DRAFT LETTER OF OFFER
March 30, 2020
For the Eligible Equity Shareholders of the Company only

REFEX INDUSTRIES LIMITED

Our Company was incorporated as a private limited company under the Companies Act, 1956 in the name of 'Refex Refrigerants Private Limited' vide a certificate of incorporation dated September 13, 2002 issued by the Registrar of Companies, Tamil Nadu at Chennai ("RoC"). Thereafter, our Company was converted into a public limited company and the name of our Company changed to 'Refex Refrigerants Limited' and a fresh certificate of incorporation was issued by the RoC on March 30, 2006. Subsequently, the name of our Company was changed to 'Refex Industries Limited' and a fresh certificate of incorporation was issued by the RoC on November 22, 2013. For further details relating to change in the registered office address of our Company, please see "*History and Corporate structure*" on page 50 of this Draft Letter of Offer.

Registered and Corporate Office: 11th Floor, Bascon Futura IT Park, New No. 10/2, Old No. 56L
Venkat Narayana Road, T Nagar, Chennai 600 017, Tamil Nadu
Contact Person: S. Gopalakrishnan, Company Secretary & Compliance Officer
Telephone: +91 44 4340 5950 **E-mail:** admin@refex.co.in **Website:** www.refex.co.in
Corporate identification number: L45200TN2002PLC049601

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY

OUR PROMOTERS: MR. ANIL JAIN, MR. TARACHAND JAIN AND M/S SHERISHA TECHNOLOGIES PRIVATE LIMITED

ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] (INCLUDING A PREMIUM OF ₹ [●]) PER EQUITY SHARE ("RIGHTS EQUITY SHARES") FOR AN AMOUNT AGGREGATING UPTO ₹2,500 LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY SUCH ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (THE "ISSUE"). THE ISSUE PRICE OF EACH RIGHTS EQUITY SHARE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARE.

GENERAL RISKS

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of the Draft Letter of Offer. **Investors are advised to refer "*Risk Factors*" beginning on page 15 before investing in the Issue.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that the Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in the Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes the Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed and traded on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). Our Company has received in-principle approvals from BSE and NSE for listing of the Rights Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange is BSE Ltd.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
KEYNOTE **Keynote Financial Services Limited** **(Formerly Keynote Corporate Services Limited)** The Ruby, 9th Floor, Senapati Bapat Marg Dadar (West), Mumbai – 400 028, India. **Telephone:** +91 22 6826 6000 **Email:** mbd@keynoteindia.net **Website:** www.keynoteindia.net **Contact Person:** Mr. Akhil Mohod/ Mr. Shashank Pisat **SEBI Registration No.:** INM000003606	CAMEO **Cameo Corporate Services Limited** "Subramanian Building", No.1, Club House Road Chennai 600 002 **Telephone**: +91 44 4002 0700 / 2846 0390 **Email**: priya@cameoindia.com **Website**: www.cameoindia.com **Contact Person**: Ms. Sreepriya K. **SEBI Registration No.**: INR000003753

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS	LAST DATE FOR OFF MARKET RENUNCIATION OF RIGHTS	ISSUE CLOSES ON
[●]	[●]	[●]	[●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

In this Draft Letter of Offer, unless the context otherwise requires, the terms defined and abbreviations expanded below shall have the same meaning as stated in this section. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, replacements and modifications notified thereto as on the date of this Draft Letter of Offer.

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to "our Company", "the Company" and "the Issuer", are references to Refex Industries Limited. References to "we", "us" and "us" are references to Refex Industries Limited. References to "you" are to the prospective investors in the Issue.

The following list of defined terms is intended for the convenience of the reader only and is not exhaustive.

Company Related Terms

Term	Description
Articles / Articles of Association / AoA	Articles of Association of our Company, as amended
Audited Financial Statements	The audited financial statements of our Company as at and for the year ended March 31, 2019 prepared in accordance with Indian AS
Auditors / Statutory Auditors	The current statutory auditors of our Company, M. Krishna Kumar & Associates
Board / Board of Directors / Our Board	The board of directors of our Company or any duly constituted committee thereof, as the context may require
Director(s)	Any or all director(s) of our Company, as the context may require
Equity Share(s)	The fully paid up equity share(s) of our Company having a face value of ₹10 each
"Refex" "the Company" or "our Company" or "we" or "us" or "our" or "Issuer"	Refex Industries Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 11th Floor, Bascon Futura IT Park, New No. 10/2, Old No. 56L, Venkat Narayana Road, T Nagar, Chennai 600 017, Tamil Nadu
Memorandum / Memorandum of Association / MOA	Memorandum of Association of our Company, as amended
Promoters	The Promoters of the Company being: i. Mr. Anil Jain; ii. Mr. Tarachand Jain; iii. Sherisha Technologies Private Limited
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office and Corporate Office	11th Floor, Bascon Futura IT Park, New No. 10/2, Old No. 56L, Venkat Narayana Road, T Nagar, Chennai 600 017, Tamil Nadu
Registrar of Companies / RoC	Registrar of Companies, Block No. 6, B Wing 2nd Floor Shastri Bhawan 26, Haddows Road, Chennai 600 034, Tamil Nadu

Issue Related Terms

Term	Description
Abridged Letter of Offer / ALOF	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
Allot / Allotment / Allotted	Unless the context otherwise requires, the allotment of Rights Equity Shares pursuant to the Issue
Allotment Date	The date on which the Allotment is made
Allottee(s)	The successful applicant(s) eligible for Allotment of Rights Equity Shares pursuant to the Issue
Applicant(s) / Investor(s)	Eligible Equity Shareholders and/or Renouncee(s) who are entitled to apply or have applied for Rights Equity Shares under the Issue, as the case may be
Application	Application made through ASBA process by the Applicant whether submitted by way of CAF or in the form of a plain paper, in case of Eligible Equity Shareholders, to subscribe to the Rights Equity Shares at the Issue Price
Application Money	Aggregate amount payable at the time of Application i.e. ₹ [●] per Equity Share in respect of the Rights Equity Shares applied for at the Issue Price
ASBA / Application Supported by Blocked Amount	Application (whether physical or electronic) used by ASBA Applicants to make an Application authorizing a SCSB to block the Application Money in the ASBA Account
ASBA Account	Account maintained with a SCSB and specified in the CAF or plain paper application, as the case may be, for blocking the amount mentioned in the CAF, or the plain paper application, in case of Eligible Equity Shareholders, as the case may be
ASBA Applicant(s) / ASBA Investor(s)	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including renouncee) shall make an application for a rights issue only through ASBA facility.
Banker to the Issue	[●]
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Common Application Form / CAF	The application form used by Investors to make an application for Allotment under the Issue
Controlling Branches	The branches of the SCSBs which coordinate with the Registrar to the Issue, the Manager and the Stock Exchanges and a list of which is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35
Depository	NSDL and CDSL or any other depository registered with SEBI under Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, read with the Depositories Act, 1996
Designated Branches	Such branches of the Self Certified Syndicate Bank (SCSBs) which shall collect Common Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35
Demographic Details	Demographic details of Investors available with the Depositories, including address and bank account details
Designated Stock Exchange	BSE Limited
DP	Depository Participant
Draft Letter of Offer	This draft letter of offer dated March 30, 2020 filed with SEBI and which does not contain complete terms of the number of Rights Equity Shares proposed to be offered in the Issue in accordance with the SEBI ICDR

Term	Description
	Regulations
Eligible Equity Shareholder	A holder / beneficial owner of Equity Shares as on the Record Date
FVCI(s)	Foreign venture capital investors, as defined in and registered under the FVCI Regulations
Issue Agreement	The agreement entered into on December 15 ,2019 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue	Issue of upto [●] fully paid-up equity shares of face value of ₹ [●] each of our Company for cash at a price of ₹ [●] (including a premium of ₹ [●]) per Equity Share for an amount aggregating upto ₹ 2,500 Lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by such Eligible Equity Shareholders on the Record Date
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	₹ [●] per Equity Share
Issue Proceeds	The gross proceeds raised through the Issue
Lead Manager	Keynote Financial Services Limited *(Formerly Keynote Corporate Services Limited)*
Letter of Offer / LOF	The final letter of offer to be filed with the Stock Exchanges after incorporating observations received from SEBI on this Draft Letter of Offer.
MICR	Magnetic Ink Character Recognition
Net Proceeds	The Issue Proceeds less the Issue related expenses
NRE Account	Non-Resident External Account
NRI(s)	An individual resident outside India who is a citizen of India or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, and shall have the meaning ascribed to such term in the FEMA Regulations
Non - Institutional Investor(s)	An Investor other than a Retail Individual Investor and a Qualified Institutional Buyer
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB(s)	Overseas Corporate Body(ies)
QIB(s) / Qualified Institutional Buyer(s)	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	[●]
Registrar and Share Transfer Agent	The registrar and share transfer agent of our Company, being, Cameo Corporate Services Limited
Registrar / Registrar to the Issue	Cameo Corporate Services Limited
Renouncee(s)	Any person(s) who have / has acquired Rights Entitlements from Eligible Equity Shareholders
Retail Individual Investor(s)	Individual Investors who have applied for Rights Equity Shares for an amount not more than ₹2,00,000 (including HUFs applying through their Karta)
Rights Entitlements / REs	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being [●] Rights Equity Shares for [●] Equity Shares held on [●]. The Rights Entitlements with a separate ISIN will be credited to your demat account before the date of opening of the Issue, against the equity shares held

Term	Description
	by the Equity Shareholders as on the record date.
Rights Equity Shares	The fully paid up Equity Share(s) offered in this Issue
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
Self Certified Syndicate Bank or SCSB	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Stock Exchanges	BSE and NSE
STT	Securities Transaction Tax
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Conventional and General Terms or References

Term	Description
AGM	Annual General Meeting
AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
CIN	Corporate Identification Number
Companies Act	The Companies Act, 1956, to the extent applicable and the Companies Act, 2013, as applicable
Companies Act, 2013	The Companies Act, 2013, and the rules made thereunder
Depositories Act	The Depositories Act, 1996, as amended
FCNR Account	Foreign Currency Non-Resident Account
FEMA	Foreign Exchange Management Act, 1999, and any circulars, notifications, rules and regulations issued pursuant to the provisions thereof
FEMA Non-Debt Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal	The period of 12 (twelve) months beginning April 1 and ending March 31 of that next year, unless otherwise stated
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
IFRS	International Financial Reporting Standards
Ind-AS	Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
Indian GAAP	Generally accepted accounting principles in India, including the Accounting Standards specified under Section 133 of the Indian Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule, 2014, as amended
ISIN	International Securities Identification Number
IT Act	The Income Tax Act, 1961, as amended
Listing Agreement(s)	The equity listing agreement signed between our Company and the Stock Exchanges
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Fund) Regulations, 1996, as amended
Non-Resident / NR	Persons resident outside India as defined in the FEMA
Rupees / INR / ₹	The lawful currency of India

Term	Description
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities contracts (Regulations) Rules, 1957, as amended
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI ICDR Regulation	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended

Industry Related Terms or Abbreviations

Term	Description
AIF(s)	Alternative investment fund(s) as defined in and registered under the AIF Regulations
FDI	Foreign Direct Investment
FMCD	Fast Moving Consumer Durables
GST	Goods and Services Tax
GoI / Central Government	Government of India
HFC	Hydro Fluoro Carbon
HUF	Hindu Undivided Family
MSME	Micro, small and medium enterprises
NPA	Non-Performing Asset
PAN	Permanent Account Number
PPC	Portland Pozzolana Cement
RBI	Reserve Bank of India
SR	SR equity Shares means the equity shares having superior voting rights compared to all other equity shares issued by the Company.
VCF	Venture capital funds, as defined in and registered under the VCF Regulations
w.e.f.	with effect from

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms under the sections titled "*Statement of Tax Benefits*", "*Financial Statements*" and "*Outstanding Litigation and Other Defaults*" on pages 48, 56 and 125, respectively, shall have the meanings given to such terms in these respective sections.

NOTICE TO OVERSEAS INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and CAF and the issue of the Rights Entitlement and the Rights Equity Shares to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or the CAF may come, are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer/ the Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Letter of Offer/ the Abridged Letter of Offer and CAFs, shall not be sent the Letter of Offer/ the Abridged Letter of Offer and CAFs.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI for observations. Accordingly, the issue of the Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer or the CAF or any offering materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer or the CAF will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer or the CAF must be treated as sent for information only and should not be acted upon for subscription to the Rights Equity Shares. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer or the CAF should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer or the CAF in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer or the CAF is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer or the CAF. Envelopes containing the CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire rights and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that he is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company reserves the right to treat any CAF as invalid where they believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER, THE LETTER OF OFFER AND ABRIDGED LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER OF THE RIGHTS EQUITY SHARES. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF THE RIGHTS EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF

THE RIGHTS EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The rights entitlements and the rights equity shares have not been and will not be registered under the united states securities act of 1933, as amended (the "US Securities Act"), or any U.S. State securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (the "United States" or "U.S."), except in a transaction exempt from the registration requirements of the securities act. The rights entitlements and the rights equity shares referred to in this draft letter of offer are being offered in India, but not in the united states. The offering to which this draft letter of offer relates is not, and under no circumstances is to be construed as, an offering of any rights equity shares or rights for sale in the united states or as a solicitation therein of an offer to buy any of the said securities. Accordingly, this draft letter of offer should not be forwarded to or transmitted in or into the united states at any time.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States of America. Envelopes containing a CAF should not be postmarked in the United States of America or otherwise dispatched from the United States of America or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer, no payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements or the Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Draft Letter of Offer, that (i) it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States of America (ii) does not have a registered address (and is not otherwise located) in the United States when the buy order is made and (iii) it is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable law, rules and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any CAF which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the CAF headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the CAF does not have a registered address (and is not otherwise located) in the United States of America, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes that the CAF is incomplete or the acceptance of such CAF may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such CAF. Rights Entitlement may not be transferred or sold to any person in the United States of America.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Certain Conventions

All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable. Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

In this Draft Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

Financial Data

Our fiscal year commences on April 1 of each calendar year and ends on March 31 of the following calendar year, so all references to a particular "fiscal year" or "Fiscal" are to the 12 month period ended on March 31 of that year.

Unless the context otherwise requires, our financial data in this Draft Letter of Offer is derived from the Audited Financial Statements and Limited Reviewed Financial Information. Our audited financial statements as of and for financial year ended March 31, 2019 and Limited Reviewed Financial Information as at September 30, 2019 and December 31, 2019 have been prepared by our Company in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements ("Financial Statements"). Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data. For details of financial statements, see "*Financial Statements*" on page 56.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Currency of Presentation

All references to the "Rupees" or "₹" or "₹" are to Indian Rupees, the official currency of the Republic of India.

Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in lakhs.

Exchange Rate

The following table provides information with respect to the exchange rate for the Indian rupee per US$1.00. The exchange rates are based on the reference rates released by Foreign Benchmark India Private Limited which is available on their website. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

Currency	As on September 30, 2019	As on March 31, 2019
1 US$*	₹70.69	₹69.17

**Source: fbil.org (In case March 31 of any of the respective years is a public holiday, the previous working day has been considered.)*

FORWARD LOOKING STATEMENTS

This Draft Letter of Offer contains certain "forward-looking statements". Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the chapters titled "Risk Factors", "Objects of the Issue" and "History and Corporate Structure". Forward-looking statements include statements concerning our Company's plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, political & legal environment and geographical locations in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "continue", "can", "could", "expect", "estimate", "intend", "likely", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek to", "will", "will continue", "will pursue", "forecast", "target", or other words or phrases of similar import. Similarly, statements that describe the objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities, pandemics and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- our ability to anticipate and respond to changes in the automobile and FMCD industry and changing customer preferences in a timely and effective manner;
- seasonal nature of our business;
- our ability to obtain certain approvals and licenses;
- our ability to maintain relationships with third parties;
- compliance of environmental laws and change in environment regulations;
- our reliance on third party suppliers for our products;
- our ability to manage our operations at our current size or to manage any future growth effectively; and
- our ability to handle our new businesses of handling and disposal of fly ash and coal trading.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections "Risk Factors", on page 15 . By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

SECTION II- SUMMARY OF THE DRAFT LETTER OF OFFER

Summary of Business

Incorporated in September 2002, Our Company was primarily engaged in the business of refilling environmentally acceptable refrigerant gases popularly known as Hydrofluorocarbon's (HFC's), which are used in Automobile and Room Air-conditioners and Refrigerating Equipment. Since November 2011, Our Company forayed into generation and distribution of Solar Power by running a plant in Balmer District, Rajasthan. We are also engaged in providing consultancy services with respect to the Solar Business. Further, recently our Company has entered the business of trading in Coal and handling & disposal of fly ash from power plants.

Objects of the Issue

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

Particulars	Amount (In ₹ lakhs)
Working Capital Requirements	2300.00
General Corporate Purpose	[●]

Intention and extent of participation by our Promoter(s) and Promoter Group in the Issue:

Our Promoter(s) and entities forming part of our Promoter Group have, vide their letters dated March 05, 2020 (the "Subscription Letters") undertaken to: (a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company; and (b) subscribe to, either individually or jointly and/ or severally with any other Promoter or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue.

Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations. The additional subscription by the promoters shall be made subject to such additional subscription not resulting in the minimum public shareholding of the issuer falling below the level prescribed in LODR/ SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Summary of Financial Information

The following table sets forth summary financial information derived from the Audited Consolidated Financial Statements for the Financial year ended March 2019, March 2018 and March 2017 and for Unaudited Financial Results for the six months period ended September 30, 2019, prepared in accordance with recognition and measurement principles of Ind AS 34 and Regulation 33 of SEBI (LODR) Regulations, 2015, which are subjected to Limited Review by Statutory Auditors of the Company

(in ₹ lakhs other than share data)

Particulars	For the six months ended September 30, 2019	For the Fiscal		
		2019	2018	2017
Equity Share Capital	1,547.52	1,547.52	1,547.52	1547.52
Net Worth	6238.97	4272.89	1110.02	1016.28

Particulars	For the six months ended September 30, 2019	For the Fiscal		
		2019	2018	2017
Revenue (total income)	30,272.11	46,290.48	7,941.37	3940.80
Profit after tax	1966.00	3,162.88	93.74	45.62
Earnings per share (basic and diluted)	12.70*	20.44	0.61	0.29
Net asset value per equity share	40.32	27.61	7.17	6.57
Total Borrowings (as per the balance sheet)	177.47	17.92	4094.56	3495.27

*****Not Annualized

Auditor Qualifications:

There are no qualifications by the Statutory Auditors in their report to the Audited Consolidated Financial Statements for the financial year ended March 31, 2019 and for the for the six months period ended September 30, 2019.

Summary of Outstanding Litigations:

A summary of outstanding litigation proceedings pertaining to our Company as on the date of this Draft Letter of Offer is provided below. For details of the material outstanding litigation proceedings including criminal proceedings and civil proceedings, please see "*Outstanding Litigations and Defaults*" on page 125.

No.	Nature of proceedings	Number of outstanding cases	Amount involved (₹ in Lakhs)
Cases filed against our Company			
1.	Civil	2	302.67
Cases filed by our Company			
1.	Civil♯	6	1901.32
2.	Criminal (*under section 138 of the Negotiable Instruments Act*)	1	4.75

Notes: ♯ The Hon'ble Hight Court of Madras disposed of the writ petition (20939/2017) filed by our Company against The Chief Commissioner of Customs and Deputy Commissioner of Customs, Chennai and directed to to deposit sum of ₹ 28.94 Lakhs for the release of said containers.

Risk Factors

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company and other economic factors please see "Risk Factors" on page 15.

Summary of Contingent Liabilities of our Company

As of March 31, 2019, we have certain contingent liabilities that had not been provided for, details of the same is as under

(in ₹ lakhs)

No.	Particulars	Amount
	Contingent Liabilities	
1.	Corporate Guarantee to Group Company	3,748.00
2.	Other Guarantee	7,800.00
	Total	**11,548.00**

Please see the section "Financial Statements" on page 56 for more information.

Summary of Related Party Transactions

For details of the related party transactions, as reported in the Financial Statements for FY ending March 31, 2019 and Six months ended September 30, 2019 please see page no 106 and 116 of this Draft Letter of Offer.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives, Directors of the company which is a Promoter of our Company have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during a period of six months immediately preceding the date of this Draft Letter of Offer.

Issue of Equity Shares for consideration other than cash in the last one year

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Letter of Offer.

SECTION III – RISK FACTORS

Investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in our Rights Equity Shares. The risks described below are not the only risks relevant to our Company's business, operations or our Rights Equity Shares, but also to the industry and segments in which we operate or propose to operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our equity shares could decline, and investors may lose all or part of their investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Financial Information "beginning on page 56 and other information contained in this Draft Letter of Offer. In making an investment decision, investors and purchasers of the Rights Equity Shares must rely on their own examination of us and our business and the terms of the Issue including the merits and risks involved. Potential investors and purchasers of our Rights Equity Shares should consult their tax, financial and legal advisors about the consequences of investing in the Issue. Prospective investors and purchasers of the Rights Equity Shares should pay attention to the fact that our Company is incorporated under the laws of India and are subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

The following risk factors have been determined by our Board of Directors on the basis of their materiality. In accordance with Clause (VI) in Part B of Schedule VI of the SEBI ICDR Regulations, the following factors have been considered for determining the materiality: (i) Some events may not be material individually, but may be found material collectively, (ii) some events may have material impact qualitatively instead of quantitatively; and (iii) some events may not be material at present but may have material impact in the future.

Internal and External Risks relating to our business and operations

1. ***Our top two (2) customers contribute majority of our revenues from our coal trading and fly ash handling business operations for the period ended March 31, 2019 and September 30, 2019. Any loss of business from one or more of them may adversely affect our revenues and profitability.***

   Our top two (2) customers contributed 44.8% and 59.4% of our revenues from our coal trading and fly ash handling business operations for the period ended March 31, 2019 and September 30, 2019, respectively based on standalone financials. Since our business is concentrated among relatively few significant customers, we could experience a reduction in our results of operations, cash flows and liquidity if we lose one or more of these customers or the amount of business we obtain from them is reduced for any reason, including but not limited on account of any dispute or disqualification.

2. ***We have recently entered the business of handling and disposal of fly ash generated from power plants and we have no experience in the business.***

   Our Company has, during FY 2018-19, forayed into the business of Handling and disposal of fly ash generated by power plants. Power plants create an artificial pond to store fly ash that the coal-fired power plant generates as a by-product. Ash ponds are supposed to be reinforced with concrete walls around them. According to government and pollution control norms, and regulations require that these ponds are not used beyond their capacity. Power plants normally prefer to outsource this activity of handling and disposal of this fly ash.

   We have entered into contracts with certain power generating entities for handling pond ash, dry ash, bottom ash and any other hazardous material generated from the power plant. Considering the polluting nature of fly ash, the transportation of this highly hazardous material requires expert handling with sophisticated equipment and trained personnel. We have appointed third party contractors who are specialized in this work to undertake the operations along with our own personnel overseeing these operations. We have limited experience of this business and this may lead to higher risks being taken by us which we may not be able to sustain, affecting the Company adversely.

