still will remain the same, fin and tube type. And the other one may be possible to change in the future, like micro-channel MCHX. So, we are already working on micro-channel and by the end of this year or early next year, we will have this product in our portfolio. Other than this, IDO side, fin and tube will replace maybe to like CDU. So, there will be the plate and plate heat exchanger. So, we also started working on this heat exchanger. So, once our study will complete, so maybe we can add in coming next year in our portfolio this heat exchanger as well. So, as of now, we are receiving order of fin and tube from all our HVAC data center component in India. So, CDU is very large for this year.

Anuj Haria: Got it. My next question is on the new capacity that is coming up. In this FY27, can we expect near 70% utilization for the new capacity that is coming up?

Santosh Kumar Yadav: So, new capacity, if you see like including all products, so we call like our old facility to 6x. So, if you see all products, maybe some of you are not aware, so maybe I can repeat, so, there is new product what we added already, so one is the refrigeration side, WOT, Wire and Tube Condenser. And second one is the roll-bound evaporator, also refrigerator. Then toast-free evaporator, also belongs to refrigerator. Then skin condenser, also belongs to refrigerator. Then other one is the different type of treatment, bar and plate. And then complete product, dry air cooler. Then a complete product is ammonia evaporator. And then complete product, bus air conditioning. And also in heat exchanger, we increase our bandwidth in terms of new geometry. So, these are portfolios. So, we are expecting this year, inclusive all products and new geometry, we will achieve 50% of capacity utilization from new facility.

Anuj Haria: Got it. And then final question is around the raw materials. Basically, in the last six to nine months, there has been a huge hike in all the raw materials prices. What percentage of the cost are we able to pass on through the customers?

Santosh Kumar Yadav: So, in all color, of course, we always remain. So, our price pattern is like that, quarter-on-quarter basis, we are able to change to our customer or we have such contract, we can pass almost 100% copper LME and aluminum LME and USD-to-INR. With all three factors, we can be able to change with our customer and our price pattern or every term is like that only. So, you can say quarter-on-quarter basis, we can be able to pass 100%.

Anuj Haria: Got it. Thank you so much. That is all from my side.

Moderator: The next question is from Aditya Sharma from Holani Venture Capital Fund. Please go ahead.



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Aditya Sharma: Sir, first of all, congratulations for your excellent set of numbers. Sir, what is the expected revenue contribution from the bus AC business and data center business in the upcoming quarters? And what margin improvement does the management expect in bus AC segment due to backward integration?

So, in bus air conditioning, if you see like all Indian manufacturers, so we are I think on the top in terms of backward integration, including fin and tube type heat exchanger and micro channel we are going to add, then tubing side and then FRP side we have all in-house. So, you can say the backward integration we have compared to other manufacturers on the top. Last year, we achieved around Rs.10 crores from bus AC only. And this year, whatever is the market size, so we are expecting at least 15% market share. We will achieve these running points here.

Aditya Sharma: And sir, for the data center business?

Santosh Kumar Yadav: So, data center now is really growing. So, we have some good order booking, especially from data center and long lead time, like one of our customers already booked like six-to-seven months also. So, in Q4 we achieve around 18.7% from data center only. So, if you see quarter-on-quarter increase around 2.7% especially on quarter-on-quarter basis and year-on-year basis also I think it increased. So, now we have good order booking from data center. Even if I like little on the export side, so last year we achieved around Rs.100 crores export and now we have two good customers from export side also from data center. So, as of now we have order booking of almost Rs.120 crores plus for export, including data center order.

Aditya Sharma: Okay, sir. So, second question is that, could you please provide the further details regarding the export order of approximately INR55 crores received by the KRN HVAC Products Private Limited, including the geography end use industry of the customer?

Santosh Kumar Yadav: So, total order what I said last year we achieved around Rs.100 crores from export side only, and this year we are planning to achieve almost double compared to last year, including like all geographies, especially North America, Europe and UAE. And that being a confidential order, we cannot share like particular industry size or geography, but total we have opening order is Rs.120 crores, including all geographies Europe, UAE and North America.

Aditya Sharma: Sir, I am asking about the latest Rs.55 crores order received by the KRN HVAC products.