3. ***A significant portion of our Fly Ash Handling and disposal operations are conducted through third party contractors which exposes us to fluctuations in contractor costs and risks relating to the quality of their services.***

A significant portion of Fly Ash Handling and disposal operations are conducted through third party contractors. We engage third party contractors for ash disposal from pit head to loading points, transportation of materials, loading of coal on wagons and a range of activities ancillary to our Ash Handling and disposal operations. Under our operating agreements with the third party contractors, the contractor is responsible for providing substantially all equipment, labor and management required for Ash Handling and disposal operations from the designated power plants to cement plants. We are required to pay the contractors for their services according to specified rates fixed by us. We are exposed to risks relating to the quality of the services, equipment and supplies provided by contractors necessitating additional investments by us to ensure the adequate performance and delivery of contracted services and cost overruns. Any failure by our contractors to comply with their obligations under their operating agreements, any termination or breach of our operating agreements by our contractors, any protracted dispute with a contractor, any material labor dispute between our contractors and their employees or any major labor action by those employees against our contractors could materially adversely affect our fly ash disposal operations. We may also not be able to recover from a contractor any losses that may be suffered by us due to any performance shortfalls of our contractors.

4. ***Some of the power generating companies with whom our Company is doing business of coal trading and fly ash handling are financially stressed.***

We have entered into contracts with certain power generating entities for handling pond ash, dry ash, bottom ash and any other hazardous material generated from their power plants. Some of these companies with whom we are doing business are financially stressed and, in the event, they become insolvent, it may become difficult to recover our dues, if any, which may affect our business and operations adversely.

In the recent past, we had entered into contract with Sai Wardha Power Generation Limited ("**SWPGL**") and VS Lignite Power Private Limited ("**VSLPPL**") which are presently undergoing proceedings under the Insolvency and Bankruptcy Code ("**IBC**") before the NCLT, Hyderabad with approved resolution plans. Our Company is an operational creditor of SWPGL and VLPPL with an outstanding claim of ₹669.29 Lakhs and ₹806.01 Lakhs respectively. Our Company has received only ₹3.00 Lakhs from SWPGL as on the date of this Draft Letter of Offer.

5. ***Our business is dependent on the performance of the certain sectors like automobiles sectors and consumer appliances in which our products are used. Slow rate of economic growth or a slow-down in the automobiles and FMCD sector may affect the sale of our products and may adversely affect our business, results of operations and financial condition.***

We are in the business of refilling non ozone depleting refrigerant gases namely R134A, R404A, R407C, R410A, R22 and R141B, commonly known as Hydro Fluro Carbons or HFC's used in Automobile air-conditioners, Room air-conditioners and refrigerating equipment. Our business is dependent on the performance of sectors such as automobiles and Fast Moving Consumer Durables ("**FMCD**") where our products are used. The performance of the automobiles sector as well as various segments of FMCD sector like consumer appliances are generally dependent on economic growth of the country.

Slow rate of economic growth or a slow-down in the automobiles and FMCD sector may affect the sale of our products and may adversely affect our business, results of operations and financial condition.

6. ***We source a significant proportion of our raw material requirement from foreign suppliers and if these suppliers fail to deliver necessary raw material of appropriate quality in a timely manner our operations may be disrupted. Further, any fluctuations in the price, availability and quality of raw materials could cause delay and increase our costs.***

Our business depends significantly on our suppliers, who provide essential raw materials i.e. refrigerant gases R134A, R404A, R407C, R410A, R22 and R141B, commonly known as Hydro Fluro Carbon (HFC's) that we import from overseas suppliers to refill our products and to operate our business. We source these materials from a limited number of suppliers Any fluctuations in the price, availability and quality of raw materials could cause delay and increase our costs. The price and availability of such raw materials may fluctuate significantly, depending on many factors, including import policies of our Government. Any material shortage or interruption in the supply or decrease in the quality of these raw materials due to natural causes or other factors could result in increased production costs that we may not be able to pass on to our customers, which in turn, would have a material adverse effect on our margins and results of operations. We are also susceptible to developments in China like the recent Covid -19 pandemic which has led to a some delay in the supply of the refrigerant gases from China. Any kind of disruption in supply of the refrigerant gases from China can adversely affect our business operation operations by refrigerant gases and our financial condition.

Our primary product, HFCs have global warming potential (GWP) and is now being phased out in developed countries. India may also phase out HFCs within the next 20-25 years.

7. ***The refrigerant gas business is seasonal in our country, which may adversely affect the demand for our products.***

A significant majority of our sales take place immediately prior or during the summer months, and any adverse weather conditions during such peak sales seasons may materially and adversely affect our sales, results of operations and financial condition. In addition, our sales may be affected by unforeseen circumstances that affect production during such peak periods, such as any downtime to production due to breakdown of equipment, shortage of raw materials, interruptions in power supply and other utilities, inadequate inventory planning and other interruptions to timely production and delivery of our products to our customers`

8. ***We require certain approvals and licenses to operate our Refrigerant Gas operations, and the failure to obtain or retain them in a timely manner may materially adversely affect our operations.***

We are required to comply with laws governing the protection of the environment, as well as occupational health and safety, including laws regulating the generation, storage, handling, use and transportation of refrigerant gases, the emission and discharge of waste materials into soil, air or water, and the health and safety of our employees. For our refilling refrigerant gases business, governmental approvals are required to enable our Company to run our operations.

Inability to obtain or maintain approvals or licenses may adversely affect our operations. Further, Government approvals, licenses, clearances and consents are often also subject to numerous conditions, some of which are onerous and may require significant expenditure. Furthermore, approvals, licenses, clearances, and consents covering the same subject matter are often required at both the Government and State Government levels. If we fail to comply, or a regulator claims that we have not complied, with these conditions, we may not be able to commence or continue with work or operate these projects.

9. ***The loss, shutdown or slowdown of operations at our refilling facility, under utilisation of our refilling capacities or inability to adapt to technological changes may have a material adverse effect on our cash flows and results of operations.***

We refill refrigerant gases products in our refilling unit located at Thiruporur, about 40 kms from Chennai in the State of Tamil Nadu in India. Our refilling unit is subject to various operating risks, including the breakdown or failure of equipment, performance below expected levels of output or efficiency, facility obsolescence or disrepair, labour disputes, natural disasters and industrial accidents. The occurrence of any of these risks could adversely affect our operations by causing production at our refilling unit to cease or slow down. Capacity utilisation rates at our refilling unit is subject to various factors including availability of raw materials, gas, power, water, efficient working of machinery and equipment and optimal production planning. Inability to utilise our refilling unit to their full or optimal capacity or inability to adapt to technological changes may adversely affect our results of operations and financial condition.

10. ***During the financial year 2018-19, our Company has advanced ₹8577.95 Lakhs to two entities in which a promoter director of the Company is interested within the meaning of clause (c) and (d) to Explanation to Section 185 (1) of the Companies Act, 2013 and the amount outstanding at the end of the year ended 2018-19 stood at ₹798.04 Lakhs. Similarly, our Company has issued a guarantee for ₹3748 Lakhs in respect of loan availed by a company in which a promoter director of our Company was interested within the meaning of clause (e) Explanation to Section 185 (1) of the Companies Act, 2013 which is in violation of Section 185 of the Companies Act,2013***

    During the FY 2018-19, our Company has advanced ₹ 8062.35 Lakhs and ₹515.60 Lakhs to Sherisha Technologies Pvt Ltd (*Promoter Company*) and Refex Solar Power Pvt Limited, respectively in which promoter director of our Company is interested. Further, our Company has also issued a guarantee for ₹3748 Lakhs in respect of loan availed by Refex Energy Limited in which a promoter director of our Company was interested.

    The advancing of loan/issue of guarantee to entities in which a director of the Company is interested as mentioned above by our Company is a non-compliance of Section 185 of the Companies Act, 2013. Our Company may be considered in violation of Section 185 of the Companies Act by the MCA and under Section 185 (4) be punished with a fine of ₹5.00 Lakhs which may extend to ₹25.00 Lakhs. Further, every officer of our Company who is in default may be punished with imprisonment for a term which may extend to six months or with fine which shall not be less than ₹5.00 Lakhs which may extend to ₹25.00 Lakhs.

11. ***The aggregate amount of loans and investments made by our Company and outstanding as on July 31, 2018 was in excess of the limits as approved by shareholders of our Company as per the Companies Act, 2013 which is in violation of Section 186 of the Companies Act,2013***

    The aggregate amount of loans and investments made by our Company and outstanding till July 31, 2018 was ₹ 4783.17 Lakhs which was in excess of the limits specified under Section 186(2) of the Companies Act, 2013 and our Company had not obtained any prior approval from the shareholders by way of a special resolution as required under Section 186(3) of the Companies Act, 2013 for such excess.In the AGM held on July 31, 2018, our Company has passed the necessary special resolution under Section 186(3) of Companies Act, 2013 enabling our Company to invest/lend more than ₹200 Crores. However, Our Company may be considered in violation of Section 186 (2) of the Companies Act by the MCA. Any company which gives loans or provide security or guarantee or make investment in violation of Section 186 be punished with a fine up to ₹0.25 Lakhs which may extend to ₹5.00 Lakhs. Further, every officer of our Company who is in default may be punished with imprisonment for a term which may extend to two years or with fine up to ₹0.25 Lakhs which may extend to ₹1.00 Lakhs.

12. ***Environmental regulation may have a significant adverse impact on our business.***

    Our operations are subject to a variety of national, and state regulations relating to the protection of the environment, including those governing the emission or discharge of pollutants into the environment, storage, transportation, disposal and remediation of solid and hazardous waste and materials. Violations of these laws and regulations or permit conditions can result in substantial penalties, injunctive orders compelling installation of additional controls, civil and criminal sanctions, permit revocations or facility shutdowns. In addition, new environmental laws and regulations, new interpretations of existing laws and regulations, increased governmental enforcement of laws and regulations or other developments could require us to make additional unforeseen expenditures. Many of these laws and regulations are becoming increasingly stringent, and the cost of compliance with these requirements can be expected to increase over time. These expenditures or costs for environmental compliance could have a material adverse effect on our results of operations, cash flows, financial condition and ability to make cash distributions. Our business is subject to the occurrence of accidental spills, discharges or other releases of hazardous substances into the environment. Any spills from our refilling facilities or transportation of products or hazardous substances may give rise to liability (including strict liability, or absolute liability, and potential clean-up responsibility). For instance, we could be held strictly liable under the Public Liability Insurance Act, 1991, without regard to intent or whether our actions were in compliance with the law at the time of the spills. Any mishandling of hazardous substances by us could affect our business adversely and may impose liabilities on our Company. The potential penalties and clean-up costs for releases or spills, liability to third parties for damage to their property or exposure to hazardous substances, or the need to address newly discovered information or conditions that may require response actions could be significant and could have a material adverse effect on our results of operations, financial condition and ability to make cash distributions. Future environmental laws and regulations on handling and disposal of Fly Ash could cause changes in demand for our services. In addition, future environmental laws and regulations, or new interpretations of existing laws or regulations, could limit our ability to market and sell our products and services to end users and such laws, regulations or interpretations could have a material adverse effect on our results of operations, financial condition and ability to make cash distributions.

13. ***Our Company is a party to certain litigations, the outcome of which could adversely affect our business and financial condition.***

Our Company is involved in certain legal proceedings, which are pending at varying levels of adjudication at different fora. The summary of the outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving our Company. The brief details of such outstanding litigation are as follows:

No.	Nature of proceedings	Number of outstanding cases	Amount involved (₹ in Lakhs)
Cases filed against our Company			
1.	Civil	2	302.67
Cases filed by our Company			
1.	Civil	6	1901.32
2.	Criminal (*under section 138 of the Negotiable Instruments Act*)	1	4.75

Notes: ♯ The Hon'ble Hight Court of Madras disposed of the Writ Petition (20939/2017) filed by our Company against The Chief Commissioner of Customs and Deputy Commissioner of Customs, Chennai and directed to deposit sum of ₹ 28.94 Lakhs for the release of containers of refrigerant gas namely R-142B.

For further details, see "Outstanding Litigation and Material Developments" on page 125. We cannot assure you that these legal proceedings will be decided in favor of our Company, as the case may be, or that no further liability will arise out of these proceedings. Further, such legal proceedings could divert management time and attention and consume financial resources. Any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition.

14. ***SEBI has conducted an investigation into the scrip of our Company and passed an Order imposing penalty on our Promoter and Director, Mr. Anil Jain.***

SEBI conducted an investigation into the trading in the scrip of our Company for the period from August 01, 2008 to December 31, 2008 and accordingly, SEBI Adjudication Officer (the "***SEBI AO***") has passed an order (the "***Order***") dated May 18, 2018 against the promoter and director of our Company Mr. Anil Jain imposing penalty to the tune of ₹100 Lakhs under Section 15A(b) and 15HA of SEBI Act, 1992 in respect of violation of certain SEBI regulations such as Regulation 13(3) of SEBI (PIT) Regulations, 1992, Regulation 7(1A) of SEBI (SAST) regulations, 1997, Regulation 11(2) of SEBI (SAST) Regulations, 1997 and Regulations 3(a), (b), (c), (d) & 4(1), 4(2)(a) & (d) of SEBI (PFUTP) Regulations, 2003 for failure to make disclosures while selling shares of our Company exceeding 2% of the share capital of our Company, failure to make public announcement for acquiring additional shares of our Company for making gain by off-loading the shares at the increased price and transferring the shares to our group entities which as alleged in the SEBI Order had manipulated the volume and price of shares of our company. Mr. T. Anil Jan has filed an appeal *(336/2018)* in August 24, 2018 with the Hon'ble Securities Appellate Tribunal (the "***SAT***") to stay and set aside Order passed and penalty imposed by SEBI AO. against Mr. Anil Jain. On June 7, 2019, SEBI has filed a reply before the SAT in the above appeal. Further, on August 12, 2019, Mr. Anil Jain filed an affidavit-in-rejoinder to the reply by SEBI with SAT. The matter is pending before SAT.

15. ***Our Company has paid penalties to Stock Exchanges during the FY 2018-19.***

Our Company has paid penalty of ₹3,540 to BSE for five (5) days delay in the submission of the shareholding pattern of the Company under Regulation 31 of LODR, 2015 for quarter ended March 31, 2018. Delays and non-compliances of SEBI Regulations may lead to penalties and higher filing fees and adversely affect our reputation on compliance with the Stock Exchanges and investors in general.

16. ***We rely on third-party providers of transportation services, which subjects us to risks and uncertainties beyond our control that may have a material adverse effect on our results of operations, financial condition and ability to make distributions.***

We regularly use third-party transportation providers to procure most of our raw materials and for deliveries of our finished products to our dealers. These transportation operations, equipment and services are subject to various hazards, including extreme weather conditions, work stoppages, delays, spills, derailments and other accidents and other operating hazards. Continuous increase in the transportation costs, disruption due to transportation strikes, delay in transportation of our finished products may have an adverse effect on our business and/or results of operations.

17. ***Certain of the agreements entered into for handling fly ash contain onerous terms.***

We have entered into contracts with certain power generating entities for handling pond ash, dry ash, bottom ash and any other hazardous material generated from the power plant. Some of the terms under these agreements are onerous and require us to undertake certain responsibilities and obligations such as:

- submission of statutory compliance reports;
- safety compliance reports;
- compliance with all the applicable acts and various labour laws;
- obtain all statutory and other permissions, clearances and sanctions for the performance of obligations as per the agreement; and
- ensuring adequacy, stability and safety while performing the work at site as per the agreement.

If we are unable to satisfy any of the conditions as specified, we may be in violation of the terms of these agreements which may adversely affect our business.

18. ***We utilize various properties/ equipment on a leasehold/license basis and any termination of these leases/licenses and/or non-renewal could adversely affect our operations.***

Our registered office is located in Chennai and our branch offices at located at Andhra Pradesh. Chhattisgarh and Mumbai have been taken on lease from our group companies / third party entities. Further, for our solar business at Rajasthan, we have entered into Solar Energy Immovable Equipment Operating Lease Agreement with Essel Mining and Industries Limited. In the event, we are unable to renew any or all of these leases on commercially reasonable terms, we may suffer a disruption in our administrative/ solar business operations or be unable to continue to operate from those locations in the future. Further, any termination of these leases/ licenses whether due to any breach or otherwise, could adversely affect our administrative/ solar business operations.

19. ***Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.***

We have obtained various insurance policies for covering manufacturing risks, statutory liabilities and third party liabilities. We could be held liable for accidents that occur at our manufacturing facilities or otherwise arise out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. Our principal types of insurance coverage includes motor vehicle insurance, standard fire and perils insurance, burglary and house breaking insurance , and public liability insurance. Further, we also hold group personal accident insurance and workmen’s compensation insurance which covers employees working for our Company.

During 2012, there was an explosion in one of the high pressure container’s at our refrigeration gas refilling unit which resulted in leakage of stored refrigerants gas worth ₹429.50 Lakhs. However, the refrigerant gas was fully insured by our Company under Standard Fire and Special Peril Policy with United India Assurance Company Limited (the “**United India**”), Our Company has filed a claim for loss of the value of the refrigeration gas insured with United India, but United India after inspection by its surveyor team has rejected the claim stating that the explosion was not an accident but a mistake on the part of the operator at the unit. Our Company has disputed the contention of United India and filed a commercial suit for the recovery of the insurance claim of ₹484.93 Lakhs along with interest @ 18% p.a.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

20. ***Our costs of compliance with environmental laws are expected to be significant, and the failure to comply with new environmental laws could adversely affect our results of operations.***

Our projects are subject to national and state environmental laws and regulations, which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. Environmental law and regulation of industrial activities in India may become more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. Failure to comply with environmental laws may result in the assessment of penalties and fines against us by regulatory authorities. The commencement of environmental actions against us or the imposition of any penalties or fines on us as a result thereof may have an adverse effect on our business, prospects and results of operations. We expect to handle and dispose considerable amount of ash from thermal power plants we have contracted with. While we continue to explore new methods to utilize or dispose of ash, our ash utilization activities may be insufficient to dispose of the ash generated by these power plants. Due to these factors, environmental regulators may impose restrictions on our operations that would limit our ability to generate revenues. We could be subject to substantial civil and criminal liability and other regulatory consequences if an environmental hazard occurs during our handling and disposal of the fly ash or if it results in material contamination of the environment. We may be the subject potential criminal and civil liability filed by state pollution control authorities. If such cases are determined against us, there could be an adverse effect on our business and operations.

21. ***We have entered into certain related party transactions and may continue to do so in the future.***

We have in the past entered into transactions with related parties, including for the purposes of purchase of raw materials, sale of finished goods, service charges, loans advanced, etc. For further information, see Note titled "Related Parties" and "Transactions during the year" under chapter titled "Financial Statements" beginning on page 56 . While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we might have obtained more favourable commercial terms had such transactions not been entered into with related parties. Further, we may enter into related party transactions in the future and such related party transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

22. ***Our Promoters, Directors and Key Managerial Persons may have interest in our Company, other than reimbursement of expenses incurred or remuneration.***

Apart for receipt of remuneration and re-imbursement of expenses incurred by them, our Promoters, Directors and Key Management Personnel may be deemed to be interested to the extent of the Equity Shares held by them, or their relatives or our Group Company, and benefits deriving from their directorship in our Company. Our registered office has been taken on lease from our promoter, Sherisha Technologies Private Limited, wherein Mr. Anil Jain our other promoter is interested. For further details, please refer to the chapters titled "Our Management", beginning on page 53, and the Note titled "Related Parties" and "Transactions during the year" under chapter titled "Financial Statements" beginning on page 56 of this Draft Letter of Offer.

23. ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control.***

We intend to use the Issue proceeds in the manner as described in the section titled "Objects of the Issue" on page 44.We cannot assure you that the issue proceeds will be utilized in conformity with the cost or schedule of implementation as described under the said chapter. Our funding requirements for the objects and deployment schedule are based on current conditions and are subject to change in light of external factors which may not be in our control. This may also include rescheduling the proposed utilization of issue proceeds at the discretion of our management Furthermore, our funding requirements may be subject to change based on various factors which are beyond our control.

24. ***Our intellectual property rights may not be adequately protected against third party infringement.***

We are the registered owners of certain trademarks including 'Refex' in various classes. We cannot assure you that we will continue to have the uninterrupted use and enjoyment of these trademarks or logos and our other intellectual property rights. Further, there can be no assurance that we will be granted the registration for such trademarks and logos and until such time any infringement of such mark may adversely affect our business. Further, we may not be able to protect our intellectual property rights against third party infringement and unauthorised use of our intellectual property including our brand on products which we do not manufacture and which are of inferior quality, and which may adversely affect our brand value and consequently our business. The use of trade names or trademarks by third parties which are like our trade names or trademarks may result in confusion among customers and loss of business. In addition, any adverse experience of customers of such third-party products, or negative publicity attracted by such third-party products could adversely affect our reputation and brand and business prospects. We may also be susceptible to claims from third parties asserting infringement and other related claims relating to trademarks and brands under which we sell our products. Any such claim could adversely affect our relationship with existing or potential customers, result in costly litigation and divert management's attention and resources. An adverse ruling arising out of any intellectual property dispute could subject us to liability for damages and could adversely affect our business, results of operations and financial condition.

25. ***We are dependent on a number of key personnel, including our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.***

We are highly dependent on our Directors, key management and other personnel for setting our strategic business direction and managing our business. Our ability to meet continued success and face future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Due to the current limited pool of skilled personnel, competition for senior management, commercial and finance professionals in our industry is intense. The loss of the services of our Directors, key management or other personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects.

26. ***Our Company has been filing the forms as required under the Companies Act, 2013 within the time prescribed under the Companies Act and Rules made thereunder, but there have been instances of filing of certain forms with delay and our Company has paid the necessary additional fee for such filings.***

Our Company has been generally filing the forms as required under the Companies Act, 2013 within the time prescribed under the Companies Act and Rules made thereunder, but there have been a couple of instances of filing of certain forms with delay and our Company has paid the necessary additional fee for such filings. Statutory filings under the Companies Act are required to be complied with in time as prescribed under the Companies Act and any delay or non-filing thereof lead to penalties and additional fees for late filings. We endeavor to fully comply with the requirements for filing these forms and there are inadvertent delays due to various reasons. Delays and non-compliances may lead to penalties and higher filing fees which may adversely affect our reputation and goodwill on compliance with the Government Authorities and investors in general.

27. ***Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations and financial condition.***

Over a period of time we have experienced growth in our operations. We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to expand further. Our inability to manage our expansion effectively and execute our growth strategy in a timely manner, or within budget estimates or our inability to meet the expectations of our customers and other stakeholders could have an adverse effect on our business, results of operations and financial condition. We intend to continue expansion to pursue existing and potential market opportunities. Our future prospects will depend on our ability to grow our business and operations further. The development of such future business could be affected by many factors, including general political and economic conditions in India, government policies or strategies in respect of specific industries, prevailing interest rates, price of equipment and raw materials, energy supply and currency exchange rates. In order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain new employees or operate our business effectively.

28. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, forest fires, pandemic disease like the spread of COVID-19 around the globe and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition.

29. ***We are subject to the restrictive covenants of bank in respect of the Loan availed from them***

Our financing arrangement contains restrictive covenants whereby we are required to obtain approval from our lender, regarding, amongst other things such as entering into borrowing arrangements with other banks and other parties, declare dividend, change in capital structure or shareholding pattern, issue of new shares, or buyback or reduction in share capital, change in business or entering into new line of business or effect any material change in management, formulation of any scheme of amalgamation or reconstruction or merger or de-merger, change in control of the company, etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants stipulated under our financing arrangement. In the event we breach any restrictive, financial or other covenants contained in certain of our financing arrangements, we may be required under the terms of the relevant financing arrangement to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows.

30. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our Company has not declared and paid dividend since the financial year 2007-08. Our ability to pay dividends in the future will depend on a number of factors including but not limited to our earnings, capital requirements, contractual obligations, results of operations, cash requirements, business prospects and any other financing arrangements, applicable legal restrictions and overall financial position of our Company. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. Our Board may also, from time to time, declare interim dividends from the profits of the Fiscal in which such interim dividend is sought to be declared. We may retain all future earnings, if any, for use in the operations and expansion of the business. Accordingly, realisation of a gain on shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value or that we will be able to pay dividends in the future.

31. ***Some of our Group Companies have incurred losses during the last three (3) fiscal years***

As set forth below, some of our Group Companies have incurred losses during last three (3) fiscal years (as per their respective audited financial statements):

(₹ in lakhs)

Sr. No.	Particulars	For the year ended		
		March 31, 2019	March 31, 2018	March 31, 2017
1.	Refex Solar Power Private Limited	(45.99)	(19.14)	(32.25)
2.	Refex Wind Power Private Limited	(0.16)	(0.13)	(0.14)
3.	Refex Hydro Power Private Limited	(0.16)	(0.13)	(0.14)
4.	SunEdison Infrastructure Limited	-	(7.50)	(4.92)

32. ***Our Company has experienced negative cash flows from operating activities in the previous Fiscal. Sustained negative cash flow in future could affect our growth and results of operations***

Our Company had experienced negative cash flow from operating activities to the tune of ₹440.90 lakhs in the financial year ended March 31, 2018. However, we have reported positive cash flows from operating activities to the tune of ₹4,418.64 lakhs and ₹414.98 lakhs for the financial year ended March 31, 2019 and March 31, 2017 respectively. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For further details please refer to the section titled "Financial Statements" beginning on page 56 of this Draft Letter of Offer.

33. ***The trading in the equity shares of our Company on BSE and NSE may be affected on account of Additional Surveillance Measure (ASM).***

Our Company's equity shares have been moved under ASM Stage 2 on BSE and NSE. As per the BSE and NSE Circular action against the stock under ASM Stage 2 include the following a) Applicable margin rate for the stock shall be the existing margin OR 80%, whichever is higher, subject to maximum rate of margin capped at 100%. b) Top 10 clients based on gross traded value, subject to their gross traded value being greater than ₹10 lakhs, shall be levied 100% margin on their gross traded value at the end of trading day. Adoption of such measure by Stock Exchanges may affect the liquidity in shares of our Company. We cannot assure you that whether the trading in equity shares of our company will be removed from ASM and whether such restrictions will continue in future

Risks relating to the Issue and the Rights Equity Shares

1. ***We will not distribute this Letter of Offer, the Abridged Letter of Offer and CAF to overseas Shareholders who have not provided an address in India for service of documents.***

   We will dispatch this Letter of Offer, the Abridged Letter of Offer and CAF (the "Issue Materials") to the shareholders who have provided an address in India for service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with *respet* to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

2. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

   Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to long-term capital gains tax in India if Securities Transaction Tax ("STT") is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares, except in the case of such acquisitions where STT could not have been paid, as notified by the Government of India under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, Finance Act, 2018, taxes such long term capital gains exceeding ₹ 1.00 Lakh arising from sale of equity shares on or after April 1, 2018. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

3. ***Any future issuance of the Rights Equity Shares, or convertible securities or other equity linked securities by our Company may dilute your future shareholding and sales of the Rights Equity Shares by the Promoter or Promoter Group or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, or convertible securities or other equity linked securities by our Company, may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Any future sales of Equity Shares by the Promoter or other major shareholders of our Company may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

4. ***The entitlement of Rights Equity Shares to be allotted to investors applying for Allotment in physical form, may be kept in abeyance.***

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form will not be available after a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., May 10, 2019. Since, the Rights Equity Shares offered pursuant to this Issue will be Allotted only after May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. For further details, see the section on "*Issue information*" on page 138

5. ***The Issue Price of our Rights Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.***

The Issue Price of Equity Shares may not be indicative of the market price for our Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the issue and may decline below the Issue Price. There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

- Quarterly variations in the rate of growth of our financial indicators such as earnings per share;
- Changes in revenue or earnings estimates or publications of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestics and international economic, legal and regulatory factors unrelated to our performance.

SECTION IV – INTRODUCTION

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary of financial information derived from our Audited Consolidated financial statement for the year ended March 31, 2019 and Consolidated Unaudited Financial Results for six months period ended September 30, 2019 and for the nine months period ended December 31, 2019 , prepared in accordance with recognition and measurement principles of Ind AS 34 and Regulation 33 of SEBI (LODR) Regulations, 2015, which are subjected to Limited Review by Statutory Auditors of the Company. The summary of financial information presented below should be read in conjunction with our Financial Information and notes thereto in the section titled "Financial Statements" on page 56.of this Draft Letter of Offer.

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SUMMARY OF AUDITED CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Consolidated Balance Sheet as at March 31, 2019

(Rs. in lakhs)

Particulars	Note No.	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	1	1,485,57	1,430.87
(a) Intangible	2	2.21	-
(a) Capital Work in Progress		26.68	-
(b) Non-current financial assets			
(I) Investments	3	-	-
(ii) Trade receivables		-	-
(iii) Other non current financial assets	4	61.03	105.48
(c) Deferred Tax Assets	5	905.43	-
(d) Other Non current assets	6	251.26	303.21
Current assets			
(a) Inventories	7	758.69	522.60
(b) Financial Assets			
(I) Trade receivables	8	8,749.67	3,651.37
(ii) Cash and cash equivalents	9	387.40	69.65
(iii) Bank Balances other than(ii)above			
(iv) Other current financial assets	10	798.56	3,537.92
(c) Current Tax Assets (Net)	11	109.75	98.67
(d) Other current assets	12	2,314,67	27.20
Total Assets		**15,850.92**	**9,746.97**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capita	I13	1,547.52	1,547.52
(b) Other Equity	14	2,725.37	(437.50)
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(I) Long term Borrowings	15	17.92	4,094.56
(I) Other(s)		-	-
(b) Deferred Tax Liabilities	5	-	17.44
(c) Long Term provisions	16	15.65	31.27
Current liabilities			
(a) Financial Liabilities			
(I) Short term Borrowings		-	-
(ii) Trade payables	17	10,118.07	4,140.65
(iii) Other financial liabilities	18	45.79	51.23
(b) Other current liabilities	19	1,380.60	301.80
Total Equity and Liabilities		**15,850.92**	**9,746.97**
The accompanying notes form an integral part of these financial statements	**28-38**		

Notes 1 to 38 form part of financials
As per our report of even date attached

For M.KRISHNAKUMAR & ASSOCIATES
Chartered Accountants
Firm Regn No: 006853S

M.KRISHNAKUMAR B.SC FCA
Proprietor
Membership No. 203929

Place : Chennai
Date : 30th May 2019

For and on behalf of the Board of Directors

T.AnilJain
Managing Director
(DIN:00181960)

Dinesh Kumar Agarwal
Director
(DIN:07544757)

D.HemSenthil Raj
Director
(DIN:06760725)

Jamuna Ravikumar
Director
(DIN:08009308)

U.Lalitha
Chief Financial Officer

S. Gopalakrishnan
Company Secretary

Consolidated Statement Of Profit and Loss for the year ended 31st March, 2019

(Rs. in lakhs)

	Particulars	Note No.	For the year ended 31 March, 2019 ₹	For the year ended 31 March, 2018 ₹
	INCOME			
I	Revenue from operations	20	46,105.11	7,737.25
II	Other income	21	185.38	204.12
III	**Total Income (I+II)**		**46,290.48**	**7,941.37**
IV	**Expenses**			
	Cost of material consumed	22	16,740.29	650.15
	Purchase of stock in trade	23	23,570.98	5,070,73
	Excise duty on sale of goods		-	51.42
	Employee benefits expenses	24	243.94	115.97
	Finance costs	25	29.68	120.87
	Depreciation and Amortisation	26	96.23	82.74
	Other Expenses	27	2,722.86	1,676.19
	Total expenses (IV)		**43,403.97**	**7,768.07**
V	**Profit/(loss) before exceptional items and tax**		**2,886.51**	**173.31**
VI	Exceptional items			
VII	**Profit/(loss) before tax**		**2,886.51**	**173.31**
VIII	**Tax expense**			
	- Current Tax	5	646.44	-
	- Less: MAT Entitlement Credit		(646.44)	-
	- Deferred Tax	5	(276.44)	79.57
IX	**Profit/(loss) for the period**		**3,162.95**	**93.74**
X	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit plan actuarial gains/ (losses)		(0.07)	-
	Income tax expense on above		(0.07)	-
XI	**Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)**		**3,162.88**	**93.74**
XII	**Earnings per equity share**			
	(1) Basic		20.44	0.61
	(2) Diluted		20.44	0.61
	See accompanying notes forming part of the Financial Statements	**28-38**		

Notes 1 to 38 form part of financials
As per our report of even date attached

For M.KRISHNAKUMAR & ASSOCIATES
Chartered Accountants
Firm Regn No: 006853S

M.KRISHNAKUMAR B.SC FCA
Proprietor
Membership No. 203929

Place : Chennai
Date : 30th May 2019

For and on behalf of the Board of Directors

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Director
(DIN:06760725)

Jamuna Ravikumar
Director
(DIN:08009308)

U.Lalitha
Chief Financial Officer

S. Gopalakrishnan
Company Secretary

Consolidated Statement of Cash Flow for the year ended 31st March 2019

(Rs. In lakhs)

	For Year Ended March 31, 2019	For Year Ended March 31, 2018
Cash flows from operating activities		
Profit Before Taxes	2,886.51	173.31
Adjustments:		
Interest and dividend income	(185.38)	(128.92)
Loss on sale of fixed assets	0.14	5.29
Adjustment for Current taxes	-	-
Interest expense	29.68	116.86
Remeasurement of Defined benefit Plan under OCI	(0.07)	-
Depreciation and amortization	96.23	82.74
Operating cash flow before working capital changes	2,827.11	249.28
Changes in		
Decrease/(Increase) In Trade Receivables	(5,098.30)	(3,365.79)
Decrease/(Increase) In Other current Financial Asset(s)	2,739.36	1.66
Decrease/(Increase) In Other current Asset(s)	(2,287.47)	90.59
Decrease/(Increase) In Other non-current financial assets	44.45	-
Decrease/(Increase) In Inventories	(236.09)	(400.22)
Decrease/(Increase) In Other non-current assets	51.95	(210,00)
(Decrease)/Increase In Long term Provisions	(15.62)	-
(Decrease)/Increase In non-current liabilities	-	-
(Decrease)/Increase In Trade Payables current	5,977.42	3,193.76
(Decrease)/Increase In other current liabilities	1,078.79	(0.19)
(Decrease)/Increase in Non Current Investments	-	
(Decrease)/Increase In Other financial liabilities	(5.44)	-
Income taxes paid	(657.51)	-
Cash generated from / (used in) operations	4,418.64	(440.90)
Cash flows from investing activities		
Purchase of fixed assets	(180.00)	(66.60)
Proceeds from sale of fixed assets	0.05	7.98
Interest received	185.38	0.00
Net cash generated from/(used in) investing activities [B]	5.42	(58.62)
Cash flows from financing activities		
Proceeds from / (repayment of) long term and short term borrowings	(4,076.64)	480.62
Dividend paid (including dividend distribution tax)	-	-
Interest paid	(29.68)	(116.86)
Net cash used in financing activities	(4,106.32)	363.76
Increase in cash and cash equivalents	317.75	(135.77)
Cash and cash equivalents at the beginning of the year	69.65	76.50
Cash and cash equivalents at the end of the year	387.40	(59.26)
Components of cash and cash equivalents (refer note 21)		
Cash on hand	12.95	15.27
Balances with banks	374.45	54.38
Total cash and cash equivalents	387.40	69.65

As per our Report of even date attached
For **M.KRISHNAKUMAR & ASSOCIATES**
Chartered Accountants
FRN. 006853S

M.KRISHNAKUMAR B.SC FCA
Proprietor
Membership No. 203929

Place : Chennai
Date : 30th May 2019

For and on behalf of the Board of Directors

T.Anil Jain
Managing Director
(DIN:00181960)

Dinesh Kumar Agarwal
Director
(DIN:07544757)

D.Hem Senthil Raj
Director
(DIN:06760725)

Jamuna Ravikumar
Director
(DIN:08009308)

U.Lalitha
Chief Financial Officer

S. Gopalakrishnan
Company Secretary

SUMMARY OF UNAUDITED FINANCIAL RESULTS (SUBJECT TO LIMITED REVIEW) FOR THE QUARTER ENDED AND SIX MONTHS PERIOD ENDED 30TH SEPTEMBER 2019

REFEX INDUSTRIES LIMITED

Consolidated Balance Sheet as at Sep 30, 2019 & March 31, 2019

Particulars	As at Sep 30, 2019	As at March 31, 2019
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	14,65,88,148	14,85,56,884
(a) Intangible	2,00,043	2,21,191
(a) Capital Work in Progress	43,91,195	26,67,732
(b) Non-current financial assets		
(i) Investments	-	-
(ii) Trade receivables		
(iii) Other non current financial assets	1,67,02,811	61,03,096
(d) Deferred Tax Assets	1,72,12,530	9,05,42,945
(d) Other Non current assets	8,70,79,145	2,51,26,030
Current assets		
(a) Inventories	6,66,18,971	7,58,68,796
(b) Financial Assets		
(i) Trade receivables	42,42,37,832	87,49,67,181
(ii) Cash and cash equivalents	4,87,68,560	3,87,39,826
(iv) Other current financial assets	4,36,351	7,98,55,874
(c) Current Tax Assets (Net)	86,38,119	1,09,74,806
(d) Other current assets	73,65,85,242	23,14,67,159
Total Assets	**1,55,74,58,947**	**1,58,50,91,520**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	15,47,51,760	15,47,51,760
(b) Other Equity	46,91,44,751	27,25,37,459
LIABILITIES		
Non-current liabilities		
(a) Financial Liabilities		
(i) Long term Borrowings	1,77,47,151	17,92,330
(i) Other(s)		
(b) Deferred Tax Liabilities		
(b) Long Term provisions	24,95,460	15,64,710
Current liabilities		
(a) Financial Liabilities		
(i) Short term Borrowings		
(ii) Trade payables	42,94,51,267	1,01,18,06,821
(iii) Other financial liabilities	27,13,427	45,78,935
(b) Other current liabilities	48,11,55,131	13,80,59,505
Total Equity and Liabilities	**1,55,74,58,947**	**1,58,50,91,520**

REFEX INDUSTRIES LIMITED

Statement of Consolidated Profit or Loss for the Half year ended Sep 30, 2019 & Year ended March 31, 2019

Particulars	For Year Ended Sep 30, 2019	For Year Ended March 31, 2019
Income		
I Revenue from operations	3,00,01,11,773	4,61,05,10,750
II Other income	2,70,98,858	1,85,37,587
III Total Income (I+II)	**3,02,72,10,631**	**4,62,90,48,337**
IV Expenses		
Cost of material consumed	2,00,19,20,337	1,67,40,28,689
Purchase of stock in trade	64,83,98,013	2,35,70,98,412
Excise duty on sale of goods	-	-
Employee benefits expenses	1,54,07,873	2,43,93,841
Finance costs	3,38,455	29,67,835
Depreciation and Amortisation	44,86,994	96,22,569
Other Expenses	10,79,10,878	27,22,85,642
Total expenses (IV)	**2,77,84,62,551**	**4,34,03,96,989**
V Profit/(loss) before exceptional items and tax	**24,87,48,080**	**28,86,51,349**
VI Exceptional items		
VII Profit/(loss) before tax	**24,87,48,080**	**28,86,51,349**
VIII Tax expense		
- Current Tax	4,34,61,265	6,46,43,543
Less: MAT Entitlement Credit	(96,14,658)	(6,46,43,543)
- Deferred Tax	1,83,01,530	(2,76,43,601)
IX Profit/(loss) for the period	**19,65,99,944**	**31,62,94,949**
X Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan actuarial gains/ (losses)	-	(7,346)
Income tax expense on above		
	-	**(7,346)**
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)	**19,65,99,944**	**31,62,87,603**
XII Earnings per equity share		
(1) Basic	12.70	20.44
(2) Diluted	12.70	20.44

REFEX INDUSTRIES LIMITED		
Consolidated Statement of Cash Flow for the Half year ended 3oth Sep,2019 & year ended 31st March 2019		
Particulars	**For Year Ended Sep 30, 2019**	**For Year Ended March 31, 2019**
Cash flows from operating activities		
Profit Before Taxes	**24,87,48,080**	**28,86,51,349**
Adjustments:		
Interest and dividend income	(2,70,98,858)	(1,85,37,587)
Loss on sale of fixed assets	-	14,275
Provisions	1,89,61,641	-
Interest expense	3,38,455	29,67,835
Remeasurement of Defined benefit Plan under OCI	-	(7,346)
Depreciation and amortization	44,86,994	96,22,569
Operating cash flow before working capital changes	**24,54,36,313**	**28,27,11,094**
Changes in		
Decrease/(Increase) In Trade Receivables	45,07,29,349	(50,98,30,450)
Decrease/(Increase) In Other current Financial Asset(s)	7,93,91,124	27,39,36,259
Decrease/(Increase) In Other current Asset(s)	(50,51,18,084)	(22,87,46,817)
Decrease/(Increase) In Other non-current financial assets	(82,58,460)	44,44,638
Decrease/(Increase) In Inventories	92,49,825	(2,36,08,672)
Decrease/(Increase) In Other non-current assets	1,13,78,483	51,94,736
(Decrease)/Increase In Long term Provisions	9,30,750	(15,62,391)
(Decrease)/Increase In Trade Payables current	(58,23,37,803)	59,77,41,949
(Decrease)/Increase In other current liabilities	34,30,95,626	10,78,79,134
(Decrease)/Increase In Other financial liabilities	(18,65,508)	(5,44,037)
Income taxes paid	(4,34,65,833)	(6,57,51,458)
Cash generated from / (used in) operations	**(8,34,217)**	**44,18,63,986**
Cash flows from investing activities		
Purchase of fixed assets	(47,53,416)	(1,80,00,252)
Proceeds from sale of fixed assets	-	5,000
Interest received	-	1,85,37,587
Net cash generated from/(used in) investing activities [B]	**(47,53,416)**	**5,42,335**
Cash flows from financing activities		
Proceeds from / (repayment of) long term and short term borrowings	1,59,54,821	(40,76,63,863)
Dividend paid (including dividend distribution tax)		
Interest paid	(3,38,455)	(29,67,835)
Net cash used in financing activities	**1,56,16,366**	**(41,06,31,698)**
Increase in cash and cash equivalents	**1,00,28,734**	**3,17,74,624**
Cash and cash equivalents at the beginning of the year	**3,87,39,826**	**69,65,203**
Cash and cash equivalents at the end of the year	**4,87,68,560**	**3,87,39,826**
Components of cash and cash equivalents (refer note 21)		
Cash on hand	12,64,096	12,94,979
Balances with banks	4,75,04,463	3,74,44,847
Total cash and cash equivalents	**4,87,68,560**	**3,87,39,826**

SUMMARY OF UNAUDITED FINANCIAL RESULTS (SUBJECT TO LIMITED REVIEW) FOR THE QUARTER ENDED AND NINE MONTHS PERIOD ENDED 31st DECEMBER 2019

No.11th Floor, Bascon Futura IT Park New.No:10/2, Old No: 56 L, Venkat Narayan Road, T.Nagar, Chennai-600 017.
CIN No.L45200TN2002PLC049601

REFEX INDUSTRIES LIMITED STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2019

Rs. In Lakhs

	Part-I	Consolidated -					
		Quarter Ended			Nine Months Ended		Previous Year Ended
S. No.	Particulars	Dec 31,2019	Sep 30,2019	Dec 31,2018	Dec 31,2019	Dec 31,2018	March 31,2019
		(Unaudited)					(Audited)
1	Income						
	Revenue From Operations	23,684.41	16,074.34	16,894.31	53,685.53	25,385.83	46,105.11
2	Other Income	1.43	167.88	43.10	272.42	142.63	185.38
	Total - Net Income from Operations	**23,685.84**	**16,242.22**	**16,937.41**	**53,957.95**	**25,528.46**	**46,290.48**
3	**Expenses**						
	Cost of Materials Consumed	14,999.16	10,257.83	11,403.76	34,302.90	15,140.83	16,976.38
	Purchase of Traded goods	-	-	-	-	1,213.91	7,090.59
	Purchase Of Services	3,210.38	2,386.25	3,421.26	9,694.36	4,570.86	16,480.40
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	354.11	1,051.73	22.73	446.60	885.76	(236.09)
	Employee Benefits Expense	83.18	79.04	114.11	237.26	197.99	243.94
	Depreciation and Amortisation Expense	26.18	20.47	26.47	71.05	71.06	96.23
	Finance Costs	1.78	1.37	1.39	5.16	19.93	29.67
	Other expenses	2,606.95	1,035.17	989.94	4,309.04	2,023.41	2,722.86
	Total expenses	**21,281.73**	**14,831.86**	**15,979.66**	**49,066.36**	**24,123.75**	**43,403.97**
		-					
4	**Profit / (Loss) from ordinary activities before Tax**	**2,404.11**	**1,410.36**	**957.75**	**4,891.59**	**1,404.71**	**2,886.51**
		-					
5	**Profit/(Loss) before exceptional items and extraordinary items and Tax**	2,404.11	1,410.36	957.75	4,891.59	1,404.71	2,886.51
		-					
6	**Exceptional items**	-	-	-	-	-	-
		-					
7	**Profit/(Loss) before Tax**	2,404.11	1,410.36	957.75	4,891.59	1,404.71	2,886.51
		-					
8	**Tax Expenses**	-					
	Current tax expense for current year	420.09	202.54	-	854.75	-	646.44
	(Less): MAT credit (where applicable)	-	108.83	-	-	-	(646.44)
	Current tax expense relating to prior years	-	-	-	-	-	
	Net current tax expense	-	-	-	-	-	-
	Deferred tax (Asset)	258.62	2.83	-	261.45	-	(276.44)
	Total Tax Expense	**678.71**	**314.20**	-	**1,116.20**	-	**(276.44)**
	Net Profit /Loss for the Period/Year	**1,725.40**	**1,096.16**	**957.75**	**3,775.39**	**1,404.71**	**3,162.95**
		-					
9	Profit/(Loss) for the period from continuing operations	**1,725.40**	**1,096.16**	**957.75**	**3,775.39**	**1,404.71**	**3,162.95**
10	Profit/(Loss) from discontinuing operations	-	-	-	-	-	-
11	Tax expenses of discontinuing operations	-	-	-	-	-	-
12	Profit/(Loss) from Discontinuing operations	-	-	-	-		-
13	Other Comprehensive Income, net of income tax						
	a Items that will not be reclassified to Profit or loss account						
	Remeasurements of defined benefit plan actuarial gains/(losses)	-	-	-	-	-	(0.07)
14	Profit/(Loss) for the period/year	1,725.40	1,096.16	957.75	3,775.39	1,404.71	3,162.88
15	Paid-up Equity Capital (face value of share - Rs 10/- each)	1,547.52	1,547.52	1,547.52	1,547.52	1,547.52	1,547.52
16	Basic and Diluted Earning per share						
	(before extraordinary items)	11.15	7.08	6.19	24.40	9.08	20.44
17	Basic and Diluted Earning per share						
	(after extraordinary items)	11.15	7.08	6.19	24.40	9.08	20.44

REFEX INDUSTRIES LTD.

THE ISSUE

The Issue has been authorized by way of a resolution passed by our Board of Directors on February 14, 2019 pursuant to Section 62 of the Companies Act, 2013.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in "*Terms of the Issue*" on page 138.