Santosh Kumar Yadav: Actually, particular that order, I think what detail we can be able to share, we already share on our stock exchange. So, beyond that we unable to share.

Aditya Sharma: Okay, sir. My last question is that, could you please provide the details of the recent QIP, including the amount raised, key investors and the proposed utilization of the proceeds?



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- Santosh Kumar Yadav:** Can you repeat again?
- Aditya Sharma:** Sir, could you please provide the details of the recent QIP, including the amount raised and the proposed utilization of the proceeds and the key investors which are available?
- Santosh Kumar Yadav:** So, actually, we just took the board approvals up to Rs.500 crores of the QIP size and the rest information is still not concluding. So, once concluded we can share after that only.
- Aditya Sharma:** Okay, thank you very much, sir. Best of luck for your upcoming quarters.
- Moderator:** The next question is from Vishad Kabra from Holani Venture Capital Fund. Please go ahead, Mr. Vishit.
- Vishad Kabra:** Good afternoon, sir. First of all, I would like to congratulate for your financial year results. So, the question is, management previously mentioned that the company has benefited from anti-dumping duties imposed on Chinese products. If a favorable US-Chinese trade agreement reduces these duties or changes the competitive landscape, what precautionary strategies is the company implementing to protect margins and market share? Additionally, how is the current geopolitical environment impacting your export business in terms of demand, pricing, supply chain and customer diversification?
- Santosh Kumar Yadav:** So, I got your second question, but first question I am unable to understand. Can you repeat the first question?
- Vishad Kabra:** So, basically, the question is, management previously mentioned that the company has benefited from anti-dumping duties imposed on Chinese products. If a favorable US-Chinese trade deal agreement reduces these duties or changes the competitive landscape, what precautionary strategies is the company implementing to protect margins and market share?
- Santosh Kumar Yadav:** So, I think I am unable to understand the full question, but maybe what I understand I can be able to reply. So, basically, we are not competing with Chinese till now because our all products is customization and special industry, because we are not in bulk and mass production. So, I think Chinese can be able to compete only if our numbers is huge and one product like catalog item. So, we are not in that industry. So, still we are competing with an European supplier and a North American supplier, and of course, we are directly supplying. So, I think this question, I think we are not competing with Chinese. So, there is no need to make a strategy on that. Second one, geographical tension. Of course, there is a continual issue on being like, especially UAE. So, in March month, we are not able to dispatch our dispatches to UAE customers, but now our dispatches already started. Our freight cost is increasing. So, we are able to take increase from our customer as well. And North America and Europe, as of now, we do not have any issues. So, we are able to dispatch easily



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whatever we are providing to our customers. Other than this, of course, some slightly freight cost is increased, especially due to the container some issue or maybe vessel issue. So, that also we are able to pass on to our customer on quarter-on-quarter basis, and that is why little we increase our inventory also. That is the one reason also we are able to increase, because we have import material like copper and aluminum is a long-lead item. So, due to the tension, we increase our inventory as well.

Vishad Kabra: Got it, sir. Sir, my second question is, could you please share the utilized capacity and installed capacity of the new Neemrana plant, and what capacity utilization levels does the management expect over the upcoming quarters and in the coming years?

Santosh Kumar Yadav: So, I think this last year, KRN Heat Exchanger was be able to utilize our full capacity. And for HVAC, we are able to, I think, utilize around 15% only, but this year, we are planning to achieve 50% from new facility as well, and KRN Heat will remain same.

Vishad Kabra: Okay, sir. Thank you and wish you all the best for the upcoming quarters.

Moderator: The next question is from Sagar Tanna from Alchemie. Please go ahead, Mr. Sagar.

Sagar Tanna: Hi, Santosh, ji. We have raised a resolution to raise funds. Why are we raising these funds, what is the end use, if you can just explain this?

Santosh Kumar Yadav: Actually, objective is still not concluded. So, I think very soon we will conclude the objective and then we will let you know. Broadly, main reason will be one of the working capital.

Sagar Tanna: Okay. This is just an enabling resolution up to Rs.500 crores. We may not actually do the full Rs.500 crores fund raise. Is my understanding correct?

Santosh Kumar Yadav: Yes.

Sagar Tanna: Got it. Thank you.

Moderator: The next question is from Shashi Kant from Brighter Mind Equity Advisors. Please go ahead.

Shashi Kant: Thank you for giving me the opportunity. So, I have two questions. The first one is, how is the demand scenario panning out after IMD and climate new guidance on the monsoon getting erratic this year? So, demand scenarios and inventory level in the market from our end customers?

Santosh Kumar Yadav: So, this question, I think, belong to the industry. But actually, we are not a seasonable company. So, on us, there is, of course, no impact on weather or season. But, we have as a commercial running business, so you can see our each quarter will be on like year-on-year or quarter-on-quarter basis will



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be on the top. So, we have, of course, demand and we are able to utilize what we are saying 50% in this year. So, of course, you can see quarter-on-quarter basis growth will be there. So, we have good enough order booking and of course, we are working on same and you will be able to see. So, room AC side, we are not aware, of course, about inventory size. And I think this year what I heard from industry, season is not good. But still, we are waiting to improve this.

Shashi Kant: Okay. Sir, my next question is, so a lot of data centers happening in North America, approximately around size of 100 GW. So, what is the TAM for considering liquid cooling is being preferred alternative for the local market?

Santosh Kumar Yadav: So, in India, of course, everybody is talking about liquid cooling and what I have some input like AI data center, they will use liquid cooling as indoor side. And of course, outdoor side chiller or dry cooler will be there. But it is still in commercialization, maybe it has not started yet. Whatever like some piece they are using, maybe Indian manufacturers, they are importing complete CD unit and I think we are supplying. So, manufacturing not started yet. So, as of now, honestly, our customer also not so much clear, but what order they are booking is without liquid cooling till now or some maybe with liquid cooling. So, I saw and in my personal opinion, it will be I think after one year, some clarity will be there and then maybe we can be able to update you.

Shashi Kant: So, how we are looking at the export market in data centers, I mean, US is one of our prominent export markets, so how is the demand panning out for us?

Santosh Kumar Yadav: So, especially data center, we already started export to the two big customers and for three customers we have pipeline under like development as a sample. So, we are open. I think, what I said this year we are planning to achieve almost double export compared to last year. So, that will be the one reason in this year we are able to see good demand from data center as well from export side.

Shashi Kant: Okay, sir. Thanks a lot. That is all from my side. All the best.

Moderator: The next question is from Mihir Manohar from TRUST Mutual Fund. Please go ahead.

Mihir Manohar: Hi, thanks for giving the opportunity. Sir, the numbers in the P&L are very good and a very strong growth, even EBITDA margins have also held up well on YoY basis. Just on the working capital side, sir, I know we have accumulated a lot of inventory, almost 3x versus last year, and receivables are also 1x or 2x versus last year. Some color around that, I understand that we are expecting large revenue, big ramp up next year, but how to see normalized inventory levels? And should one worry on the receivable side because there is some accumulation of receivables also?

Santosh Kumar Yadav: So, actually inventory side, of course, we are also seeing case increase. And there are some of the reasons I can maybe able to try to explain. So, first one we booked like order book from UAE. I think



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one order was Rs.120 crores and additional order also. So, in March, we are almost able to dispatch like around Rs.15 crores to Rs.20 crores, but we are unable to dispatch due to that work condition. So, that material added in inventory in FG or raw material because raw material we already arranged for that. Other one is in inventory, I think around Rs.8 crores order value, we already dispatched in March, but not able to convert it in the bill. So, that is also covered in inventory. So, that Rs.8 crores will add export in this quarter because from our side, we already dispatched in March only, but orders are not considered in sales because bill was not generated. Other one, because in new business what we added, especially WOT, roll bond, frost-free, skin condenser, bar and heat, dry air cooler, ammonia, bus air conditioning, and new geometry. So, we have to build minimum level stock for all these new businesses. So, that is the one of the reasons also inventory is there. Other one is still BIS issue is in India. So, now in this month also like 28th of May is the last day for inner groove tube. So, that maybe government will again reopen the BIS. where approval which will take two, three months. So, that also we have to build the inventory for at least one and a half month before due to the BIS issue. Another one is the customer side pending because now new customer is going to add in new business, especially bus air conditioning. So, that is why also this amount is increasing. So, hopefully you can see an improvement in this financial year. Of course, we will now put in some net cash flow tools in our system. So, within this running financial year, you will be able to see improvement in BIS.