Rights Equity Shares offered in the Issue	Upto [●] Rights Equity Shares
Rights Entitlement	[●] Rights Equity Shares for every [●] fully paid up Equity Shares held on the Record Date
Record Date	[●]
Face Value per Rights Equity Share	₹10/- each
Issue Price	₹ [●] including a premium of ₹ [●] per Rights Equity Share
Issue size	Upto ₹ 2500 Lakhs
Equity Shares issued and outstanding prior to the Issue	1,54,75,176 Equity Shares
Equity Shares subscribed and paid up outstanding prior to the Issue	1,54,75,176 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●] Equity Shares
Terms of the Issue	Please refer to *"Terms of the Issue"* on page 138
Use of Issue Proceeds	For further information, see "*Objects of the Issue*" on page 44
Security Codes	ISIN: INE056I01017 BSE: 532884 NSE: REFEX

Terms of payment

The full amount of ₹[●] per Equity Share is payable on application.

GENERAL INFORMATION

Our Company was incorporated as a private limited company under the Companies Act, 1956 in the name of 'Refex Refrigerants Private Limited' vide a certificate of incorporation dated September 13, 2002 issued by the Registrar of Companies, Tamil Nadu at Chennai ("**RoC**"). Thereafter, our Company was converted into a public limited company and the name of our Company changed to 'Refex Refrigerants Limited' and a fresh certificate of incorporation was issued by the RoC on March 30, 2006. Subsequently, the name of our Company changed to 'Refex Industries Limited' and a fresh certificate of incorporation was issued by the RoC on November 22, 2013.

Registered and Corporate Office of our Company

11th Floor, Bascon Futura IT Park
New No. 10/2, Old No. 56L, Venkat Narayana Road,
T Nagar, Chennai 600 017 Tamil Nadu
Telephone: +91 44 4340 5950
Website: www.refex.co.in
Email: admin@refex.co.in
CIN: L45200TN2002PLC049601

Address of the RoC
Our Company is registered with the RoC situated at the following address:

Registrar of Companies
Block No.6, B Wing, 2nd Floor
Shastri Bhawan 26,
Haddows Road,
Chennai 600 034 Tamil Nadu

Board of Directors

The Board of our Company as on the date of filing this Draft Letter of Offer, comprises of the following:

Name	Designation	DIN	Address
Mr. Anil Jain	Chairman and Managing Director	00181960	Old Number 52, New Number 151, Habibullah Road, T Nagar, Chennai 600 017 Tamil Nadu
Mr. Amalanathan Pillappan	Additional Director (Independent)	08730795	House No. 181, Indhira Nagar, Main Road, Valasaravakkam, Tiruvallur, Alwarthirunagar, Tamil Nadu 600 087
Ms. Jamuna Ravikumar	Independent Director	08009308	Plot: 151, 6th Cross St, Pallavan Nagar, Maduravoyal, Chennai 600 095 Tamil Nadu
Mr. Dinesh Kumar Agarwal	Non-Executive Director	07544757	Anjali Apts, Flat-821 8th Block, No. 264, MTH Road, Villivakkam, Chennai 600 049

For further details of our Board of Directors, see "*Our Management*" on page 53.

Company Secretary and Compliance Officer	Lead Manager to the Issue
Mr. S. Gopalakrishnan 11th Floor, Bascon Futura IT Park New No. 10/2, Old No. 56L, Venkat Narayana Road, T Nagar, Chennai 600 017, Tamil Nadu **Telephone:** 044 4340 5950 **Email:** gopalkrishnan.s@refex.co.in	**Keynote Financial Services Limited** **(Formerly Keynote Corporate Services Limited)** The Ruby, 9thFloor, Senapati Bapat Marg, Dadar (West), Mumbai- 400 028 **Telephone**: +91 22 6826 6000 **E-mail:** mbd@keynoteindia.net **Website:** www.keynoteindia.net **Contact Person**: Mr. Shashank Pisat/ Mr. Akhil Mohod **SEBI Registration No**: INM 000003606
Legal Advisors to the Issue	**Registrar to the Issue**
Desai & Diwanji Advocates and Solicitors Lentin Chambers, Dalal Street, Fort, Mumbai 400 001 Maharashtra **Telephone:** +91 22 2265 1682 **Email:** info@desaidiwanji.com **Contact Person:** Mr. Sanjay Israni	**Cameo Corporate Services Limited** "Subramanian Building", No.1 Club House Road Chennai 600 002 Tamil Nadu **Telephone:** +91 44 2846 0390 **E-mail**: priya@cameoindia.com **Website**: www.cameoindia.com **Contact Person**: Ms. Sreepriya K. **SEBI Registration No.**: INR000003753
Banker to the Issue	
Name **Address** **Tel:** [●] **E-mail:** [●] **Website:** [●] **Contact Person:** [●] **SEBI Registration No.:** [●]	

Self Certified Syndicate Bankers (SCSB):

The list of banks that have been notified by SEBI to act as SCSBs under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, for the ASBA process in accordance with the SEBI ICDR Regulations is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time. Further, details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue/post-Issue related matters such as non-receipt of letter of Allotment, credit of Rights Equity Shares or Refund Orders and such other matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application was submitted by the ASBA Investors.

Experts

Our Company has received a written consent from the Statutory Auditors namely, M/s M. Krishnakumar & Associates, to include their name as required under Section 26(1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, and as “experts”, as defined under Section 2(38) of the Companies Act 2013, to the extent and in their capacity as an auditor and in respect of their (a) audit report dated May 30, 2019 on our financial statements for the year ended March 31, 2019, their (b) limited review report dated November 13, 2019 and February 13, 2020 on unaudited financial results for the six months period ended September 30, 2019 and nine months period ended December 31,2019 respectively and (c) their report dated November 30, 2019 on the Statement of Possible Special Tax Benefits included in this Draft , and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, they should not be construed as “experts” as defined under U.S. Securities Act, 1933.

Monitoring Agency

Since the issue size is less than ₹10,000 Lakhs, there is no requirement to appoint the monitoring agency to monitor the utilization of the Net Proceeds in terms of Regulation 82(1) of the SEBI (ICDR) Regulations by our Company.

Appraising Entity

The objects of this issue have not been appraised by any bank or any other independent financial institution or any other independent agency.

Credit Rating

As this is an issue of Rights Equity Shares, there is no credit rating required for the Issue.

Debenture Trustee

As this is an Issue of the Rights Equity Shares, the appointment of debenture trustee is not required.

Underwriting

The Issue of Rights Equity Shares is not being underwritten and/ or no standby support is being sought for the said Issue.

Statement of responsibility of the Lead Manager

Keynote Financial Services Limited is the sole Lead Manager to the Issue. The details of responsibilities of the Lead Manager, is as follows:

No.	Activities
1.	Capital structuring with relative components and formalities such as type of instruments, etc.
2.	Drafting and design of the offer document and of advertisement / publicity material including newspaper advertisements and brochure / memorandum containing salient features of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, CAF, etc. To ensure compliance with the SEBI ICDR Regulations and other stipulated requirements and completion of prescribed formalities with Stock Exchanges and SEBI.
3.	Marketing of the Issue will cover, inter alia, preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) bankers to the issue, (iii) collection centres (iv) distribution of publicity and issue material including CAF, the Abridged Letter of Offer and the Letter of Offer to the extent applicable.
4.	Selection of various agencies connected with the issue, namely Registrar to the Issue, Bankers to the Issue, printers, advertisement agencies etc.
5.	Follow-up with Bankers to the Issue to get estimates of collection and advising our Company about closure of the Issue, based on the correct figures.
6.	Post-Issue activities will involve essential follow-up steps, which must include finalization of basis of allotment / weeding out of multiple applications, listing of instruments with the various agencies connected with the work such as Registrars to the Issue and Bankers to the Issue. Even if many of these Post-Issue activities would be handled by other intermediaries, the Lead Manager shall be responsible for ensuring that such agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with our Company.

Filing

The Draft Letter of Offer has been filed with the Corporate Finance Department of the SEBI, located at Overseas Towers, 7th Floor, 756-L, Anna Salai, Chennai – 600 002, Tamil Nadu, India for its observations and with the stock exchanges. After SEBI gives its observations, the Letter of Offer will be filed with the with the Stock Exchanges as per the provisions of the Companies Act.

Issue Schedule:

Issue Opening Date:	[●]
Last date for on market renunciation of rights	[●]
Last date for off market renunciation of rights	[●]
Issue Closing Date:	[●]

The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided the Issue will not be kept open in excess of 30 days from the Issue Opening Date. No withdrawal of application by eligible shareholders shall be allowed after issue closing date.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Draft Letter of Offer is as set forth below:

(₹ in lakhs, except share data)

No.	Particulars	Aggregate Value at Face Value	Aggregate value at Issue Price
A	**Authorised Share Capital**		
	3,50,00,000 Equity Shares of ₹10/- each	3500.00	
	5,00,000 Cumulative Redeemable Preference Shares of ₹100/- each	500.00	
	Total	4000.00	
B	**Issued, Subscribed and Paid Up Capital before the Issue**		
	1,54,75,176 Equity Shares of ₹10/- each	1547.51	
C	**Present Issue being offered to the Equity Shareholders through the Letter of Offer aggregating upto ₹ 2500 lakhs (1)**		
	[●] Rights Equity Shares of ₹10/- each at a premium of ₹[●] i.e. at an Issue Price of ₹[●] per Equity Share.	[●]	[●]
D	**Issued, Subscribed and Paid-up Capital after the Offer**		
	[●] Equity Shares of ₹10/- each (2)	[●]	[●]
E	**Securities Premium Account**		
	Before the Issue	2324.12	
	After the Issue(2)	[●]	

(1) The Issue has been authorised by a resolution of our Board passed at its meeting held on February 14, 2019, pursuant to Section 62 of the Companies Act, 2013.
(2) Assuming full subscription for and allotment of the Rights Entitlement.

Notes to the capital structure

1. Shareholding Pattern of our Company as per the last filing with the Stock Exchanges

(i) The shareholding pattern of our Company as on December 31, 2019, is as follows:

Category of shareholder	Nos. of shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a% of (A+B+C2)	Number of Equity Shares held in dematerialized form
(A) Promoter & Promoter Group	5	53,40,202	53,40,202	34.51	53,40,202
(B) Public	11,105	1,01,34,974	1,01,34,974	65.49	1,01,33,707
Grand Total	**11,110**	**1,54,75,176**	**1,54,75,176**	**100.00**	**1,54,73,909**

(ii) Statement showing holding securities of persons belonging to the category "Promoter and Promoter Group" as at December 31, 2019:

Category of shareholder	Nos. of shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Equity Shares held in dematerialized form
1. **INDIAN**	**5**	**53,40,202**	**53,40,202**	**34.51**	**53,40,202**
a. Individuals/ Hindu undivided family	**2**	**27,65,739**	**27,65,739**	**17.87**	**27,65,739**
Anil Jain	1	25,13,533	25,13,533	16.24	25,13,533
Tarachand Jain	1	2,52,206	2,52,206	1.63	2,52,206
b. Any other (i + ii)	**3**	**25,74,463**	**25,74,463**	**16.63**	**25,74,463**
i. Bodies corporate	1	20,83,411	20,83,411	13.46	20,83,411
Sherisha Technologies Private Limited	1	20,83,411	20,83,411	13.46	20,83,411
ii. Directors and their relatives	2	4,91,052	4,91,052	3.17	4,91,052
Ugamdevi Jain	1	4,19,052	4,19,052	2.71	4,19,052
Dimple Jain	1	72,000	72,000	0.46	72,000
2. FOREIGN	-	-	-	-	-
Total (1+2)	**5**	**53,40,202**	**53,40,202**	**34.51**	**53,40,202**

(iii) Statement showing holding of securities of persons belonging to the "Public" category as on December 31, 2019:

Category of shareholder	Nos. of shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Equity Shares held in dematerialized form
B1. Institutions					
Financial Institutions/ Banks	1	4,324	4,324	0.03	4,324
B2. Central Government/ State Government(s)/ President of India	1	2,000	2,000	0.01	2,000
B3. Non-Institutions					

Category of shareholder	Nos. of shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Equity Shares held in dematerialized form
Individual share capital up to ₹2 Lakhs	10456	66,03,206	66,03,206	42.67	66,03,139
Individual shareholders holding nominal share capital in excess of ₹2 Lakhs.	41	19,42,206	19,42,206	12.55	19,42,206
TV18 Broadcast Limited*	1	2,75,000	2,75,000	1.78%	2,75,000
Nisha Jain*	1	2,04,542	2,04,542	1.32%	2,04,542
RMP Infotech Private Limited*	1	2,00,000	2,00,000	1.29%	2,00,000
Any Other (specify)	606	15,83,238	15,83,238	10.23	15,82,038
Subtotal B3	11103	1,01,28,650	1,01,28,650	65.55	1,01,27,383
Total Public Shareholding B1+B2+B3	11105	1,01,34,974	1,01,34,974	65.49	1,01,33,707

*Public Shareholder holding more than 1% of the total shares outstanding of the Company

2. As on the date of this Draft Letter of Offer, Our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities which are convertible at a later date into Equity Shares.

3. The Equity Shares of our Company are fully paid up and there are no partly paid up Equity Shares as on the date of this Draft Letter of Offer.

4. Our Company does not have any stock option scheme.

5. None of the Equity Shares held by our Promoters or the members of our Promoter Group are locked-in, pledged or otherwise encumbered except 1,50,000 equity shares held by our Promoter, Mr. Anil Jain aggregating to 0.97% of the total paid up equity share capital of our Company which are pledged with Ms. Nirmala Chopra.

6. The Issue being a rights issue, as per Regulation 34(c) of the SEBI ICDR Regulations, the requirements of promoter’s contribution and lock-in are not applicable.

7. Our Promoters or members of the Promoter Group have not acquired Equity Shares of our Company during the last one year immediately preceding the date of filing of this Draft Letter of Offer with SEBI

8. Intention and extent of participation by our Promoter and Promoter Group in the Issue:

   Our Promoter(s) and entities forming part of our Promoter Group have, vide their letters dated March 05, 2020 (the “Subscription Letters”) undertaken to: (a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company; and (b) subscribe to, either individually or jointly and/ or severally with any other Promoter or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue.

Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations. The additional subscription by the promoters shall be made subject to such additional subscription not resulting in the minimum public shareholding of the issuer falling below the level prescribed in LODR/ SCRR.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

9. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹ [●].

OBJECTS OF THE ISSUE

Our Company proposes to utilize the proceeds of the Issue to:

1. Meet the additional working capital requirements
2. General Corporate Purposes
3. Meet expenses for the Issue

Our Memorandum of Association enables us to pursue our existing activities, and the activities for which the funds are being raised by our Company in the Issue.

Requirement of funds & Means of finance

The proposed utilization of Issue Proceeds is set forth below:

(in ₹ lakhs)

Sr. No.	Particulars	Amount
1.	Additional Working Capital Requirements	2300.00
2.	Expenses to the Issue	[●]
3.	General Corporate Purpose	[●]
	Total	**Upto 2500.00**

(in ₹ lakhs)

Means of Finance	Amount
Proceeds of the Issue	**Upto 2500.00**

The fund requirements set out in the Objects of the Issue are proposed to be met entirely from the Proceeds of the Rights Issue and internal accruals. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue as required under SEBI ICDR Regulations.

Details of the Objects of The Issue

1. Additional Working Capital Requirements

Our business is predominantly working capital intensive. We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals. We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

Considering the exponential growth in the segments of Coal and Ash handling Business, consistent increase in the performance in the sector has provided an opportunity to utilize its growing potential for expansion in the coming years. As per the Unaudited Financial Results for the six months period ended September 30, 2019 the Segment revenue for Coal & Ash Handling business of the Company was ₹ 25,352.38 Lakhs as compared to ₹ 5,748.99 Lakhs as on September 30, 2018.In addition to this, the paradigm shift of the Refrigerant market from the unorganised sector to the organised sector has resulted in the further expansion of the network reaching out to new geographical zones of East and Central India. The Segment Revenue for Refrigerant Gas business of the Company as per the Unaudited Financial Results for the six months period ended September 30, 2019 was ₹1,186.10 Lakhs as compared to ₹604.47 Lakhs as on September 30, 2018 We believe that any such situation in the business may require rescheduling of deployment of the funds earmarked towards working capital. Having the financial stability to contribute for the expansion is instrumental for the growth and development of the organization.

The details of Working Capital Requirement (on a standalone basis), is as under:

(in ₹ lakhs)

Particulars	**Actuals (FY 2018-19)**	**Estimated (FY 2019-20)**	**Projected (FY 2020-21)**
(A) Current Assets			
Inventories	758.68	958.76	1081.07
Trade Receivables	8749.67	4556.10	5946.88
Short-term loans and advances	-	1973.06	2148.66
Other current assets	3222.97	1556.84	1556.84
Total Current Assets (A)	**12731.32**	**9044.76**	**10733.45**
(B) Current Liabilities			
Trade Payables	10,117.89	4680.82	4025.00
Other current liabilities	1426.38	600.02	661.09
Total Current Liabilities (B)	**11544.27**	**5280.84**	**4686.09**
Working Capital Gap (WCL) (A) – (B)	**1187.05**	**3763.92**	**6047.36**
To be financed by:			
Rights Issue	-	-	**2300.00**
Internal Accruals	1187.05	3763.92	3747.36

Basis of Estimation & Justification

The incremental working capital requirements and deployment are based on historical Company data, experience of our management team and our internal management appraisal and estimation of the future requirements considering the growth in activities of our Company.

Particulars	**No. of Months**	
	Holding Level as of FY 2018-19 (Actuals)	**Holding Level as of FY 2019-20 (Estimated)**
Inventory	0.23	1.56
Trade Receivables	2.31	2.11
Trade Payables	3.05	2.56

Justification for Estimation

Particulars	**Details for FY 2019-20 (Estimated)**
Inventory	Inventory comprises of various gases commonly known as Hydro Fluro Carbons (HFC's) used at our refilling facility and Coal used in Coal Trading and Ash Handling Business. The inventory holding level has been estimated to increase from 0.23 to 1.56 months from the FY 2019 to FY 2020. This increase is due to expected increase in operations and sales, which would require the Company to maintain high level of inventory of Coal and gases.
Trade Receivables	The holding period of Trade Receivables has a reduced estimation from 2.31 months in FY 2019 to 2.11 months in FY 2020 due to the increased response from the customer base and an efficient system in place for the collection of receivables. A faster collection period reflects positively on the liquidity of the company.
Trade Payables	The credit period of Trade Payables has been estimated to have a reduction from 3.05 months in FY 2019 to 2.56

Particulars	Details for FY 2019-20 (Estimated)
	months in the FY 2020 because of the prompt payments made by the organization to its suppliers in order to avail favorable credit terms and to ensure a continued relation with the suppliers.

Note: Holding Levels for FY 2020-21 are expected to be at the same level as that of FY 2019-20

2. Expenses for the issue

The Issue related expenses consist of fees payable to the Lead Manager, Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchanges. Our Company will need approximately ₹ [●] lakhs towards these expenses, a break-up of the same is as follows:

(₹ in lakhs)

Activity	Estimated Expense	% of Total Expenses	As a % of Issue size
Fees payable to the intermediaries (including Lead Manager fees, Legal Counsel fees, selling commission, registrar fees and expenses)	[●]	[●]	[●]
Advertising, Printing, stationery and distribution Expenses	[●]	[●]	[●]
Statutory and other Miscellaneous Expenses	[●]	[●]	[●]
Total	[●]	[●]	[●]

3. General Corporate Purposes

We intend to deploy ₹ [●] lakhs from proceeds of the Rights Issue towards General Corporate Purposes including but not restricted to, future growth requirements, capital expenditure, and otherwise meeting the exigencies faced in the ordinary course of business, or any other purposes as approved by our Board. The company will deploy rights issue proceeds judiciously to meet the requirements of the business. However, not more than 25% of the proceeds of the issue would be deployed for the General Corporate purposes.

Schedule of Utilization and Deployment of Funds

Our Company proposes to deploy the entire Issue Proceeds towards the Objects as described during Fiscal 2021. In the event of the estimated utilization of the Issue Proceeds in the scheduled Fiscal is not undertaken in its entirety, the remaining Issue Proceeds shall be utilized in subsequent Fiscals, as may be decided by our Company, in accordance with applicable laws. Further, if the Issue Proceeds are not completely utilised for the Objects during the respective period stated above due to factors such as (i) economic and business conditions; (ii) timely completion of the Issue; (iii) market conditions outside the control of our Company; and (iv) any other commercial considerations, the remaining Issue Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company in accordance with applicable laws. Similarly, subject to our business considerations, our Company may also use the Issue Proceeds in the preceding Fiscal, if it is in the best interests of our Company.

The requirement and deployment of funds indicated above is based on internal management estimates, current circumstances of our business and prevailing market conditions. For details, see "*Risk Factors – The Objects for which we propose to utilise Issue proceeds are not appraised by any Bank or Financial Institution and our Management will have flexibility in applying the issue proceeds*." on page 22.

Sources of financing of funds already deployed

Our Company has deployed ₹ 7.50 lakhs as of March 30, 2020 towards issue expenses as certified by M Krishnakumar & Associates, Chartered Accountants vide certificate dated March 30, 2020. The same have been funded through internal accruals.

Strategic and/ or Financial Partners

There are no Strategic and Financial partners.

Appraisal

None of the Objects of the Issue have been appraised by any bank or financial institution.

Bridge Financing Facilities

We have not availed any bridge financing facilities for the meeting the expenses as stated under the Objects of the Issue.

Interim Use of Funds

The Issue Proceeds pending utilization for the objects described above shall be deposited with scheduled commercial banks included in second schedule of Reserve Bank of India Act, 1934.

Monitoring of Utilization of Funds

Since the proceeds from the Issue are less than ₹10,000 lakhs, in terms of Regulation 16(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for this Issue. Our Board of Directors will monitor the utilization of the Issue Proceeds. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Balance Sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Clause 32 of the SEBI Listing Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Clause 32 of the SEBI Listing Regulation, the Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "***Postal Ballot Notice***") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Tamil, the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

Other Confirmations

Our promoters, promoter group, directors and key managerial personnel have no interest in any of the objects as stated above and other related matters thereof.

SECTION V – STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Refex Industries Limited
11th Floor, Bascon Futura IT Park,
New No. 10/2, Old No. 56L,
Venkat Narayana Road, T Nagar,
Chennai – 600 017

Dear Sirs/ Madam,

Statement of Possible Special Tax Benefits available to Refex Industries Limited and its shareholders under the Indian tax laws

1. We hereby confirm that the enclosed Annexure 'A', prepared by **Refex Industries Limited** ('the Company'), provides the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2019, i.e. applicable for the Financial Year 2019-20 relevant to the assessment year 2020-21, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. We do not express any opinion or provide any assurance as to whether:

   i) the Company or its shareholders will continue to obtain these benefits in future;
   ii) the conditions prescribed for availing the benefits have been / would be met with; and
   iii) the revenue authorities/courts will concur with the views expressed herein.

4. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

For M. Krishnakumar & Associates
Chartered Accountants
ICAI Firm Registration Number: 006853S

Sd/--
M. Krishna Kumar
Proprietor
Membership Number: 203929

Place of Signature: Chennai
Date: 30/11/2019

ANNEXURE 'A' TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ("**the Act**") as amended by the Finance Act 2019, i.e. applicable for the Financial Year 2019-20 relevant to the assessment year 2020-21, presently in force in India.

I. Special tax benefits available to the Company

There are no special tax benefits available to the Company.

II. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders for investing in the shares of the Company.

Notes:

1. This statement does not discuss any tax consequences in the country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.

2. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

3. The above statement covers only above mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law.

SECTION VI – ABOUT THE COMPANY

HISTORY AND CORPORATE STRUCTURE

History and background

Our Company was incorporated as a private limited company under the Companies Act, 1956 in the name of 'Refex Refrigerants Private Limited' vide a certificate of incorporation dated September 13, 2002 issued by the Registrar of Companies, Tamil Nadu at Chennai ("**RoC**"). Thereafter, our Company was converted into a public limited company and the name of our Company was changed to 'Refex Refrigerants Limited' and a fresh certificate of incorporation was issued by the RoC on March 30, 2006. Subsequently, the name of our Company changed to 'Refex Industries Limited' and a fresh certificate of incorporation was issued by the RoC on November 22, 2013. The Corporate Identity Number (CIN) of our Company is L45200TN2002PLC049601. The Equity Shares of our Company are listed on BSE and NSE.

Changes in our Registered Office:

Date	Particulars of registered office	Reason of change in registered office
Incorporation	No 20, Mooker Nallamuthu Street, Chennai – 600 001	N.A.
May 25, 2018	67, Bazullah Road, T Nagar, Chennai – 600 017	Administrative Convenience
May 06, 2019	11th Floor, Bascon Futura IT Park,New No. 10/2, Old No. 56L, Venkat Narayana Road, T Nagar Chennai 600017	

Business of Our Company

Refrigerant Business

Refex is engaged in the business of refilling non ozone depleting refrigerant gases popularly known as hydro fluro carbon or HFC's which are used in air-conditioners, refrigerators and refrigerating equipment. Refex forayed into HFC refrigerants, which unlike other refrigerants gases is an eco-friendly gas that does not harm the ozone layer surrounding the earth. These gases are used primarily used as refrigerants, flam blowing agents and aerosol propellants. HFC is a replacement of the Ozone depleting Chlorofluorocarbons (CFCs) which is already banned in India and Hydrochlorofluorocarbons (HCFCs) that are to be banned in a phased manner from 2020 onwards as per the implementation schedule of the Montreal protocol by the developing Countries. Our Company's plant for refilling of refrigerant gases is located at Thiruporur about 40 kms from Chennai and we have set up distribution outlets in the states of Andhra Pradesh, Chhattisgarh and Maharashtra.

Brief details on the other new ventures undertaken by our Company are set-out below:

Coal trading, Handling and Disposal of Fly Ash

Our Company had started the business of trading in coal with power plants in Chhattisgarh and Maharashtra. We source quality coal from domestic traders who deal in domestic as well as imported coal and offer them at competent prices to power plants. Till September 2019 we have traded in imported coal to the tune of 392706.81 (MT) and 154,128.18 (MT) of domestic coal. Consequent to engaging in the business of trading in coal, we ventured into the business of handling and disposal of ash from power plants. Ash is the by-product from the burning of coal which is the fuel to all thermal power plants. 30-45% of the burnt coal is ash. This ash is full of heavy metals and toxins which if not handled properly could pollute air, land and water bodies. Coal is fed to the thermal plant either by rail rakes or by trucks. This coal is either crushed or uncrushed. The crushed coal is directly fed to the hopper but the uncrushed coal needs to pass through the grizzly which is pushed manually. The coal then gets finely crushed and sent to the boiler for burning. The heat generated by burning of the coal is used to produce steam which runs the turbine which in turn produces power. The flue gases then pass through the cooling tower/chimney and then escapes in the atmosphere.

During the running of a power plant, ash is continuously produced and stored in silos which have to be continuously evacuated. The fly ash from the silos is a raw material required for the production of PPC cement, manufacturing of bricks, concreting of infrastructure projects like roads, bridges etc. This fly ash from the silos is transported in closed bulkers.

The excess undisposed ash from the silos is then sent to the ash dyke from where it is evacuated by filling in trucks for mine reclamation, filling of low-lying areas, embankments etc. as per the guidelines of Ministry of Mines and Ministry of Environment and Forests (MoEF).

Coal Crushing and Coal Yard Management

With the experience gained out of handling ash in large number of trucks and bulkers, we also ventured into providing coal crushing and coal yard management services.

In coal crushing, uncrushed coal from trucks is first stored in the coal yard in the form of heaps. This coal is then transported and fed into the track hoppers at the Coal Handling Plant area. The un-sized coal which doesn't pass through the grizzly is broken to smaller sizes before it goes through. These services are provided round the clock to ensure sufficient supply of coal to run the power plant uninterruptedly. We also provide housekeeping services in the coal handling plant (CHP) areas like in the conveyor belt surrounding areas, cable trays, trenches, drains, sump pit where spilled coal is to be collected and shifted manually with adequate manpower to ensure the smooth functioning of the equipment.

Solar Business

Looking at opportunities in the Solar Business, our Company entered into a power purchase agreement in October, 2010 with NTPC Vidyut Vyapar Nigam Limited for the power to be generated at Balmer District, Rajasthan. For the purpose of setting up a 5MW Solar Power Plant (the "**Solar Power Plant**"), we have taken on lease land from Government of Rajasthan and have entered into a Solar Energy Equipment Operation Lease Agreement with Essel Mining Limited.

In addition to the above, we also provides consultancy services like techo-commercial feasibiltiy study for power evacuation systems, labour services for EPC contracts with respect to the solar business. Further, we had carried on the business of trading in solar accessories i.e. solar modules among our group entities which are in the business of solar power plants.

Corporate structure of our Company

As on the date of this Draft Letter of Offer, our Company has only one (1) wholly-owned subsidiary namely Vituza Solar Energy Limited ("**Vituza**"), a company incorporated under the Companies Act, 2013. Our Company is holding 99.99% of the paid share capital of Vituza.

Main objects of our Company

The main objects of our Company as contained in its Memorandum of Association are:

1. To manufacture, fill in cylinders or tankers, store, import, export, distribute, sell or otherwise deal in industrial gases, refrigerant gases, coolants and gases of all kind and description.
2. To manufacture, buy, sell, import, export or otherwise deal in cylinders and other accessories used in the manufacture, storage, filling and re-filling of gases of all kinds and description.
3. To construct, renovate, modify, improve, demolish, dispose of or otherwise deal in storage tanks used in the storage of gases of all kinds and description.
4. To engage in the business of electric power supply generation and establishment of power supply stations and sub stations and works, including running and managing them based on all forms of conventional and non-conventional source of energy including wind power, solar power, Thermal, Hydro, Coal and Lignite based generation among others and also to engage in distribution and supply of power to end users either directly by laying down of cables, wires and lines or through agencies,

including governmental , both central government and state governments and local government and municipal corporations.

5. To engage in the business of trading in carbon credits, CDM (Clean Development Mechanism), CER (Carbon Emission Reduction) and any other ancillary benefits arising out of generation and distribution of power.
6. To act as a contractor for installing power plants and grids on behalf of third parties or actual users.
7. To engage in the business of dealers and traders in machineries, equipment's, panels, components and systems and all other types of materials including raw materials, intermediaries required in connection with the generation, supply and distribution of electricity through both conventional and non-conventional means, Infrastructural projects relating to roads laying, building constructions, setting up of airports and sea ports and Railway projects.
8. To carry on the business of purchasers, promoters, developers, Vendors, builders, and real estate brokers of land and building sites, flats, apartments, dwelling houses, resorts, commercial complexes, offices, shops, and properties or building and engineering consultants.

Major events of our Company

Sr. No.	Fiscal	Event
1.	2002	Incorporation of our Company as Refex Refrigerants Private Limited and commencement of the business of refilling of refrigerant gases known as Hydro Fluro Carbon
2.	2006	Conversion of our Company into public limited company.
3.	2007	Public Issue of Equity Shares and listing of equity shares on BSE
4.	2008	Launching of disposable refrigerants R134A CAN's.
5.	2009	Listing of Equity Shares on National Stock Exchange
6.	2012	Setting up of 5MW solar power plant in the state of Rajasthan
7.	2013	Change in the name of our Company from Refex Refrigerants Limited to Refex Industries Limited
8.	2015	Entered in the business of export of refrigerants gases
9.	2018	Entered into the business of trading of coal and disposal of ash

OUR MANAGEMENT

Our Articles of Association provide that our Board shall consist of minimum 3 (three) Directors and not more than 12 (twelve) Directors, unless otherwise determined by our Company in a general meeting.

As on the date of this Draft Letter of Offer, our Company has 4 (four) Directors, comprising of 1 (one) Executive Director, 1 (one) Non-Executive Non-Independent Director and two Independent Directors. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act, 2013 and SEBI Listing Regulations.

Our Board of Directors

The following table sets forth details regarding our Board of Directors as on the date of this Draft Letter of Offer:

No.	Name, designation, address, occupation, term and DIN	Age (Years)	Other directorships
1.	**Anil Jain** ***Designation***: Chairman and Managing Director ***Address***: ONO.52, NNO. 151, Habibullah Road, T Nagar, Chennai 600 017, Tamil Nadu ***Occupation***: Business ***Period of Directorship***: Director since September 9, 2002 ***Term***: Fixed term for a period of 3 years with effect from July 1, 2017 ***Date of expiration of the current term of office***: June 30, 2020 ***Date of birth***: September 13, 1976 ***DIN***: 00181960	43	Public Limited Entities: ▪ Sunedison Infrastructure Limited Private Limited Entities: ▪ Sherisha Solar Private Limited ▪ Sherisha Technologies Private Limited ▪ Sherisha Agro Private Ltd ▪ STPL Horticulture Private Limited ▪ Silres Energy Solutions Private Limited ▪ SIL Rooftop Solar Power Private Limited Section 8 company: ▪ Jain International Trade Organisation ▪ AJ Incubation Forum
2.	**Amalanathan Pillappan** ***Designation***: Additional Director (Independent) ***Address***: House No. 181, Indhira Nagar, Main Road, Valasaravakkam, Tiruvallur, Alwarthirunagar, Tamil Nadu 600 087 ***Occupation***: Profession ***Period of Directorship***: Director since March 28, 2020 ***Term***: Until the AGM to be Held in FY 2021 ***Date of expiration of the current term of office***: *Until the AGM to be Held in FY 2021* ***Date of birth***: April 18, 1960 ***DIN***: 08730795	59	NIL

No.	Name, designation, address, occupation, term and DIN	Age (Years)	Other directorships
3.	**Jamuna Ravikumar** ***Designation***: Independent Director ***Address***: New No.6, Old No.33, Hyder Garden,3rd Street, Perambur, Perambur Barracks Chennai 600012 ***Occupation***: Profession ***Period of Directorship***: Director since February 14, 2018 ***Term***: Fixed term for a period of three years with effect from February 14, 2018 ***Date of expiration of the current term of office***: February 13, 2021 ***Date of birth***: May 29, 1984 ***DIN***: 08009308	35	Public Limited Entities: ▪ Sunedison Infrastructure Limited ▪ Refex Energy Limited Private Limited Entities: ▪ Silverfine Development India Private Limited
4.	**Dinesh Kumar Agarwal** ***Designation***: Non-Executive Director ***Address***: Anjali Apts, Flat-821, 8th Block, No. 264, MTH Road, Villivakkam, Chennai 600 049, Tamil Nadu ***Occupation***: Profession ***Period of Directorship***: Director since July 27, 2016 ***Term***: Not Applicable ***Date of expiration of the current term of office***: Liable to retire by rotation in the ensuing AGM ***Date of birth***: July 9, 1980 ***DIN***: 07544757	39	Private Limited Entities: ▪ Sunedison Energy India Private Limited ▪ SEI Tejas Private Limited ▪ Refex Power Trading Private Limited ▪ Sparzana Aviation Private Limited ▪ Sphere Capital Private Limited Section 8 company: ▪ AJ Incubation Forum

Past Directorships in listed companies

None of our Directors is, or was a director of any listed company, whose shares have been, or were suspended from being traded on the BSE or the NSE during the term of their directorships in such companies during the last five years preceding the date of filing of this Draft Letter of Offer.

None of our Directors is or was a director of any listed company, which has been, or was delisted from any stock exchange during the term of their directorship in such company during the last ten years preceding the date of filing of this Draft Letter of Offer.

Relationship between the Directors

None of our Directors are related to each other.

Arrangement or understanding with major Shareholders, customers, suppliers or others

There is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board of Directors.

Details of service contracts entered with Directors

There are no service contracts entered between our Company and our Directors which provide for benefits upon termination of employment.

SECTION VII – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

INDEX

INDEPENDENT AUDITOR REPORT AND AUDITED CONSOLIDATED FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

M. Krishnakumar & Associates
Chartered Accountants
(O) 2461 4932
(R) 2491 3521
(M) 93821 26465

Independent Auditor's Report

To the Members of M/s.Refex Industries Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of Refex Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group), which comprise the Consolidated balance sheet as at 31st March 2019, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant 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 Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements 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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 of the current period. These matters were

33, (Old No. 17), School View Road, R.K. Nagar, Chennai - 600 028
E-mail : mayur_kk@hotmail.com

M. Krishnakumar & Associates
Chartered Accountants
(O) 2461 4932
(R) 2491 3521
(M) 93821 26465

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

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the 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 implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the group are 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 management 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 Consolidated Financial Statements

Our objectives are 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 financial statements.

Our Opinion on the consolidated financial statements, and our report on other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done on the reports of the other auditors an financial statements and other financial information certified by the Management.

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Chartered Accountants
(O) 2461 4932
(R) 2491 3521
(M) 93821 26465

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 relating to preparations of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated statement of Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Holding company as on 31st March, 2019 taken on record by the Board of Directors of the Holding company and the report of the statutory Auditors of its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors is disqualified as on 31st March, 2019 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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, in our opinion and to the best of our information and according to the explanations given to

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(i) The holding company had disclosed the impact of pending litigations as at 31st March 2019 on its consolidated financial position in its consolidated financial statements as mentioned in Note 28.

(ii) The holding Company had made provisions as required under the applicable law or accounting standards, for material forseeable losses, if any long-term contracts including derivate contracts .

(iii) There there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the holding Company.

Place Chennai
Date : 30.05.2019

For M.Krishnakumar & Associates
Chartered Accountants
Firm Registration No. 006853S

M.Krishna Kumar B.Sc FCA
Proprietor
Membership No.203929

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"Annexure – A" to the Independent Auditors' Report of even date on the consolidated Financial statements of Refex Industries Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Refex Industries Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the Consolidated Ind AS financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company incorporated in India, are 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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

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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 Consolidated IND AS 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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 over Financial Reporting

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, the Holding Company and its subsidiary company incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating

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effectively as at 31 March 2019, 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.

Place Chennai
Date : 30.05.2019

For M.Krishnakumar & Associates
Chartered Accountants
Firm Registration No. 006853S

M.Krishna Kumar B.Sc FCA
Proprietor
Membership No.203929

33, (Old No. 17), School View Road, R.K. Nagar, Chennai - 600 028
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Consolidated Balance Sheet as at March 31, 2019

(Rs. in lakhs)

Particulars	Note No.	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	1	1,485,57	1,430.87
(a) Intangible	2	2.21	-
(a) Capital Work in Progress		26.68	-
(b) Non-current financial assets			
(I) Investments	3	-	-
(ii) Trade receivables		-	-
(iii) Other non current financial assets	4	61.03	105.48
(c) Deferred Tax Assets	5	905.43	-
(d) Other Non current assets	6	251.26	303.21
Current assets			
(a) Inventories	7	758.69	522.60
(b) Financial Assets			
(I) Trade receivables	8	8,749.67	3,651.37
(ii) Cash and cash equivalents	9	387.40	69.65
(iii) Bank Balances other than(ii)above			
(iv) Other current financial assets	10	798.56	3,537.92
(c) Current Tax Assets (Net)	11	109.75	98.67
(d) Other current assets	12	2,314,67	27.20
Total Assets		**15,850.92**	**9,746.97**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capita	I13	1,547.52	1,547.52
(b) Other Equity	14	2,725.37	(437.50)
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(I) Long term Borrowings	15	17.92	4,094.56
(I) Other(s)		-	-
(b) Deferred Tax Liabilities	5	-	17.44
(c) Long Term provisions	16	15.65	31.27
Current liabilities			
(a) Financial Liabilities			
(I) Short term Borrowings		-	-
(ii) Trade payables	17	10,118.07	4,140.65
(iii) Other financial liabilities	18	45.79	51.23
(b) Other current liabilities	19	1,380.60	301.80
Total Equity and Liabilities		**15,850.92**	**9,746.97**
The accompanying notes form an integral part of these financial statements	**28-38**		

Notes 1 to 38 form part of financials
As per our report of even date attached

For M.KRISHNAKUMAR & ASSOCIATES
Chartered Accountants
Firm Regn No: 006853S

M.KRISHNAKUMAR B.SC FCA
Proprietor
Membership No. 203929

Place : Chennai
Date : 30th May 2019

For and on behalf of the Board of Directors

T.AnilJain
Managing Director
(DIN:00181960)

Dinesh Kumar Agarwal
Director
(DIN:07544757)

D.HemSenthil Raj
Director
(DIN:06760725)

Jamuna Ravikumar
Director
(DIN:08009308)

U.Lalitha
Chief Financial Officer

S. Gopalakrishnan
Company Secretary

Consolidated Statement Of Profit and Loss for the year ended 31st March, 2019

(Rs. in lakhs)

	Particulars	Note No.	For the year ended 31 March, 2019 ₹	For the year ended 31 March, 2018 ₹
	INCOME			
I	Revenue from operations	20	46,105.11	7,737.25
II	Other income	21	185.38	204.12
III	**Total Income (I+II)**		**46,290.48**	**7,941.37**
IV	**Expenses**			
	Cost of material consumed	22	16,740.29	650.15
	Purchase of stock in trade	23	23,570.98	5,070,73
	Excise duty on sale of goods		-	51.42
	Employee benefits expenses	24	243.94	115.97
	Finance costs	25	29.68	120.87
	Depreciation and Amortisation	26	96.23	82.74
	Other Expenses	27	2,722.86	1,676.19
	Total expenses (IV)		**43,403.97**	**7,768.07**
V	**Profit/(loss) before exceptional items and tax**		**2,886.51**	**173.31**
VI	Exceptional items			
VII	**Profit/(loss) before tax**		**2,886.51**	**173.31**
VIII	**Tax expense**			
	- Current Tax	5	646.44	-
	- Less: MAT Entitlement Credit		(646.44)	-
	- Deferred Tax	5	(276.44)	79.57
IX	**Profit/(loss) for the period**		**3,162.95**	**93.74**
X	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit plan actuarial gains/ (losses)		(0.07)	-
	Income tax expense on above		(0.07)	-
XI	**Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)**		**3,162.88**	**93.74**
XII	**Earnings per equity share**			
	(1) Basic		20.44	0.61
	(2) Diluted		20.44	0.61
	See accompanying notes forming part of the Financial Statements	**28-38**		

Notes 1 to 38 form part of financials
As per our report of even date attached

For M.KRISHNAKUMAR & ASSOCIATES
Chartered Accountants
Firm Regn No: 006853S

M.KRISHNAKUMAR B.SC FCA
Proprietor
Membership No. 203929

Place : Chennai
Date : 30th May 2019

For and on behalf of the Board of Directors

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Managing Director
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Director
(DIN:06760725)

Jamuna Ravikumar
Director
(DIN:08009308)

U.Lalitha
Chief Financial Officer

S. Gopalakrishnan
Company Secretary

Consolidated Statement of Cash Flow for the year ended 31st March 2019

(Rs. In lakhs)

	For Year Ended March 31, 2019	For Year Ended March 31, 2018
Cash flows from operating activities		
Profit Before Taxes	2,886.51	173.31
Adjustments:		
Interest and dividend income	(185.38)	(128.92)
Loss on sale of fixed assets	0.14	5.29
Adjustment for Current taxes	-	-
Interest expense	29.68	116.86
Remeasurement of Defined benefit Plan under OCI	(0.07)	-
Depreciation and amortization	96.23	82.74
Operating cash flow before working capital changes	2,827.11	249.28
Changes in		
Decrease/(Increase) In Trade Receivables	(5,098.30)	(3,365.79)
Decrease/(Increase) In Other current Financial Asset(s)	2,739.36	1.66
Decrease/(Increase) In Other current Asset(s)	(2,287.47)	90.59
Decrease/(Increase) In Other non-current financial assets	44.45	-
Decrease/(Increase) In Inventories	(236.09)	(400.22)
Decrease/(Increase) In Other non-current assets	51.95	(210,00)
(Decrease)/Increase In Long term Provisions	(15.62)	-
(Decrease)/Increase In non-current liabilities	-	-
(Decrease)/Increase In Trade Payables current	5,977.42	3,193.76
(Decrease)/Increase In other current liabilities	1,078.79	(0.19)
(Decrease)/Increase in Non Current Investments	-	
(Decrease)/Increase In Other financial liabilities	(5.44)	-
Income taxes paid	(657.51)	-
Cash generated from / (used in) operations	4,418.64	(440.90)
Cash flows from investing activities		
Purchase of fixed assets	(180.00)	(66.60)
Proceeds from sale of fixed assets	0.05	7.98
Interest received	185.38	0.00
Net cash generated from/(used in) investing activities [B]	5.42	(58.62)
Cash flows from financing activities		
Proceeds from / (repayment of) long term and short term borrowings	(4,076.64)	480.62
Dividend paid (including dividend distribution tax)	-	-
Interest paid	(29.68)	(116.86)
Net cash used in financing activities	(4,106.32)	363.76
Increase in cash and cash equivalents	317.75	(135.77)
Cash and cash equivalents at the beginning of the year	69.65	76.50
Cash and cash equivalents at the end of the year	387.40	(59.26)
Components of cash and cash equivalents (refer note 21)		
Cash on hand	12.95	15.27
Balances with banks	374.45	54.38
Total cash and cash equivalents	387.40	69.65

As per our Report of even date attached
For **M.KRISHNAKUMAR & ASSOCIATES**
Chartered Accountants
FRN. 006853S

M.KRISHNAKUMAR B.SC FCA
Proprietor
Membership No. 203929

Place : Chennai
Date : 30th May 2019

For and on behalf of the Board of Directors

T.Anil Jain
Managing Director
(DIN:00181960)

Dinesh Kumar Agarwal
Director
(DIN:07544757)

D.Hem Senthil Raj
Director
(DIN:06760725)

Jamuna Ravikumar
Director
(DIN:08009308)

U.Lalitha
Chief Financial Officer

S. Gopalakrishnan
Company Secretary

Consolidated Notes forming part of Financial Statements as at and for the year ended March 31, 2019

A. Corporate Information:

Refex Industries Limited (RIL), From realizing the commercial potential of HFC gases and diversifying into refrigerant gases, Refex Industries Limited (RIL) has consistently delivered out-of-the-box innovation coupled with positive financial sustainability, at every step of the way. With its inception in the year 2002, Refex Industries successfully broke the monopoly that existed in the controlled refrigerant gas market. After its well-established leadership in refrigerant gases, Refex now brings its delivery expertise in offering services like coal trading, coal yard management and coal ash handling to thermal power plants.

Refrigerant Gas:

Refex Industries Limited (RIL) is a specialist manufacturer and re-filler of Refrigerant gases, particularly, environmentally acceptable gases that are replacements for Chloro-Fluoro-Carbons (CFC's). These are used primarily as refrigerants, foam blowing agents and aerosol propellants. It exercises superior quality control and efficiency with the help of advanced technology. Refex has been committed to being an exemplary player in terms of safety, protection of health and environment, and sustainable development.