Mihir Manohar: Sure. Should we see dispatches and normalization of inventory days to happen in the next six months?

Santosh Kumar Yadav: Like each quarter-on-quarter basis, you will see an improvement. So, I think things may be as per norms or normalization, still I cannot comment because inner groove tube has still not started in India. Either before like six months also, we have news from manufacturing, we can be able to start including and also they are not decided yet. They are supposed to start before one year. So, still we are depending on imports and then government is also want to stop the import due to this BIS tool. So, still, I think minimum it will take six months to normalize the thing. So, quarter-on-quarter basis, we will update.

Mihir Manohar: Sure. Understood. Yes. That is it from my side. Thank you.

Moderator: The next question is from Vignesh Iyer from Sequent Investments. Please go ahead.

Vignesh Iyer: Thank you for the opportunity. So, I heard you earlier when you said that we can pass on the cost escalation on the raw material side or be it on other freight side to our customers. If I understood it right, there would be a quarter-on-quarter lag before the price is passed on, so for the first quarter, we have to take the hit on our books, right?

Santosh Kumar Yadav: Yes. On quarter-on-quarter basis, also you can see it has not increased. Like of course, in the last six months, there is some issue because sometimes increased sharply and then also sometimes decreased,



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but however, our pattern is like that. Last quarter average of that, our cost pattern now on RM seed also. We call it raw material seed. So, we have one separate table that belongs to LME for copper like three months and then LME for aluminum and then USD-to-INR. And same seed, we have some other add also like including logistic cost, including freight cost. So, that is the full transplant seed with customer and once it is like changed, so we always are able to pass on to our customers.

Vignesh Iyer: Okay. But what is the usual number of days of inventory that we maintain, months or days, anything would do?

Santosh Kumar Yadav: Now it is around two and a half months I think.

Vignesh Iyer: Okay. And sir, when it comes to execution, I heard that you are trying to achieve 50% of utilization for the new plant in FY27 in addition to our old plant, right? And so what would be the number look like for '28 and '29 in terms of utilization?

Santosh Kumar Yadav: So, this year our old facility is fully utilized and new facility this year we are able to achieve 50% and next year 80%.

Vignesh Iyer: Okay. And what would the margins look like for '27 and '28?

Santosh Kumar Yadav: So, margin, what is currently you see we can be able to increase because in earlier calls also I told you we will have two incentives. One is the central government's PLI. So, we are able to receive this year 5% from PLI, particular on heat exchanger production. And very soon we will have RIFS approval as well, maybe within this month can be possible. So, that we have approval from state government for RIFS approval. Then we can have for next 10 years, we can have at least 1.56% of the top line for a new facility. And other than this, our export this year we are able to I think achieve around double compared to last year. So, we will have some good margin compared to domestic in export. And other than this, we will be able to save some money from solar, like electricity as well, because we have now plant is fully operational and we have installed our solar facility. So, if I club all these things, so of course, we can be able to slightly increase. On other side, we will have depreciation is quite high and overhead is now increasing.

Vignesh Iyer: Okay, sir. Got it, sir. Thank you for your detailed answer. I will get back in the queue.

Moderator: The next question is from Heta Vora from Monarch AIF. Please go ahead.

Heta Vora: Good afternoon, sir. Congratulations on amazing set of numbers. Sir, I wanted to understand from our Q4 revenue, what percentage is from products other than fin and tube?



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Santosh Kumar Yadav: So, honestly, that number we are not prepared, I do not have the data. So, if you maybe can enter in queue, as meanwhile, our CFO is collecting that answer, so we will answer the next time.

Heta Vora: Sure. So, we were considering entering railways and marine segments as well. We were trying to get tenders in those segments. Is there any progress in that side?