Handling and Disposal of Fly Ash:

Ash is the by-product from the burning of coal which is the fuel to all thermal power plants. 30-45% of the burnt coal is ash. This ash is full of heavy metals and toxins which if not handled properly could pollute air, land and water bodies.

During the running of a power plant ash is continuously produced and stored in silos which have to be continuously evacuated. The fly ash from the silos is a raw material required for the production of PPC cement, manufacturing of bricks, concreting of infrastructure projects like roads, bridges etc. This fly ash from the silos is transported in closed bulkers. The excess undisposed ash from the silos is then sent to the ash dyke from where is it evacuated by filling in trucks for mine reclamation, filling of low lying areas, embankments etc. as per the guidelines of Ministry of Mines and Ministry of Environment and Forests (MoEF).

Round the clock services for coal yard management, shifting of uncrushed coal and Housekeeping Works:

With immense experience in handling ash in large number of trucks and bulkers, company have ventured into providing coal yard management services. Uncrushed coal from trucks is first stored in the coal yard in the form of heaps. This coal is then transported and fed into the track hoppers at the Coal Handling Plant area. The un-sized coal which doesn't pass through the grizzly is broken to smaller sizes before it goes through. These services are provided round the clock to ensure sufficient supply of coal to run the power plant uninterruptedly.

The Company also provide housekeeping services in the coal handling plant (CHP) areas like in the conveyor belt surrounding areas, cable trays, trenches, drains, sump pit where spilled coal is to be collected and shifted manually with adequate manpower to ensure the smooth functioning of the equipment.

Coal Trading:

The Company source quality coal from domestic and international players and offer at competent prices to the power plants.

With a boost in infrastructure in India, Refex foresees a tremendous growth in all the business segments.

B. Significant Accounting Policies

Basis of Preparation of financial statements

- **Statement of Compliance**

  The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

- 1. **Preparation and compliance with Indian Accounting Standards (IND AS)**

  The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

  Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

  Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Consolidated financial statements is determined on such a basis, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

  In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

  Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

  Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

  Level 3 inputs are unobservable inputs for the asset or liability.The principal accounting policies are set out below.

- **Recent accounting pronouncements**

2.1.3.a. Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:•

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors•
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:•

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or•
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

The effect of adoption as on transition date would be insignificant on the financial statements.

2.1.3.b. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition -

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.

The company is in the process of evaluation of impact of such pronouncement.

2.1.3.c. Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment

2.1.3.d. Amendment to Ind AS 19 – plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:•

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and•
- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The company is in the process of evaluation of impact of such pronouncements.

- **Historical Cost convention**

  The financial statements have been prepared under historical cost convention on accrual basis except for certain assets and liabilities as stated in the respective policies, which have been measured at fair value.

- **Current / Non-Current classification**

  The assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

  Deferred tax assets and liabilities are classified as non-current assets and liabilities.

- **Revenue recognition**

  Revenue from Sales of goods and Electricity

  The company manufactures and sells a range of refrigerant gases and generates electricity. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. In case of electricity, sales are recognised when power generation is passed on to the electricity grid.

  Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customers has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the customer has objective evidence that all criteria for acceptance have been satisfied.

  Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

  No element of financing is deemed present as the sales are made with the credit term, consistent with market practice.

  A receivable is recognised when the goods/electricity are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

  Revenue from sale of services

  Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided The proportion of service rendered is determined by cost involved for the project as against total cost. Any promise made in the contract, which are identified distinct is accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management. In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Interest income:

Interest income from, if any, non-current financial assets are recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

Interest income from fixed deposits in banks is recognised on time proportion basis, determined by the amount outstanding and the rate applicable.

Fair value gains on current investments carried at fair value are included in Other income.

Other items of income are recognised as and when the right to receive arises.

- **Property Plant and Equipment**
- **Tangible Assets**

Freehold land is carried as historical cost. All other items of property plant and equipment are stated at historical cost of acquisition less accumulated depreciation and amortization and impairment. Historical cost includes purchase price, taxes and duties (Net of tax credits), labour cost and directly attributable overhead expenditure incurred upto the date the asset is ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only 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. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Depreciation is recognised using the straight-line method. The estimated useful lives and residual values are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis. The useful lives of assets are adopted to as specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

On transition to Ind AS, Group has elected to continue carrying value of all its property plant and equipment recognized as at 1 April 2017 measured as per the previous GAAP and use that carrying value as deemed cost of the property, plant and Equipment.

An item of property, plant and equipment is derecognised upon disposal. Any gain or loss arising on the disposal of an item of property plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement or profit and loss.

2.3.2 Intangible assets

Rights under Service Concession Arrangements

Intangible assets are recognised when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment.

Other intangible assets

Specialized software is amortized over a period of three to six years on straight line there is no time period, only subscription payable basis from the month in which the addition is made.

Intangible assets acquired are measured at cost less accumulated amortisation and impairment losses.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods to allocate the assets' revised carrying amount over its remaining useful life.

- **Impairment of assets**

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

- **Capital Work in Progress**

  The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

  Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets

- **Depreciation and amortization**

  Depreciation

  The depreciable amount of an item of PPE is allocated on a straight-line basis over its useful life as prescribed above.

  If part of an item of PPE with a cost that is significant in relation to the total cost of the asset and useful life of that part is different from remaining part of the asset; such significant part is depreciated separately. Depreciation on all such items have been provided from the date they are 'Available for Use' till the date of sale / disposal and includes amortization of intangible assets. An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

  Depreciation is charged on pro-rata basis from the date of addition / till the date of disposal. Gains and losses on disposal of assets are determined by comparing the sale proceeds with the carrying amount. These are included in profit or loss within other income.

  The residual values are not more than 5% of original cost of the asset. The asset's residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

- **Borrowing costs**

  The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset as a part of the cost of the asset. The Company recognises other borrowing costs as an expense in the period in which it incurs them. A qualifying asset is an asset that necessarily takes a substantial period to get ready for its intended use or sale.

  To the extent the Company borrows generally and uses them for the purpose of obtaining a qualifying asset, amount of borrowing cost eligible for capitalization is computed by applying a capitalization rate to the expenditure incurred. The capitalization rate is determined based on the weighted average of borrowing costs, other than borrowings made specifically towards purchase of a qualifying asset.

- **Foreign currency translation**

  a. Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

b. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing rate are adjusted in the cost of fixed assets specifically financed by the borrowings contracted, to which the exchange differences relate.

c. Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

- **Employee benefits**

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

- **Short Term obligations**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

- **Post-employment obligation**

The company operates the following post-employment benefit schemes.

Defined benefit plans such as gratuity for its eligible employees and defined contribution plans such as provident fund.

Defined Benefit Plan (Gratuity)

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the government bonds that have terms approximating to the terms of the related obligation.The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined Contribution Plan (Provident Fund)

The State governed provident fund linked with employee pension scheme are defined contribution plans. The contribution paid/ payable under the scheme is recognised during the period in which the employee renders the related service.

Other long-term employee benefits

The obligation for other long-term employee benefits such as long term compensated absences, liability on account of Retention Pay Scheme are recognised in the same manner as in the case of defined benefit plans as mentioned above.

- **Taxes on Income**

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

The current tax is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets — unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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 reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company has a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT) is accounted as current tax when the Company is subjected to such provisions of the Income Tax Act. However, credit of such MAT paid is available when the Company is subjected to tax as per normal provisions in the future. Credit on account of MAT is recognized as an asset based on its recoverability in the future.

- **Provisions and contingent liabilities**
- **Provisions**

A provision is recorded when the Company has a present or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

- **Contingent Liabilities**

Contingent liabilities are disclosed 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

- **Leases**

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

Finance leases:

(a) Property, plant and equipment acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, to obtain a constant periodic rate of interest on the outstanding liability for each period.

(b) Property, plant and equipment given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease to yield a constant rate of return on the net investment in the lease.

Operating leases:

(a) Property, plant and equipment acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

(b) Property, plant and equipment leased out under operating leases are continued to be capitalised by the Company. Rental income is recognised on a straight-line basis over the term of the relevant lease.

- **Cash and Cash equivalents**

Cash and cash equivalents include cash in hand, Balances in Bank and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

- **Financial assets**

- **Classification**

The Company classifies its financial assets in the following measurement categories:

(i) Those measured subsequently at fair value through other comprehensive income (in case of investments in equity instruments) through profit or loss (in case of investments in mutual funds)

(ii) Those measured at amortised costThe classification is based on the Company's business model for managing the financial assets and the contractual terms of the cash flow for assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

- **Measurement**

Initial Measurement

The Company measures a financial asset at its fair value plus cost that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

- **Subsequent measurement**

  Investments

  Fair value through Profit and loss

  Assets that do not meet the criteria for amortised cost or Fair Value Through Other Comprehensive Income (FVOCI) are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

- **Other financial assets**

  After Initial Measurement, financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR) method. Amortised cost is calculated by considering any discount or premium and fees or cost that are an integral part of EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

- **Impairment of financial assets**

  The Company assesses on a forward-looking basis, the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been significant increase in credit risk.

  For trade receivables (If any), the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognised from initial recognition of the receivables.

  The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition

- **De recognition of financial assets**

  A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when the rights to receive cash flows from the asset have expired.

- **Financial Liabilities**

- **Classification**

  The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities shall be subsequently measured at fair value

- **Initial recognition and measurement**

  The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Loans and borrowings**

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

  Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to interest-bearing loans and borrowings.

- **Derecognition**

  A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

- **Offsetting of financial instruments**

  Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

- **Government grants**

  Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve.

- **Dividend to Shareholders**

  Final dividend distributed to equity shareholders is recognized in the period in which it is approved by the members of the Company in the Annual General Meeting. Interim dividend is recognized when approved by the Board of Directors at the Board Meeting. Dividend distributed is recognized in the Statement of Changes in Equity.

- **Earnings per Share**

  Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

  For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

- **Derivative financial instruments**

  The Company uses derivative financial instruments, such as forward contract to manage its exposure to foreign exchange risks. Any derivative that is either not designated as a hedge or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss and the resulting exchange gains or losses/ fair value changes are included in Statement of profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

- **Segment Information**

  Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM").

  The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The board of directors has been identified as being the CODM. Refer note 34.

- **Prior Period**

  Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However, where retrospective restatement is not practicable for a particular period then the circumstances that led to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes on Accounts.

- **Cash flow statement**

  Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

  Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year is classified by operating, investing and financing activities.

- **Critical Estimates and Judgements**

  The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities as of the balance sheet date and reported revenue and expenses for the year and disclosure of contingent liabilities as of the date of balance sheet. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant circumstances as of the date of financial statements. Actual amounts could differ from these estimates.

  This note provides an overview of the areas that involve a higher degree of judgment or complexity, and of items which may be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed in about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation of each affected line item in the financial statements.

  The areas involving critical estimates or judgments are:

  i. Estimation of current tax expense and payable – Note 5 in notes to accounts

  ii. Estimation of defined benefit obligation – Note 33 in notes to accounts

  iii. Estimation of useful life of Property, Plant and Equipment and Intangibles – Note 2.3

Consolidated notes forming part of Financial statements as at and for the year ended March 31, 2019

Note 1 - Property Plant and Equipments

Description	Land	Building	Plant and Machinery - Cylinders	Plant and Machinery - Others	Electrical Installation	Furniture and Fixtures	Office Equipment	Vehicles	Total
As at 1 April 2017 (Deemed Cost)	**900.52**	**203.94**	**125.78**	**42.50**	**91.63**	**29.32**	**12.03**	**54.57**	**1,460.29**
Additions during the year	-	-	15.45	14.32	-	-	5.65	31.19	66.60
Deletions during the year	-	-	-	-	-	-	-	(13.27)	(13.27)
As at 31 March 2018 (At Cost)	**900.52**	**203.94**	**141.23**	**56.81**	**91.63**	**29.32**	**17.67**	**72.49**	**1.513.62**
Additions during the year	-	-	5.35	142.40	-	-	1.25	2.10	151.11
Deletions during the year	-	-	-	-	-	-	-	(0.37)	(0.37)
As at 31 March 2019 (At Cost)	**900.52**	**203.94**	**146.58**	**199.21**	**91.63**	**29.32**	**18.93**	**74.22**	**1,664.35**
Depreciation and amortization									
Charge for the year ended March 31, 2018	-	13.71	29.11	3.89	17.53	6.22	3.55	8.73	82.74
Deletions during the year	-	-	-	-	-	-	-	-	
As at 31 March 2018 (At Cost)	**-**	**13.71**	**29.11**	**3.89**	**17.53**	**6.22**	**3.55**	**8.73**	**82.74**
Charge for the year	-	13.72	30.35	14.10	17.53	2.48	3.17	14.87	96.22
Deletions during the year	-	-	-	-	-	-	-	(0.18)	(0.18)
As at 31 March 2019	**-**	**27.43**	**59.46**	**17.98**	**35.07**	**8.71**	**6.72**	**23.42**	**178.78**
Net Book Value									
As at 31 March 2019	**900.52**	**176.51**	**87.12**	**181.23**	**56.56**	**20.61**	**12.21**	**50.80**	**1,485.57**
As at 31 March 2018	**900.52**	**190.23**	**112.11**	**52.92**	**74.10**	**23.10**	**14.13**	**63.77**	**1,430.87**
As at 01 April 2017	**900.52**	**203.94**	**125.78**	**42.50**	**91.63**	**29.32**	**12.03**	**54.57**	**1,460.29**

Reconciliation of the gross carrying amount as per previous GAAP with the deemed cost as at April 01, 2017

Note 2 - Intangible Assets

Description	Software	Total
As at 1 April 2017 (Deemed Cost)		
Additions during the year	-	-
Deletions during the year	-	-
As at 31 March 2018 (At Cost)	-	-
Additions during the year	2.22	2.22
Deletions during the year		-
As at 31 March 2019 (At Cost)	2.22	2.22
Depreciation and amortization		-
Charge for the year ended March 31, 2018		-
Deletions during the year		-
As at 31 March 2018 (At Cost)	-	-
Charge for the year	0.01	0.01
Deletions during the year		-
As at 31 March 2019	0.01	0.01
Net Book Value		
As at 31 March 2019	2.21	2.21
As at 31 March 2018	-	-
As at 01 April 2017	-	

Note 3 - Non Current Investments

Particulars	As at 31 March, 2019	As at 31 March, 2018
Investments in Subsidary - Unquoted carried at cost 50,000 Equity Shares of Vituza Solar Energy Ltd of Rs.10/- each.	5.00	5.00
Total Aggregate Book Value of unqouted Investments	**5.00**	**5.00**

Note 4 - Other Non Current Financial Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured		
Advances and Deposits		
Less: Provision for expected credit loss under Ind AS 109	61.03	105.48
Total	**61.03**	**105.48**

Note 5 - Deferred Tax Asset(s)/ (Liabilities)

Tax recognised in Statement of profit and loss

Particulars	For the year Ended March 31, 2019	For the year Ended March 31, 2018
Current income tax		
Current year	646.44	-
Less: MAT Entitlement Credit	(646.44)	-
Sub Total (A)	-	-
Deferred tax expense		
Origination and reversal of temporary differences	(276.44)	79.57
Sub Total (B)	**(276.44)**	**79.57**
Total	**(276.44)**	**79.57**

Reconciliation of effective tax rates

Particulars	For the year Ended March 31, 2019	For the year Ended March 31, 2018
Profit before tax	2,886.51	173.31
Enacted tax Rate (under Normal Provisions)	0.26	0.26
Computed Expected Tax Expenses - Normal Provision	**750.49**	**44.63**
Permenent Disallwoances		-
Profit on Sale on Asset		-
Others		
On account of losses on which deferred taxes were unrecognised	(750.49)	(44.63)
Computed Tax expenses	-	-
Current tax	-	-
Deferred Tax#	(276.44)	79.57
Tax Expenses for the year	**(276.44)**	**79.57**

 # There were losses on which no deferred tax assets are recognized in the periods on account of lack of virtual Certainty, therefore the effective tax rate is not in line with the current tax rates.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Property Plant and Equipment	48.90	(78.49)
Carry Forward Losses	180.73	61.05
Leave Encashment Provision	0.54	-
Grat. Provision	1.10	-
Provision for Bad and Doubtful debts under ECL	27.73	-
MAT Entitlement Credit	646.44	-
Net Deferred Tax Assets/ (Liabilities)	**905.43**	**(17.44)**

Movement in deferred tax balances during the year ended March 31, 2019

Particulars	Balance as at March 31, 2018	Recognised in profit & loss	Recognised in OCI	Balance As at March 31, 2019
Property Plant and Equipment	(78.49)	127.39	-	48.90
Carry Forward Losses	61.05	119.68	-	180.73
Leave Encashment	-	0.54	-	0.54
Grat. Provision	-	1.10	-	1.10
MAT Credit	-	646.44	-	646.44
ECL Provision	-	27.73	-	27.73
Net Deferred Tax Assets/ (Liabilities)	**(17.44)**	**922.87**		**905.43**

Unrecognised Deferred tax assets

Deferred tax assets have not been recognised in respect of the following items

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unutilised tax losses	273.33	1,044.06
Total	**273,33**	**1,044.06**

Note 6 - Other Non Current Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
Balances with Government Authorities	251.26	303.21
Total	**251.26**	**303.21**

Note 7 - Inventories

Particulars	As at 31 March, 2019	As at 31 March, 2018
Raw Materials and Spares		
Refrigerant Gases	331.18	522.60
Solar Modules	427.51	-
Total	**758.69**	**522.60**

Note 8 - Trade Receivables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade receivables		
Unsecured Considered good	8,856.34	3,651.37
Less:		
Impairment for Trade receivable under Expected Credit Loss model	(106.67)	-
Total	**8,749.67**	**3,651.37**

Note:

Information with respect to aging is provided in Note No:32

Note 9 - Cash and Cash Equivalents

Particulars	As at 31 March, 2019	As at 31 March, 2018
i) Balances with banks		
* **Current Accounts**	373.19	52.50
* EEFC accounts	-	0.23
* Deposit Accounts	1.26	1.65
ii) Cash on hand	12.95	15.27
Total	**387.40**	**69.65**

Note 10 - Other Current Financial Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
i) Unsecured, considered good;		
- Loans and advances to Employees	0.51	1.59
- Loans and advances to Related Parties measured at Amortized Cost	798.05	3,536.33
Total	**798.56**	**3,537.92**

Note 11 - Current Tax Asset

Particulars	As at 31 March, 2019	As at 31 March, 2018
Withholding Taxes	756.18	98.67
Less: Provision for Taxes	(646.44)	-
Total	**109.75**	**98.67**

Note 12 - Other Current Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured considered good		
Balance with government authorities	-	-
Prepaid Expenses	7.12	11.76
Advances to Suppliers for capital and others	2,307.55	15.44
Total	**2,314.67**	**27.20**

Note 13 - Equity Share Capital

Particulars	As at 31 March, 2019	As at 31 March, 2018
Authorised Share Capital		
(i) Equity Shares (2,50,00,000 Nos of Rs. 10 each)	2,500.00	2,500.00
(ii) Preference Shares (5,00,000 Nos of Rs. 100 each)	500.00	500.00
Total	**3,000,00**	**3,000,00**
Issued		
(I) Equity Shares (1,54,75,176 Nos of Rs. 10 each)	**1,547.52**	**1,547.52**
Subscribed and Paid Up		
(I) Equity Shares (1,54,75,176 Nos of Rs. 10 each)	**1,547.52**	**1,547.52**
Total	**1,547,52**	**1,547,52**

There has been no change in the paid up Equity Capital during the year

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

Details of Shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos	% of Holding	Nos	% of Holding
Sherisha Technologies Private Limited	20,83,411	13.46%	20,83,411	13.46%
T. Anil Jain	25,13,533	16.24%	19,57,796	12.65%
Total	**45,96,944**	**29.71%**	**40,41,207**	**26.11%**

Note 14 Other Equity

For the year ended March 31, 2019

Particular	Reserves and Surplus				Other Components of Equity	Total
	General Reserve	Security Premium	Statutory Reserve*	Retained Earnings	Remeasurement of Net Defined benefit Liability / Asset	
Balance as at April 01, 2018	422.10	2,324.12	-	(3,183.72)	-	(437.50)
Movement to Statutory Reserve	-	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	3,162.95	-	3,162.95
Other Comprehensive Income for the Year	-	-	-	-	(0.07)	(0.07)
Balance as at March 31, 2019	**422.10**	**2,324.12**	**-**	**(20.77)**	**(0.07)**	**2,725.37**

For the year ended March 31, 2018

Particular	Reserves and Surplus				Other Components of Equity	Total
	General Reserve	Security Premium	Statutory Reserve	Retained Earnings	Remeasurement of Net Defined benefit Liability / Asset	
Balance as at April 01, 2017	422.10	2,324.12	-	(3,277.46)	-	(531.24)
Total Comprehensive Income for the Year	-	-	-	93.74	-	93.74
Other Comprehensive Income for the Year	-	-	-		-	-
Balance as at March 31, 2018	**422.10**	**2,324.12**	**-**	**(3,183.72)**	**-**	**(437.50)**

Note 15 - Borrowings - Long Term

Particular	As at March 31, 2019	As at March 31, 2018
(I) Secured		
- Vehicle Loan	8.99	32.71
-Inter Corporate Deposits at Amortized Cost	-	601.10
(ii) Unsecured		
-Inter Corporate Deposits at Amortized Cost	-	3,460.75
- Term Loan	8.94	-
Total	**17.92**	**4,094.56**

Terms

i. Term loan from banks are repayable in 24 Months, rate of interest at 16% and Unsecured

ii. Vehicle laons include one loan for forklift Term repayable in 12 Months, rate of interest at 9.50%, securred with Fork lift machine and loan for CAR, repayable in 24 months, rate of interest at 8.40% secured with the car.

Note 16 - Long Term Provisions

Particular	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits :-		
- Gratuity	13.57	31.27
- Leave Encashment	2.08	-
Total	**15.65**	**31.27**

Note 17 - Trade Payables

Particular	As at March 31, 2019	As at March 31, 2018
Trade payables (Refer Work 30)		
- Dues to Micro and Small Enterprises	149.80	-
- Others	9,968.27	4,140.65
Total	**10,118.07**	**4,140.65**

Note :

No interest due for these outstandings under MSME Act, 2006.

Note 18 - Other Financial Liabilities

Particular	As at March 31, 2019	As at March 31, 2018
Current Maturities of long term debt	20.62	25.70
Others	25.17	25.53
Total	**45.79**	**51.23**

Note 19 - Other Current Liabilities

Particular	As at March 31, 2019	As at March 31, 2018
Statutory Liabilities	424.23	164.24
Advance from customers	919.21	127.45
Others	37.16	10.11
Total	**1,380.60**	**301.80**

Note 20 - Revenue From Operations

Particular	Year Ended March 31, 2019	Year Ended March 31, 2018
Sale of Products	9,378.43	7,737.25
Revenue from rendering of services	36,726.68	-
Total	**46,105,11**	**7,737./25**

Note 21 - Other Income

Particular	As at March 31, 2019	Year Ended March 31, 2018
Interest income at from financial asset measured at amortised cost on Deposits	2.23	0.02
Interest from Inter-Company Deposits	166.33	128.90
Miscellaneous income	2.79	69.17
Foreign Exchange Flucuation - Gain	14.025	6.03
Total	**185.38**	**204.12**

Note 22 - Cost of materials Consumed *

Particular	As at March 31, 2019	Year Ended March 31, 2018
Opening Balance		
Raw Materials and Components	(522.60)	(122.38)
Add: Cost of		
Raw Materials and Components	16,499,30	226.58
Freight Inward	2.01	20.65
Consumption of Stores and Spares	2.88	2.69
Less: Closing Stock		
Raw Materials and Components	758.69	522.60
Total	**16,740.29**	**650.15**

The Cost of Material Consumed responses Cost of Services & Products.