Santosh Kumar Yadav: For railways, now we are feasible for this bar and plate heat exchanger. So, there is a process of including six-month field trial. So, now we are approved by railways including six months field trial. So, now whatever tender is coming, so we are participating on the same. Even last week also we participated in three tenders and in all three we are on L1. So, I think this week we will be able to receive orders from railways. So, bar and plate, we already entered. Other than this, we are supplying fin and tube only for a marine application. But complete HVAC system for Indian railways, we will enter. So, that procedure is, I think, from now is almost eight months. So, we already hired the team and I think team will join soon. So, once they will join particularly in that business, we will start the things for documentation and plant approval. So, it will take at least from now six to eight months. And then once we are approved by railways, then we can start the business. So, this financial year, I think we will not have much expectation from this business, but next year for sure we will have some numbers. Now we have now also 95% from fin and tube and 5% from other business only.

Heta Vora: Okay. Understood. All right. Thank you.

Moderator: The next question is from Ajay Surya from Niveshaay. Please go ahead.

Ajay Surya: Thanks for the opportunity. So, I wanted to understand first thing on the customer concentration on the data center business because on the commercial AC, I guess one of the large OEMs contributes significant portion of the revenue. So, if you can maybe help us understand the customer concentration on the data center segment, who are the top customers and how are they contributing in percentage terms? And second thing regarding the recent onboarding of new data center customers, like, I mean, leaders like maybe Vertiv, so how are we on the approval process with these major thermal management players like Vertiv or any other player? And with such players like already onboarded like Schneider and Klimavidak and Shell, so are we also plugging into their localized Indian operation or is it just like we have to supply the cooling components to their global supply chain?

Santosh Kumar Yadav: For data center, we are only supplying like fin and tube heat exchanger. Also if customer needs like subassembly as well, maybe with sheet metal that also we are able to supply. So, with some of the customers we are supplying. So, to your first question, I can see in top-10 customers, in the last financial year we have three from data center only. And whoever making that maybe component for the data center, so almost all customers are our customers, we are able to supply to all. Still like Vertiv, we now have vendor code open. Our quality audit already happened and now we are approved



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by their QA system. But maybe billing will need to start. So, in coming weeks or coming months, we can be able to supply to Vertiv as well. Other than this, whatever customers like top five customers for data center, so we are supplying to all in India. And on export side also one customer we have from Europe and two or three customers from North America. So, to one customer already we started supplying to North America as well. So, this year, I think number for sure will like multifold especially for data center business. So, we have good RFQs and some order booking is also very good from data center customers.

Ajay Surya:

Understood. And sir the next question is like basically we are targeting a significant ramp up of the new facility. So, if you can maybe help us understand like obviously our commercial AC, we have a good share of revenue, but the incremental revenue which is going to drive, so maybe if you can help us understand that like how much will data center contribute, how much will bus AC contribute and also the railways one? And also similarly in between those segments how much will be export and domestic?

Santosh Kumar Yadav:

So, in new facility you see we have almost eight to nine new products other than fin and tube type. So, this business already started now in billing. Too many OEMs including domestic some other OEMs. So, that is the main reason we will have revenue from the new products as well as from fin and tube for existing customer growth and also new customer growth. Of course, in fin and tube especially we will be expecting I think more than 80% or 90% growth especially from data center only. So, like I can be able to maybe new products including complete bus air conditioning and then existing customer growth and plus new customer growth, and of course export what I said we are going to achieve almost double within this year.

Ajay Surya:

I understand sir. That is it. Thank you.

Moderator:

The next question is from Kamlesh Bagmar from Lotus Asset Managers. Please go ahead Mr. Kamlesh.

Kamlesh Bagmar:

Thanks for the opportunity. So, that revenue target of like say Rs.2,250 crores to Rs.2,850 crores, are we targeting this by like say FY28 or it may perform in FY29 as well? And secondly on the working capital side like say I believe that at Rs.2,250 crores at the lower range of the revenue, we would be requiring roughly around Rs.600 crores of working capital. And I believe that given the fact that we are targeting such a huge growth and based on your numbers like say at Rs.2,250 crores revenue we may be generating roughly around Rs.350 crores of cash profit by the time we achieve that particular revenue target. So, is there really a requirement of like say to raise the money through equity because given our capacity which is already commissioned up and running and we are targeting such a huge growth and we can literally manage it through our own internal resources, so why capital raise is on the card?