Note 23 - Purchase of Stock in Trade

Particular	Year Ended March 31, 2019	Year Ended March 31, 2018
Solar Accessories	7,090,59	940.46
Service Purchase	16,480.40	4,130.27
Total	**23,570.98**	**5,070.73**

Note 24 - Employee benefits expense

Particular	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries, and Bonus etc.	144.34	94.41
Contribution to Provident and Other Funds	15.55	0.02
Staff Welfare Expenses	66.05	7.86
Remuneration to Key Management personnel	18.00	13.50
Total	**243,94**	**115.97**

*The above amount also include the payment to contractors

Note 25 - Finance Cost

Particular	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest cost on financial liabilities measured at amortized cost	24,83	109.96
Others	4.85	10.91
Total	**29.68**	**120.87**

Note 26 - Depreciation and Amortisation

Particular	Year Ended March 31, 2019	Year Ended March 31, 2018
Depreciation / Amortisation for the year		
- Tangible and Intangible Assets	96.23	82.74
Total	**96.23**	**82.74**

Note 27 - Other expenses

Particular	Year Ended March 31, 2019	Year Ended March 31, 2018
Advertisement	424.05	2.42
AMC Charges	0.46	0.41
Annual General Meeting Expenses	0.07	0.23
Audit fees	4.56	4.06
Bad Debts	69.84	2.57
Books & Periodicals	0.17	0.12
Business promotion & Marketing Expenses	45.78	19.34
Club Membership Fees	6.58	0.46
Communication	6,58	7.02
Customs duty and Excise duty	-	78.50
Director Sitting Fees (Refer note 21.B.6)	0.70	0.60
Donation	59.61	13.79
Food , Accommodation & Travelling Expenses	183.90	41.85
General Expenses	1.28	0.02
Installation and Testing Charges	0.30	0.27
Insurance	9.84	6.34
Legal , Professional & Expert Engagement Fees	324.61	52.96
Office Maintenance	8.09	4.80
Pooja Expense	0.18	0.35
Postage & Courier	4.81	2.95
Power and fuel	32.40	6.85
Printing and stationery	6.46	6.26
Profit/Loss on Sale of Fixed Assets - Ho	0.14	5.29
Rates and taxes	23.84	65.36
Registration Charges	0.40	2.18
Rent including lease rentals	1,298.96	1,309.26
Repairs and maintenance - Machinery	2.47	1.34
Repairs and maintenance - Others	3.90	2.79
Repairs and maintenance - Vehicle	1.08	1.09
Security Charges	2.92	2.71
Selling and Distribution Expenses	21.46	5.35
Subscription	1.29	0.59
Provision for Bad and Doubtful Debts	106.67	-
Transportation, Handling and Carriage expenses	69.45	28.06
Total	**2,722.86**	**1.676.19**

Payment made to Auditors

Particular	As at March 31, 2019	As at March 31, 2018
Payment made to statutory auditors : i. As auditors ii. For taxation matters iii. For other services iv. For reimbursement of expenses	3.62	2.94
Total	**3.62**	**2.94**

Note : 28.Contingent Liabilities:

(Rs. in lakhs)

Particular	As at March 31, 2019	As at March 31, 2018
Corporate Guarantee to Group Co	3,748.00	3,748.00
Other Guarantee	7,800.00	Nil
Litigations	Nil	321.42

28.1.Demands raised on the company by the respective authorities are as under:

(Rs. in lakhs)

Particular	As at March 31, 2019	As at March 31, 2018
Disputed demand of Income tax & Sales Tax	752.07	1,735.09

29. Additional information pursuant to Schedule III of the Companies Act, 2013

(Rs. in lakhs)

S.No.	Particular	As at March 31, 2019	As at March 31, 2018
A	**Expenditure in Foreign Currency on:**		
	(i) Salary and Allowance	-	-
	(ii) Tours and Travels	4.24	512.00
	(iii) Import of Materials/ Equipment (CIF Value)		
	a. Refrigerant Gases	873.71	924.84
	b. Capital Goods	113.98	-
	c. Components and Spares	-	-
	d. Finished goods/Semi Finished goods	-	-
	e. Raw Materials	1.27	-
B	**Earnings in Foreign Exchange**	**123.46**	**153.25**

30. Information in respect of Micro, Small and Medium Enterprises as at 31st March 2019:

(Rs. in lakhs)

S.No.	Particular	As at March 31, 2019	As at March 31 2018
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	 149.80 -	 - -
2	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	Nil	Nil
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
4	Amount of interest accrued and remaining unpaid	Nil	Nil
5	Amount of further 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 enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

Disclosure requirements of Indian Accounting Standards

31.Disclosures in respect of Ind AS 107 - Financial Instruments

31.1. Financial Instruments by Categories(attached in excel)

The carrying value and fair value of financial instruments by categories were as follows:

(Amount as of March 31, 2019)

(Rs. in lakhs)

Particular	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI
Assets:			
Non-Current Investment	-	-	-
Other Long Term Financial Assets	61.03	-	-
Current Trade Receivables	8,749.67	-	-
Cash & Cash Equivalents	386.80	-	-
Other Bank Balances	-	-	-
Other Financial Assets	798.56	-	-
Liabilities:			
Long term Borrowings	17.92	-	-
Other Non- Current financial liabilities	-	-	-
Short term Borrowings	-	-	-
Trade Payables	10,118.07	-	-
Other Current financial liabilities	45.79	-	-

(Amount as of March 31, 2018)
(Rs. In lakhs)

Particular	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI
Assets:			
Non-Current Investment	-	–	
Non-Current Trade receivable	-	-	-
Other Long Term Financial Assets	105.48	-	-
Current Trade Receivables	3,651.37	-	-
Cash & Cash Equivalents	69.65	-	-
Other Bank Balances	-	-	
Other Financial Assets	3,537.92	-	-
Liabilities:			
Long term Borrowings	4,094.56	-	-
Other Non- Current financial liabilities	-	-	-
Short term Borrowings	-	-	-
Trade Payables	4,140.65	-	-
Other Current financial liabilities	51.23	-	-

31.2. Fair Value Hierarchy

- **Level 1 -** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2 -** Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

31.3. Valuation Technique used to determine Fair Value:

The carrying amount of current financial assets and current trade and other financial liabilities measured at amortised cost are considered to be the same as their fair values, due to their short term nature. The carrying amount of Security Deposit measured at amortized cost is considered to be the same as its fair value due to its insignificant value. The carrying value of Rupee Term Loan and Term loan from related parties approximate fair value as the instruments are at prevailing market rate.

32. Financial risk management

The Company's activities expose to limited financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Market risk

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument.

The company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), Interest rate risk and the market value of its investments.

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. It principally arises from the Company's Trade Receivables, Retention Receivables, Advances and deposit(s) made

Trade receivables

The company has outstanding trade receivables amounting to Rs.87,49,67,181 as at March 31, 2019 and Rs.36,51,36,731 as at March 31, 2018, respectively. Trade receivables are typically unsecured, except for security deposits received from the new dealers and are derived from revenue earned from customers. Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The company is not exposed to concentration of credit risk to any one single customer. Default on account of Trade Receivables happens when the counterparty fails to make contractual payment when they fall due.

Further for amounts overdue are constantly monitored by the management and provision towards expected credit loss are made in the books. Management estimated of expected credit loss for the Trade Receivables are provided below with the classification on debtors.

Particulars	Overdue period									
	Not Past due	0-30 days	30-90 days	60-90 days	90-120 days	120-150 days	150-180 days	180-360 DAYS	360 Days-3 years	> 3 Years
Trade Receivables	0.5%	1%	1%	1%	2%	2%	2%	3%	3%	3%

Credit risk exposure:

An analysis of age of trade receivables at reporting date is summarized as follows:

(Rs. In lakhs)

Particulars	Overdue period	
	Net outstanding	Impairment
Not past due	4,460.99	22.30
0 to 30 days	387.77	3.88
30 to 60 days	118.51	1.19
60 to 90 Days	6.57	0.07
90 to 120 days	218.26	4.37 1
20 to 150 days	218.26	4.37
150 to 180 days	534.08	10.68
180 to 360 days	534.08	16.02
More than 1 year but less than 3 years	1,445.48	43.36
More than 3 Years	14.51	0.44
Total	**7,938.52**	**106.67**

Movement in Provision for Doubtful Debts	Amount
As at March 31, 2018	-
Charge for the year ended March 31, 2019	106.67
Utilized for the year March 31, 2019	-
Reversal of Excess Provision	-
As at March 31, 2019	106.67

Trade receivables are impaired in the year when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. The company considers that all the above financial assets that are not impaired and past due for each reporting dates under review are of good credit quality.

Liquidity Risk

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations, Term loan from Banks, and Contribution in the form of share capital.

We manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consist mainly of sundry creditors, expense payable, employee dues, repayment of loans and retention & deposits arising during the normal course of business as of each reporting date. We maintain a sufficient balance in cash and cash equivalents to meet our short-term liquidity requirements.

We assess long term liquidity requirements on a periodical basis and manage them through internal accruals. Our non-current liabilities include Unsecured Loans from Promoters, Term Loans from Banks, Retentions & deposits.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

The table include both principal cash flows.

(Amount as of March 31, 2019)
(Rs. In lakhs)

Particulars	1 year	1-3 years	3-5 years	More than 5 years	Total
Term Loan from Banks	8.37	8.94	-	-	17.31
Vehicle Loans	12.25	8.99	-	-	21.23

(Amount as of March 31, 2018)
(Rs. In lakhs)

Particulars	1 year	1-3 years	3-5 years	More than 5 years	Total
Term Loan from Banks	12.58	13.91	-	-	26.48
Vehicle Loans	13.13	18.80	-	-	31.93
Inter Corporate Deposits	-	-	-	3,520.45	3,520.45

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Great Britain Pound against the Indian rupee.

The company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 5% against the Indian Rupee.

The following analysis has been worked out based on the net exposures for the company as of the date of statements of financial position which could affect the statements of profit or loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the company

The following table sets forth information relating to foreign currency exposure as of March 31, 2019:

(Rs. In lakhs)

Particulars	Assets as at	
	As at March 31, 2019	As at March 31, 2018
USD	1.08	1.09 I
NR	74.84	66.96

5% appreciation / depreciation of the respective foreign currencies with respect to Indian Rupees would result in decrease / increase in the company's profit before tax as detailed in table below:

USD Sensitivity at year end	As at March 31, 2019	As at March 31, 2018
Advance payments		
Weakening of INR by 5%	3.74	3.98
Strengthening of INR by 5%	3.74	3.98

Interest Rate Risk

At the reporting date the interest rate profile of the company's interest – bearing financial instruments as follows, all being fixed rate of borrowing, the company is not assuming any risk on interest increase.

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Liabilities		
- Term Loan from Bank – Unsecured	16.5%	16.5%
- Term Loan from Bank - Secured	9.50%	9.50%
- Vehicle Loans from Financial Institutions	8.40%	8.40%
- Inter – Corporate Deposits	7%	7%

The period end balances are not necessarily representative of the average debt outstanding during the period

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

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 or by adequate funding by the shareholders to absorb the losses of the Company.

The Company's capital comprises equity share capital, retained earnings and other equity attributable to equity holders. The primary objective of Company's capital management is to maximize shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The total share capital as on March 31, 2019 is Rs.15,47,51,760 (Previous Year: Rs.15,47,51,760).

(Rs. In lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Debt	38.54	4,120.27
Less : Cash and cash equivalent	(387.39)	(69.65)
Net Debt	-	4,050.61
Total Equity	4,272.89	1,110.02
	38.54	4,120.27
Net debt to equity ratio	NA	4

33. Disclosure in respect of Indian Accounting Standard (Ind AS)-19 "Employee Benefits"

33.1. General description of various defined employee's benefits schemes are as under:

a) **Provident Fund:**

The company's Provident Fund is managed by Regional Provident Fund Commissioner. The company pays fixed contribution to provident fund at pre-determined rate.

b) **Gratuity:**

Gratuity is a defined benefit plan, provided in respect of past services based on the actuarial valuation carried out by LIC of India and corresponding contribution to the fund is expensed in the year of such contribution.

The scheme is funded by the company and the liability is recognized on the basis of contribution payable to the insurer, i.e., the Life Insurance Corporation of India, however, the disclosure of information as required under Ind AS-19 have been made in accordance with the actuarial valuation.

33.2. The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Other Comprehensive Income(OCI) and Balance Sheet & other disclosures are as under:

(Actuarial Valuation)

Movement in defined benefit obligation: **(Rs. In lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation - Beginning of the year	12.54	-
Current service cost	3.24	2.02
Interest Cost	0.98	-
Benefits Paid	-	-
Re-measurements - actuarial loss/(gain)	(0.07)	
Past service cost	-	10.52
Defined benefit obligation – End of the year	16.68	12.54

Amount Recognized in Statement of Profit and Loss **(Rs. In lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Current service cost	3.24	2.02
Past service cost	-	10.52
Loss/Gain on settlement	-	-
Net Interest cost/(income) on Net Defined Benefit Liability/(assets) (B)	0.98	-
Cost Recognized in P&L	**4.22**	**12.54**

Amount recognized in Other Comprehensive Income (OCI) **(Rs. In lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Actuarial (gain)/loss due to assumption changes	0.46	-
-change in financial assumptions	(0.53)	-
-experience variance(i.e. Actual experience vs assumptions)	(0.07)	-
Actuarial (gain)/Loss Recognized in OCI	0.46	-

Sensitivity Analysis

(Rs. In lakhs)

Particulars	31.03. 2019	31.03/2018
Defined benefit obligation (base)	16.68	12.54

(Rs. In lakhs)

Particulars	Change in Assumption	31/03 2019	31.03 2018
Discount Rate	+1.0%	14.56	10.98
	-1.0%	(19.28)	(14.44)
Salary growth Rate	+1.0%	(19.25)	(14.42)
	-1.0%	14.54	10.97
Attrition Rate	+50%	(16.63)	(12.54)
	-50%	16.73)	12.53
Mortality Rate	+10%	(16.68)	(12.54)
	-10%	16.68	12.54

Actuarial Assumption

(Rs. In lakhs)

Particulars	31.03. 2019	31.03.2018
Discount rate	**7.75%**	**7.80%**
Rate of salary increase	10% p.a for first 3 years and 7.5% p.a thereafter	10% p.a for first 3 years and 7.5% p.a thereafter
Retirement Age	58 Years	58 Years
Average Future Service	18.43	18.30

Leave encashment

Movement in defined benefit obligation:

(Rs. In lakhs)

Particulars	31.03. 2019	31.03.2018
Present value of obligation	2.08	1.83
Fair value of plan assets	-	-
Surplus/ (Deficit)	(2.08)	(1.83)
Effects of asset ceiling, if any	-	-
Net asset/(liability) -	(2.08)	(1.83)

Amount Recognized in Statement of Profit and Loss

(Rs. In lakhs)

	31.03. 2019	31.03.2018
Present value of obligation as at the beginning	1.83	-
Present value of obligation as the end	2.08	1.83
Benefit payment	-	-
Actual return on plan assets	-	-
Acquisition adjustment	-	-
Cost Recognized in P&L	0.25	1.83

Sensitivity Analysis

(Rs. In lakhs)

Particulars	31.03.2019	31.03.2018
Defined benefit obligation (base)	(2.08)	(1.83)

(Rs. In lakhs)

Particulars	Change in Assumption	31.03.2019	31.03.2018
Discount Rate	+1.0%	1.85	2.11
	-1.0%	(2.35)	(1.60)
Salary growth Rate	+1.0%	(2.34)	(2.11)
	-1.0%	1.85	1.60
Attrition Rate	+50%	(2.08)	(1.84)
	-50%	2.08	1.82
Mortality Rate	+10%	(2.08)	(1.83)
	-10%	2.08	1.83

Actuarial Assumption

(Rs. In lakhs)

Particulars	31.03. 2019	31.03.2018
Discount rate	**7.75%**	**7.80%**
Rate of salary increase	10% p.a for first 3 years and 7.5% p.a thereafter	10% p.a for first 3 years and 7.5% p.a thereafter
Retirement Age	58 Years	58 Years
Average Future Service	18.43	18.30

34. Disclosure in respect of Indian Accounting standard (Ind AS)-108: "Operating Segments"

The Company has not derived revenues from any customer which amount to 10 per cent or more of Company's revenues.

Segment Revenue (Net Sales / Income) (Rs. In lakhs)

Particulars	31.03. 2019	31.03.2018
a. Solar Power-Generation and Related activities	7,470.81	1,259.14
b. Refrigerant Gas- Manufacturing(Refilling) and Sales	1,325.57	1,007.49
c. Sale Of Service	3,206.51	4,504.62
d. Coal & Ash Handling Business	33,520.17	-
e. Minerals Trading	582.06	966.00
f. Corporate	-	–
Total	**46,105.11**	**7,737.25**

Segment Results (Profit/Loss before interest and Tax) (Rs. In lakhs)

Particulars	31.03. 2019	31.03.2018
a. Solar Power-Generation and Related activities	12.06	(19.96)
b. Refrigerant Gas- Manufacturing(Refilling) and Sales	31.61	(203.60)
c. Sale Of Service	1,070.92	283.95
d. Coal & Ash Handling Business	1,710.76	-
e. Minerals Trading	30.32	-
f. Corporate	146.73	(53.50)
Total	**3,002.41**	**6.89**
Less: Finance cost	24.84	116.74
Add : Other Income	185.38	204.11
Profit /(Loss) after tax	**3,162.95**	**94.26**

Segment Assets (Rs. In lakhs)

Particulars	31.03. 2019	31.03.2018
a Solar Power-Generation and Related activities	928.37	111.18
b. Refrigerant Gas- Manufacturing(Refilling) and Sales	2,106.68	4,238.39
c. Sale Of Service	-	1,815.58
d. Coal & Ash Handling Business	11,222.18	-
e. Minerals Trading	-	-
f. Corporate	1,593.68	3,642.63
Total	**15,850.92**	**9,807.18**

Segment Liabilities

(Rs. In lakhs)

Particulars	31.03. 2019	31.03.2018
a. Solar Power-Generation and Related activities	153.98	218.42
b. Refrigerant Gas- Manufacturing(Refilling) and Sales	241.15	1,970.27
c.Sale Of Service	-	3,282.01
d. Coal & Ash Handling Business	11,150.03	-
e. Minerals Trading	-	-
f. Corporate	772.68	-
g. Unallocated	3,533.07	4,336.48
Total	**15,850.92**	**9,807.18**

35. Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions, Contingent Liabilities and Contingent Assets"

These provisions are expected to be settled in the next financial year . Management estimates the provision based on historical information and any recent trends that may suggest future claims could differ from historical amounts

(Rs. In lakhs)

Particulars	Opening balance as on 01.04.18	Additions/ Transfers during the year	Utilization during the year	Reversal during the year / Transfers during the years	Closing balance as on 31.03.19
Short term Provision for tax	43.41	646.44	-	(43.41)	646.44
Provision for ECL	-	106.67	-	-	106.67

36. Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"

36.1. Related Parties:

i) Key management personnel

Mr. Aniljain – Managing director

(ii) Entities in which KMP / Relatives of KMP can exercise significant influence:

Refex Solar Power Private Limited
Sherisha Technologies Private Limited
Refex Energy Limited

36.2 Transactions during the year

(Rs. In lakhs)

(a)	Transactions during the year	2018-19	2017-18
	(i) Remuneration to Key Management Personnel		
	Anil Jain - Managing Director	18.00	13.50
	(ii) Firms/Companies in which Key Management personnel are interested		
	(I) Reimbursement of Income to the Group		
	Refex Energy Limited	11.60	25.91
	Refex Solar Power Pvt Ltd-Reimbursement	-	0.36
	(II) Business Activities		
	Refex Energy Limited	724.21	87.13
	Sherisha Technologies Pvt Ltd	2,675.57	77.90
	Refex Solar Power Pvt Ltd	460.46	-
	(III) Loan paid to the Groups		
	Refex Solar Power Pvt Ltd	515.60	545.64
	Sherisha Technologies Pvt Ltd	8,062.35	2,772.62
(b)	**Cumulative Balances/Balance Outstanding during the year**		
	(I) Firms/Companies in which Key Management personnel are interested		
	*** Reimbursement Outstanding**		
	Refex Energy Limited	0.99	(1.00)
	Refex Solar Power Pvt Ltd	-	0.36
	*** Business Activities**		
	Refex Energy Limited	(5.13)	2.85
	*** Other Current Financial Assets**		
	Refex Solar Power Pvt Ltd	618.02	108.17
	Sherisha Technologies Pvt Ltd	180.03	3,315.20
	*** Trade Payables**		
	Sherisha Technologies Pvt Ltd	59.12	17.60

37. Disclosure for Ind AS 17 - Future minimum lease payments

(Rs. In lakhs)

Particulars	31- March 2019	31- March 2018
Not later than one year	90.44	1,085.53
Later than one year and not later than five years	324.80	4,267.30
Later than five years	3,787.86	13,494.74
Total	4,203.10	18,847.57

38. Previous Years figures have been regrouped/ reclassified wherever necessary to confirm to the Current year's Presentation

Signature to Notes 1 to 38

Notes 1 to 38 form part of financials
As per our report of even date attached

For and on behalf of the Board of Directors

For M.KRISHNAKUMAR & ASSOCIATES
Chartered Accountants
Firm Regn No: 006853S

M.KRISHNAKUMAR B.SC FCA
Proprietor
Membership No. 203929

Place : Chennai
Date : 30.May 2019

T.AnilJain
Managing Director
(DIN:00181960)

Dinesh Kumar Agarwal
Director
(DIN:07544757)

D.HemSenthil Raj
Director
(DIN:06760725)

Jamuna Ravikumar
Director
(DIN:08009308)

U.Lalitha
Chief Financial Officer

S. Gopalakrishnan
Company Secretary

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED AND SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2019

M. Krishnakumar & Associates
Chartered Accountants
(O) 2461 4932
(R) 2491 3521
(M) 93821 26465

Independent Auditor's Review Report On consolidated unaudited quarterly and year to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE BOARD OF DIRECTORS OF REFEX INDUSTRIES LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Refex Industries Limited ("the Parent") and its subsidiary (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit/(loss) after tax and total comprehensive income / loss of its associates and joint ventures for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended March 31, 2019 as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

M. KRISHNAKUMAR & ASSOCIATES
No. 33 (Old No. 17), School View Road, R.K. Nagar, Chennai - 600 028
CHARTERED ACCOUNTANTS

33, (Old No. 17), School View Road, R.K. Nagar, Chennai - 600 028
E-mail : mayur_kk@hotmail.com

M. Krishnakumar & Associates
Chartered Accountants
(O) 2461 4932
(R) 2491 3521
(M) 93821 26465

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities: Vituza Solar Energy Limited.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the branch auditors and other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial results of 1 subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs.0.44 Lakhs as at September 30th,2019 and total revenues of Rs.0 and total net profit/(loss) after tax of Rs. (.26) Lakhs and total comprehensive income /(loss) of Rs. (0.26) Lakhs, for the quarter ended September 30th,2019 and for the period from April 1, 2019 to September 30th,2019, respectively, and cash flows (net) of Rs. (0.15) Lakhs for the period from April 1, 2019 to September 30th,2019, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiary is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters.