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- Santosh Kumar Yadav:** Actually, of course, you see, the growth is quite fast, and of course we already invested the money. So, if you see I think our balance sheet what we received from IPO but we invested more than receipt of the IPO in current facility, and now we will have some maybe shortage particularly on working capital side. So, that is why we decided in our board we can maybe have some money through IPO especially for working capital but other objective also is under consideration. So, that is still not concluded yet. In coming weeks we will be able to answer on that question also. You are also right, we can have through bank also, but that is completely a decision by the board only. So, we can consider your suggestion also so we can see what will happen.
- Kamlesh Bagmar:** Lastly, our entire CAPEX is now over, so the capacity like the 6x existing capacity so all that is done now nothing left on the CAPEX side.
- Santosh Kumar Yadav:** No, like capacity we have already done by building land or building and office and everything is ready like utilization we are ready but to make like line balancing so slightly we have to invest on existing facility also, because we plan in such a way utility side we completed, building side completed, because growth especially to the industry we cannot imagine what will happen because once we like design our facility before two years, at that time we do not know data center will grow such way. So, data center geometry and our existing geometry have some slight difference. So, once our existing capacity with full particularly geometry belongs to data center then we have to another one also. So, small investment will be there, but not huge on existing facility.
- Kamlesh Bagmar:** For the next two years, how much CAPEX we are planning sir?
- Santosh Kumar Yadav:** So, still like paper is not in front of me, but roughly you can say I think maybe Rs.30 crores to Rs.40 crores will be there.
- Kamlesh Bagmar:** In next year or a year later?
- Santosh Kumar Yadav:** Yes, particularly on the existing facility.
- Kamlesh Bagmar:** Okay. And that will help us to achieve our revenue target of Rs.2,250 crores to Rs.2,850 crores.
- Santosh Kumar Yadav:** So, that number of course I cannot answer, but capacity what I said 50% and 80% we will able to achieve for sure.
- Kamlesh Bagmar:** Okay, sure. Great sir. Thanks a lot sir.
- Moderator:** The next question is from Prateek Giri from Subh Labh Research. Please go ahead.



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- Prateek Giri:** Hi Yadav ji, greetings. Yadav ji, first question is on the execution this quarter. I just try to explain where I am coming from because we probably commissioned this new facility in May of last year. We already had around good two quarters for this to ramp up. So, I was expecting a substantially better numbers this quarter from Q3 of '26, whereas incrementally we have hardly done around Rs.15-16 crores. So, is this understanding correct that the ramp up is happening but it is happening at a very slow pace for the new facility? That is the first question, Yadav ji.
- Santosh Kumar Yadav:** Yes, so actually what happened we started commissioning of production in May 2025, you are right, but like facility was not fully commissioned in terms of like our office not ready and some construction is going on parallelly. So, we started what we can start. So, we inaugurated this facility on 11th of March only. This is like before two months only. So, now we shifted last week only to a new facility. So, now you can check now it is fully commissioned and ready. Other than this, because in a new facility we added almost eight new products. So, for eight new products there is a procedure for customer approval side. So, first we have to approach the customer for our plant visit then their QMS audit, then sample approval. So, that process is almost now completed. Even in bar and plate detection there is a process of the eight months by Indian railways for approval. So, that also we completed in February only. So, now you can see in the coming quarters what is your like question you will have by default answer from our side quarter-on-quarter basis, now capacity utilization will be much faster compared to last three quarters or two quarters.
- Prateek Giri:** Got it. And Yadav ji, we are already on 15th of May now. So, last 45-days the way ramp up has happened, that also gives you confidence that probably Q1, Q2, Q3 of '27 will be substantially better directionally I am asking?
- Santosh Kumar Yadav:** Yes, even I can say next eight quarters will be highest ever. So, this quarter also will be average but number I cannot disclose.
- Prateek Giri:** No, certainly, Yadav ji. One thing in the presentation I could notice that you are quite confident of achieving Rs.150 crores revenue from bus AC segment. So, I was just wondering is this confidence backed by order book or we are still convincing OEMs to place orders with us? Do you already have Rs.150 crores order book?
- Santosh Kumar Yadav:** We already cracked the two, three OEMs and our regular supply has already started and we are in line on 15% of the market utilization.
- Prateek Giri:** Great, that is very encouraging. So, that is the confidence of Rs.150 crores which we have written in the presentation. My last question Yadav ji, you know I am sure a lot of people have asked you about the fundraise but fundraise in India have increased manifold in the last few quarters and what it leads to is depressed return ratios for some time, sometimes troubles the shareholders return and I am sure your team must have given you the calculation. So, this was just a suggestion that if it happens a little



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late after the ramp up is running all blaze, that will help us a lot in absorbing the incremental capital on the balance sheet as a equity shareholder. But I am sure whatever decision you will take will be certainly in full interest of the minority shareholders, that is I am certain. So, that was a small suggestion. So, our inventory has gone up substantially this quarter. I understand we are in ramping up phase. Was there a unbilled revenue also I mean because of this geopolitical uncertainties, any shipment issues, etc., that is why inventory has gone up or we have stocked up the raw materials for faster execution?

Santosh Kumar Yadav: So, to your first question answer of course is whatever decision we will take of course is must be in the interest of the shareholders for sure, we will consider that. And to your second question, there are multiple reasons but one of the reasons is this war is also like whatever crisis going on. So, actually if you see we declared one UAE order I think Rs.120 crores for the last quarter only. So, that is actually we are having some material but somehow in March dispatch has not happened. So, we will have raw material including finished goods in our stock around worth of Rs.15 crores to Rs.20 crores. And second one, in March last week we export around Rs.8 crores of the value of export, but is not considered in balance sheet due to the bill is not generated, so that is also considered in inventory. And third one is of course we have to increase a minimum level stock of the four new businesses. So, now we have eight new businesses, so that is also we have to build the inventory. Other one in the last quarter we have to slightly need to up the inventory because RSC season is going on particularly in that quarter and our vendors delivery time goes up compared to the last two quarters. So, that is why slightly on a safer side we increased. And of course one is the reason BIS notification also from government. The last date is 20th of May. So, we have to bill inventory before that only. So, there is some reason. Of course, we feel inventory is quite high but in the coming quarters or maybe maximum from now to the three quarters you can able to see it under control.

Prateek Giri: Understood. So, you are saying around finished goods is lying in this inventory number, Rs.25 to Rs.30 crores?

Santosh Kumar Yadav: Rs.8 crores we already dispatched, but of course they consider in inventory, and of course now for this UAE order we not converted completely in FG. So, you can say half is raw material and half is as finished goods. In this month UAE dispatch has already started, so now you can see good things in this running quarter.

Prateek Giri: Got it. Very helpful, Yadav ji. Thanks a lot for the opportunity. And I am sure any capital allocation decision will always happen in our interest. Good luck.

Moderator: The next question is from Tej Patel from Niveshaay. Please go ahead.

Tej Patel: Thank you so much for the opportunity, sir. I think can you provide the data center revenue share in this financial year?



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- Santosh Kumar Yadav:** So, complete fines layer we have around 16% of revenue from data center.
- Tej Patel:** Okay. Got it. And then I get it you have a rolling order book so probably you do not really provide the order book number but since the lead time for data center are high is what you were saying. I am sure there will be some order book in the data center which we would be having right now. So, is it possible to provide that number, what is our outstanding order book for data center right now?
- Santosh Kumar Yadav:** So, we have not divided in total order booking in the data center especially because in a data center Indian customers are running customers, so they just give one month firm order and then it is the rolling. But on the export side we have total order booking is around Rs.120 crores including data center order.
- Tej Patel:** Perfect. And 16% revenue which you were speaking of it is majorly from exports, right, the data center?
- Santosh Kumar Yadav:** This is domestic and export, both.
- Tej Patel:** Okay. Got it. And it is the same two customers both in domestic and export?
- Santosh Kumar Yadav:** No, really in domestic we can say our biggest is the Schneider Electric but the other customer I cannot disclose.
- Tej Patel:** Okay. And so you were saying we are in talks with Vertiv as well. I am just trying to understand now where can we get the final approval from them and when can we start seeing the dispatch?
- Santosh Kumar Yadav:** We have approvals now from Vertiv because the QMS audit is also completed and we have results, so we passed in first-go only. So, we are preparing the drawings for customer approval. So, once they approve maybe in a coming week then we will have like supply to proto to them. They will have proto approval and then mass production will start. So, in this coming month I think it will start.
- Tej Patel:** Great. And sir, you said almost incremental growth synergy would come from major data center, right? I am just trying to understand what portion of revenue probably would data center be in the next financial year?
- Santosh Kumar Yadav:** So, I think we have around 19% from data center. So, you can see I think quarter-on-quarter basis for sure it will increase, but total percentage I am unable to convert now. So, maybe we will have to calculate and then we will let you know.



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- Tej Patel:** Okay. And sir are we the sole supplier or are we replacing any customer for work or let us say in Schneider for India business are we the sole supplier or probably we are a second supplier or one of the multiple suppliers?
- Santosh Kumar Yadav:** No, like our existing customer we have major share, but I think each customer now is almost more than 80% or 90%, so that is we are receiving at the same pace for our fin and tube exchanger. Earlier we were not supplying so now we are adding new one. And of course export also, we added three new customers from data center only. So, exports you can say we maybe as a replacement or maybe a second vendor. And for India Vertiv we will enter as a second or third vendor, but last year we had 20%, this year maybe we will have number of share percentage increase and their growth is also there so if you club all.
- Tej Patel:** Understood. And sir for data center export business is it USA majorly or which geography?
- Santosh Kumar Yadav:** So, we are exporting to both Europe and North America.
- Tej Patel:** I mean equally I am just trying to understand, is it like more of Europe or I mean of course –
- Santosh Kumar Yadav:** North America is more and Europe is less.
- Tej Patel:** Got it. So, when you say 50% utilization, of course if demand is so good, I am just trying to understand why not more than 50%, is like working capital constraint or is it like a general nature of the business or anything of that it takes time, I am just trying to understand why cannot we not go above 50% if demand is so good, I get working capital comes with it, I am just trying to get your view on this?
- Santosh Kumar Yadav:** No, 50% means including all products and all geometry. So, like in a refrigerator component we have five to six, so there is a different industry. So, now we have already two, three OEM on board and we are already able to start supply with them, but now we have to add another customer also like big OEM. So, that is why this capacity will increase maybe in one or two years. Other than this bar and plate also now we are recently approved by Indian railways. So, for this year of course we will participate in all tenders and we will have business so also that will take to increase business or a new customer also as well. This new business dry air cooler and ammonia also we will have to add new customers or new business. Bus air conditioning also same way. So, this year we have to open service center Pan-India base, we have to onboard all OEMs, so it will take time approvals and of course to stream the supply chain. And for fin geometry especially for our existing customer or data center of course we can may be able to utilize 80% or 90% of the utilization but we will have total 20 geometry. So, all geometry we do not have such order. We can maybe convert immediately on the same year. So, we have to develop new customer based on our new geometry or geography. So, that is the odd reason if we equal up so then we can say in total we can be able to achieve 50%.



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- Tej Patel:** Okay, understood. Sir, just wanted to get your viewpoint, in terms of gross margin, can we expect it to improve because at this scale are we getting an advantage in terms of sourcing, in terms of let us say lower copper prices or something like that?
- Santosh Kumar Yadav:** Of course, slight improvement will be there, but honestly in the last two, three weeks in this copper and aluminum silver price is beyond the expectation because they sharply increase. Of course if market has settled down, then for sure we will have some benefit on like our volume will increase and we of course we can be able to negotiate with our vendors in terms of payment terms or margins.
- Moderator:** Ladies and gentlemen we will take this as our last question. I now hand the conference over to management for closing comments.
- Santosh Kumar Yadav:** So, thank you all for joining the call and I think we hopefully be able to answer your questions on the nice way but still if somebody have some questions pending maybe you can write to our CA and we can able to answer. And of course what I said is utilize our capacity there maybe still gap is there, but this year for sure quarter-on-quarter is what you will see in numbers which will be really encouraging, and we will achieve what we said. So, really thanks for joining the call.
- Moderator:** On behalf of the Dolat Capital that concludes this conference. Thank you for joining us and you may now disconnect your lines.