For M.Krishnakumar & Associates
Chartered Accountants
Firm Registration No. 006853S

KRISHNAKUMAR & ASSOCIATES
No. 33 (Old No. 17),
School View Road,
R.K. Nagar, Chennai - 600 028
24614932
CHARTERED ACCOUNTANTS

Place: Chennai
Date: 13.11.2019
UDIN: 19203929AAAABZ2784

M.Krishna Kumar B.Sc FCA
Proprietor
Membership No.203929

33, (Old No. 17), School View Road, R.K. Nagar, Chennai - 600 028
E-mail : mayur_kk@hotmail.com

Refex Industries Limited

No.11th Floor , Bascon Futura IT Park New No:10/2, Old No: 56 L, Venkat Narayan Road, T.Nagar, Chennai-600 017.

CIN No.L45200TN2002PLC049601

REFEX INDUSTRIES LIMITED STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED30TH SEPTEMBER 2019

(Rs.In Lakhs)

	Part-I	Consolidated					
		Quarter Ended			Half Yearly		Year Ended
S. No.	Particulars	Sep 30,2019	June 30,2019	Sep 30,2018	Sep 30,2019	Sep 30,2018	March 31,2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Income**						
	Revenue From Operations	16,074.34	13,926.77	6,190.69	30,001.12	8,491.52	46,105.11
2	Other Income	167.88	103.11	53.88	270.99	99.53	185.38
	Total - Net Income from Operations	**16,242.22**	**14,029.89**	**6,244.57**	**30,272.11**	**8,591.05**	**46,290.48**
3	**Expenses**						
	Cost of Materials Consumed	10,880.81	9,045.90	3,528.60	19,926.71	3,737.07	16,976.38
	Purchase of Traded goods	-	-	-	-	1,213.91	7,090.59
	Purchase Of Services	2,386.25	4,097.73	1,149.61	6,483.98	1,149.61	16,480.40
	Changes in inventories of finished goods, work in progress and stock-in-trade	1,051.73	959.24	514.90	92.49	863.03	236.09
	Employee Benefits Expense	79.04	75.04	52.51	154.08	83.88	243.94
	Depreciation and Amortisation Expense	-21.01	24.40	13.79	3.38	44.59	96.23
	Finance Costs	42.86	2.01	23.13	44.87	18.53	29.68
	Other expenses	412.26	666.84	583.92	1,079.11	1,033.41	2,722.86
	Total expenses	**14,831.94**	**12,952.69**	**5,866.45**	**27,784.63**	**8,144.03**	**43,403.98**
		-					
4	**Profit / (Loss) from ordinary activities before Tax**	1,410.28	1,077.20	378.12	2,487.48	447.03	2,886.50
		-					
5	**Profit/(Loss) before exceptional items and extraordinary items and Tax**	1,410.28	1,077.20	378.12	2,487.48	447.03	2,886.50
		-					
6	**Exceptional items**	-	-	-	-	-	-
		-					
7	**Profit/(Loss) before Tax**	1,410.28	1,077.20	378.12	2,487.48	447.03	2,886.50
		-					
8	**Tax Expenses**	-					
	Current tax expense for current year	202.49	232.12	-	434.61	-	646.44
	(Less): MAT credit (where applicable)	108.81	-204.96	-	-96.15	-	-646.44
	Current tax expense relating to prior years	-	-	-	-	-	
	Net current tax expense	-	-	-	-	-	-
	Deferred tax (Asset)	2.83	180.19	-	183.02	-	276.44
	Total Tax Expense	**314.13**	**207.35**	-	**521.48**	-	**-276.44**
	Net Profit /Loss for the Period/Year	**1,096.15**	**869.85**	**378.12**	**1,966.00**	**447.03**	**3,162.94**
		-					
9	Profit/(Loss) for the period from continuing operations	1,096.15	869.85	378.12	1,966.00	447.03	3,162.94
10	Profit/(Loss) from discontinuing operations	-	-	-	-	-	-
11	Tax expenses of discontinuing operations	-	-	-	-	-	-
12	Profit/(Loss) from Discontinuing operations	-	-	-	-		-
13	Other Comprehensive Income, net of income tax						
	a Items that will not be reclassified to Profit or loss account						
	Remeasurements of defined benefit plan actuarial gains/ (losses)	-	-	-	-		-0.07
14	Profit/(Loss) for the period/year	1,096.15	869.85	378.12	1,966.00	447.03	3,162.87
15	Paid-up Equity Capital (face value of share - Rs 10/- each)	1,547.52	1,547.52	1,547.52	1,547.52	1,547.52	1,547.52
16	Reserves excluding revaluation reserves	NA	NA	NA	NA	NA	2,725.37
17	Basic and Diluted Earning per share (before extraordinary items)	7.08	5.62	2.44	12.70	2.89	20.44
18	Basic and Diluted Earning per share (after extraordinary items)	7.08	5.62	2.44	12.70	2.89	20.44

	Part-II Segment wise Revenue, Results and Capital Employed Under Regulation 33 (3) (f) of SEBI (LODR), Regulations 2015						
	Consolidated				(Rs. In Lakhs)		
		Quarter Ended			Half Yearly		Year Ended
S. No.	Particulars	Sep 30,2019	June 30,2019	Sep 30,2018	Sep 30,2019	Sep 30,2018	March 31,2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Segment Revenue (Net Sales/Income)**						
	Coal & Ash Handling Business	13,923.79	11,428.59	5,748.99	25,352.38	5,748.99	33,520.17
	Solar Power - Generation and Related Activities	514.46	363.40	262.26	877.86	604.47	7,470.81
	Refrigerant Gas- Manufacturing(Refilling) and Sales	214.21	971.88	201.93	1,186.10	667.31	1,325.57
	Sale Of Service	1,419.05	1,165.74	-604.55	2,584.78	865.93	3,206.51
	Minerals Trading	-	-	582.06	-	604.82	582.06
	Total	16,071.51	13,929.61	6,190.69	30,001.12	8,491.52	46,105.11
2	**Segment Results**			-			
	(Profit /Loss before Interest and Tax)			-			
	Coal & Ash Handling Business	956.34	766.40	581.76	1,722.74	581.76	1,710.76
	Solar Power - Generation and Related Activities	27.17	-131.23	-51.38	-104.06	-0.74	12.06
	Refrigerant Gas- Manufacturing(Refilling) and Sales	-76.25	3.51	21.21	-72.74	-161.78	31.60
	Sale Of Service	559.90	350.57	-226.63	910.47	-68.58	1,070.92
	Minerals Trading	-	-	11.20	-	13.57	30.32
	Corporate	-224.20	-12.33	-	-236.53	-	146.73
	Total	1,242.96	976.92	336.16	2,219.88	364.23	3,002.40
Less:	**Finance Cost**	3.38	-	11.96	3.38	16.70	24.84
Add:	**Other Income**	170.71	100.28	53.87	270.99	99.49	185.38
				-		-	
	Profit /Loss before Tax	1,410.28	1,077.20	378.07	2,487.48	447.02	3,162.94
	Segment Assets						
	Coal & Ash Handling Business	-	5,319.53	1,535.51	-	1,535.51	11,222.18
	Solar Power - Generation and Related Activities	102.94	241.33	94.21	102.94	94.21	928.37
	Minerals Trading	-	-	119.62	-	119.63	-
	Refrigerant Gas- Manufacturing(Refilling) and Sales	3,639.33	1,026.75	8,762.75	3,639.33	8,762.75	2,106.68
	Sale Of Service	-	338.29	-	-	-	-
	Unallocated	-	7,896.00		-	-	-
	Corporate	6,617.76	-	1,087.91	6,617.76	1,087.90	1,593.68
	Total- Segment Assets	10,360.03	14,821.91	11,600.00	10,360.03	11,600.00	15,850.92
						-	
	Segment Liabilities					-	
	Coal & Ash Handling Business	1,615.66	7,395.12	2,972.87	1,615.66	2,972.87	11,150.03
	Solar Power - Generation and Related Activities	173.52	591.59	166.29	173.52	166.29	153.98
	Minerals Trading		-	113.69		113.69	-
	Refrigerant Gas- Manufacturing(Refilling) and Sales	161.57	102.12	181.01	161.57	181.01	241.15
	Sale Of Service	280.63	-0.28	1,970.46	280.63	1,970.46	3,533.07
	Unallocated		6,733.35				-
	Corporate	8,128.65	-	6,195.68	8,128.65	6,195.68	772.69
				-		-	
	Total-Segment Liabilities	10,360.03	14,821.91	11,600.00	10,360.03	11,600.00	15,850.92
		-	-				

Notes:

1. The above Unaudited financial results of the Company for the Quarter and Half Year ended 30th September 2019 have been reviewed by the audit committee and approved by the Board at their meeting held on 13th November 2019.
   The Statutory Auditors of the Company have carried out the Limited Review of the above results.
2. The financial results of the company have been prepared in accordance with the Indian Accounting Standards (INDAS) as prescribed under sec 133 of the Companies Act 2013
3. The Consolidated financial results of the company for the Quarter and half year ended September 30,2019 been prepared in accordance have with the applicable accounting standards and based on the audited accounts of the subsidiary
4. The Company's business activities falls into the following segments:
   - Coal & Ash Handling Business
   - Solar Power - Generation and Related Activities
   - Refrigerant Gases- Manufacturing (Refilling) and Sales
   - Sale of Services
5. Figures have been re-grouped/re-classified to make them comparable to the figures wherever necessary.

Place: Chennai
Date: 13.11.2019

Anil Jain
Managing Director
DIN:00181960

REFEX INDUSTRIES LIMITED

Consolidated Balance Sheet as at Sep 30, 2019 & March 31, 2019

Particulars	As at Sep 30, 2019	As at March 31, 2019
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	14,65,88,148	14,85,56,884
(a) Intangible	2,00,043	2,21,191
(a) Capital Work in Progress	43,91,195	26,67,732
(b) Non-current financial assets		
(i) Investments	-	-
(ii) Trade receivables		
(iii) Other non current financial assets	1,67,02,811	61,03,096
(d) Deferred Tax Assets	1,72,12,530	9,05,42,945
(d) Other Non current assets	8,70,79,145	2,51,26,030
Current assets		
(a) Inventories	6,66,18,971	7,58,68,796
(b) Financial Assets		
(i) Trade receivables	42,42,37,832	87,49,67,181
(ii) Cash and cash equivalents	4,87,68,560	3,87,39,826
(iv) Other current financial assets	4,36,351	7,98,55,874
(c) Current Tax Assets (Net)	86,38,119	1,09,74,806
(d) Other current assets	73,65,85,242	23,14,67,159
Total Assets	**1,55,74,58,947**	**1,58,50,91,520**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	15,47,51,760	15,47,51,760
(b) Other Equity	46,91,44,751	27,25,37,459
LIABILITIES		
Non-current liabilities		
(a) Financial Liabilities		
(i) Long term Borrowings	1,77,47,151	17,92,330
(i) Other(s)		
(b) Deferred Tax Liabilities		
(b) Long Term provisions	24,95,460	15,64,710
Current liabilities		
(a) Financial Liabilities		
(i) Short term Borrowings		
(ii) Trade payables	42,94,51,267	1,01,18,06,821
(iii) Other financial liabilities	27,13,427	45,78,935
(b) Other current liabilities	48,11,55,131	13,80,59,505
Total Equity and Liabilities	**1,55,74,58,947**	**1,58,50,91,520**

REFEX INDUSTRIES LIMITED

Statement of Consolidated Profit or Loss for the Half year ended Sep 30, 2019 & Year ended March 31, 2019

Particulars	For Year Ended Sep 30, 2019	For Year Ended March 31, 2019
Income		
I Revenue from operations	3,00,01,11,773	4,61,05,10,750
II Other income	2,70,98,858	1,85,37,587
III Total Income (I+II)	**3,02,72,10,631**	**4,62,90,48,337**
IV Expenses		
Cost of material consumed	2,00,19,20,337	1,67,40,28,689
Purchase of stock in trade	64,83,98,013	2,35,70,98,412
Excise duty on sale of goods	-	-
Employee benefits expenses	1,54,07,873	2,43,93,841
Finance costs	3,38,455	29,67,835
Depreciation and Amortisation	44,86,994	96,22,569
Other Expenses	10,79,10,878	27,22,85,642
Total expenses (IV)	**2,77,84,62,551**	**4,34,03,96,989**
V Profit/(loss) before exceptional items and tax	**24,87,48,080**	**28,86,51,349**
VI Exceptional items		
VII Profit/(loss) before tax	**24,87,48,080**	**28,86,51,349**
VIII Tax expense		
- Current Tax	4,34,61,265	6,46,43,543
Less: MAT Entitlement Credit	(96,14,658)	(6,46,43,543)
- Deferred Tax	1,83,01,530	(2,76,43,601)
IX Profit/(loss) for the period	**19,65,99,944**	**31,62,94,949**
X Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan actuarial gains/ (losses)	-	(7,346)
Income tax expense on above		
	-	**(7,346)**
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)	**19,65,99,944**	**31,62,87,603**
XII Earnings per equity share		
(1) Basic	12.70	20.44
(2) Diluted	12.70	20.44

REFEX INDUSTRIES LIMITED

Consolidated Statement of Cash Flow for the Half year ended 3oth Sep,2019 & year ended 31st March 2019

Particulars	For Year Ended Sep 30, 2019	For Year Ended March 31, 2019
Cash flows from operating activities		
Profit Before Taxes	24,87,48,080	28,86,51,349
Adjustments:		
Interest and dividend income	(2,70,98,858)	(1,85,37,587)
Loss on sale of fixed assets	-	14,275
Provisions	1,89,61,641	-
Interest expense	3,38,455	29,67,835
Remeasurement of Defined benefit Plan under OCI	-	(7,346)
Depreciation and amortization	44,86,994	96,22,569
Operating cash flow before working capital changes	24,54,36,313	28,27,11,094
Changes in		
Decrease/(Increase) In Trade Receivables	45,07,29,349	(50,98,30,450)
Decrease/(Increase) In Other current Financial Asset(s)	7,93,91,124	27,39,36,259
Decrease/(Increase) In Other current Asset(s)	(50,51,18,084)	(22,87,46,817)
Decrease/(Increase) In Other non-current financial assets	(82,58,460)	44,44,638
Decrease/(Increase) In Inventories	92,49,825	(2,36,08,672)
Decrease/(Increase) In Other non-current assets	1,13,78,483	51,94,736
(Decrease)/Increase In Long term Provisions	9,30,750	(15,62,391)
(Decrease)/Increase In Trade Payables current	(58,23,37,803)	59,77,41,949
(Decrease)/Increase In other current liabilities	34,30,95,626	10,78,79,134
(Decrease)/Increase In Other financial liabilities	(18,65,508)	(5,44,037)
Income taxes paid	(4,34,65,833)	(6,57,51,458)
Cash generated from / (used in) operations	(8,34,217)	44,18,63,986
Cash flows from investing activities		
Purchase of fixed assets	(47,53,416)	(1,80,00,252)
Proceeds from sale of fixed assets	-	5,000
Interest received	-	1,85,37,587
Net cash generated from/(used in) investing activities [B]	(47,53,416)	5,42,335
Cash flows from financing activities		
Proceeds from / (repayment of) long term and short term borrowings	1,59,54,821	(40,76,63,863)
Dividend paid (including dividend distribution tax)		
Interest paid	(3,38,455)	(29,67,835)
Net cash used in financing activities	1,56,16,366	(41,06,31,698)
Increase in cash and cash equivalents	1,00,28,734	3,17,74,624
Cash and cash equivalents at the beginning of the year	3,87,39,826	69,65,203
Cash and cash equivalents at the end of the year	4,87,68,560	3,87,39,826
Components of cash and cash equivalents (refer note 21)		
Cash on hand	12,64,096	12,94,979
Balances with banks	4,75,04,463	3,74,44,847
Total cash and cash equivalents	4,87,68,560	3,87,39,826

refex

Related party disclosures for Refex Industries Limited on a Consolidated Basis:

a) The names of Related Parties of the Company are as under:

(i) Subsidiary Company

Vituza Solar Energy Limited

(ii) Key Managerial Personnels (KMPs)

Mr. Anil Jain - Managing Director

S. Gopalakrishnan- Company Secretary

U. Lalitha - Chief Financial Officer

(iii) Firms/Companies in which Key Managerial Personnel are interested

Refex Energy Limited

Refex Solar Power Pvt Ltd

Sherisha Technologies Pvt Ltd

Broil Solar Energy Pvt Ltd

SEI Cleantech Pvt Ltd

Ishan Solar Power Pvt Ltd

Sei Tejas Pvt Ltd

SunEdison Infrastructure Ltd

SunEdison Energy India Pvt Ltd

b) Transactions during the Half Year ended September 30, 2019

Name of Related Party	Nature of Transaction	Rs. In Lakhs
Anil Jain - Managing Director	Director Remuneration	15.00
	Rent Paid	4.50
S. Gopal Krishnan- Company Secretary	Salary & Allowances	1.98
U. Lalitha - Chief Financial Officer	Salary & Allowances	6.94
Entities in which Key Management personnel are interested		
Broil Solar Energy Pvt Ltd	Reimbursement	0.77
Ishan Solar Power Pvt Ltd	Sales	3.67
Refex Energy Limited	Reimbursement	5.16
Refex Energy Limited	Sales	238.16
Refex Energy Limited	O&M Expenses	24.93
Refex Solar Power Pvt Ltd	Interest Income	37.15
SEI CleanTech Pvt Ltd	Reimbursement	0.07
Sei Tejas Pvt Ltd	Sales	17.75
SunEdison Energy India Pvt Ltd	Sales	0.24
SunEdison Infrastructure Ltd	Sales	30.74
Sherisha Technologies Pvt Ltd	Interest Income	139.10
	Loan Paid	4,384.73

REFEX INDUSTRIES LTD.

Refex Industries Limited
Regd Office : 11th Floor, Bascon Futura, New No: 10/2 Old No: 56L, Venkatanarayana Road, T Nagar, Chennai – 600 017. Tamilnadu. P : 044 4340 5950
E : info@refex.co.in CIN: L45200TN2002PLC049601

Factory:
No.1/171, Old Mahabalipuram Road, Thiruporur - 603110. Kancheepuram District, Tamilnadu.
P : 044 2744 5295 | E : info@refex.co.in

C) Cumulative Balances Outstanding during the Half Year ended September 30, 2019

Name of Related Party	Group Classification	Rs. In Lakhs
Key Managerial Personnel		
Anil Jain	Rent Payable	4.05
Entities in which Key Management personnel are interested		
Refex Energy Limited	Reimbursement Advance	0.26
Refex Energy Limited	Trade Receivable	2.35
Refex Solar Power Pvt Ltd	Other Current Financial Assets	580.87
	Interest Receivable	68.51
SEI Cleantech Pvt Ltd	Reimbursement Outstanding	0.07
Broil Solar Energy Pvt Ltd	Reimbursement Outstanding	0.77
Ishan Solar Power Pvt Ltd	Trade Receivable (Advance)	0.26
SEI Tejas Pvt Ltd	Trade Receivable	0.02
SunEdison Infrastructure Ltd	Trade Receivable	6.59
Sherisha Technologies Pvt Ltd	Other Current Financial Assets	4,564.76
	Rent Deposit	7.00
	Interest Receivable	139.10

Notes :-

1) The Remuneration to KMP does not include Provision made for Gratuity and Leave benefits, as they are determined on an actuarial basis for the company as a whole.

2) Sales Amount is inclusive of Taxes and other Charges and excluding TDS.

For REFEX INDUSTRIES LTD.

S. GOPALAKRISHNAN
Secretary.

Refex Industries Limited
Regd Office : 11th Floor, Bascon Futura, New No: 10/2
Old No: 56L, Venkatanarayana Road, T Nagar,
Chennai – 600 017. Tamilnadu. P : 044 4340 5950
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Kancheepuram District, Tamilnadu.
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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED AND NINE MONTHS PERIOD ENDED 31st DECEMBER 2019

M. Krishnakumar & Associates
Chartered Accountants
(O) 2461 4932
(R) 2491 3521
(M) 93821 26465

LIMITED REVIEW REPORT TO THE BOARD OF DIRECTORS OF REFEX INDUSTRIES LIMITED.

Review Report tothe Board of Directors of REFEX INDUSTRIES LIMITED

We have reviewed the accompanying statement of unaudited financial results of REFEX INDUSTRIES LIMITED ("The Company") for the Quarter endedDecember 31, 2019 & year to date from April 01, 2019 to December 31, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No.CIR/CFD/FAC/62/2016 dated July 5, 2016.

This statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with aforesaid Indian Accounting Standards ("Ind AS") and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as modified by Circular No.CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M.Krishnakumar& Associates
Chartered Accountants
Firm Registration No. 006853S

M. KRISHNAKUMAR & ASSOCIATES
No. 33 (Old No. 17), School View Road, R.K. Nagar, Chennai - 600 028
☎: 24614932
CHARTERED ACCOUNTANTS

Place: Chennai
Date: 13.02.2020

M.Krishna Kumar B.Sc FCA
Proprietor
Membership No.203929

UDIN: 20203929AAAAAV6428

33, (Old No. 17), School View Road, R.K. Nagar, Chennai - 600 028
E-mail : mayur_kk@hotmail.com

M. Krishnakumar & Associates

Chartered Accountants

(O) 2461 4932
(R) 2491 3521
(M) 93821 26465

Independent Auditor's Review Report On consolidated unaudited quarterly and year to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE BOARD OF DIRECTORS OF REFEX INDUSTRIES LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Refex Industries Limited ("the Parent") and its subsidiary (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit/(loss) after tax and total comprehensive income / loss of its associates and joint ventures for the quarter ended December 31, 2019 and for the period from April 1, 2019 to December 31, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended March 31, 2019 as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI underRegulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements)Regulations, 2015, as amended, to the extent applicable.

 # 33, (Old No. 17), School View Road, R.K. Nagar, Chennai - 600 028
E-mail : mayur_kk@hotmail.com

4. The Statement includes the results of the following entities: Vituza Solar Energy Limited.

5. Based on our review conducted and procedures performed as stated in paragraph 3 aboveand based on the consideration of the review reports of the branch auditors and otherauditors referred to in paragraph 7 below, nothing has come to our attention that causes usto believe that the accompanying Statement, prepared in accordance with the recognitionand measurement principles laid down in the aforesaid Indian Accounting Standard andother accounting principles generally accepted in India, has not disclosed the informationrequired to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations andDisclosure Requirements) Regulations, 2015, as amended, including the manner in whichit is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial resultsof 1subsidiary included in the consolidated unaudited financial results, whoseinterim financial results reflect total assets ofRs.0.44 Lakhs asat December 31st,2019 and total revenues of Rs.0 and total netprofit/(loss) after tax of Rs. (.53) Lakhs and total comprehensive income /(loss)of Rs. (0.53) Lakhs, for the quarter ended December 31st, 2019 and for the periodfrom April 1, 2019 to December 31st,2019, respectively, and cash flows (net) of Rs. (0.15) Lakhs for the periodfrom April 1, 2019 to December 31st,2019, as considered in the consolidated unaudited financial results.These interim financial results have beenreviewed by other auditors whose reports have been furnished to us by the Managementand our conclusion on the Statement, in so far as it relates to the amounts and disclosuresincluded in respect of these subsidiary is based solely onthe reports of the other auditors and the procedures performed by us as stated in paragraph3 above.

Our conclusion on the Statement is not modified in respect of the above matters.

For M.Krishnakumar& Associates
Chartered Accountants
Firm Registration No. 006853S

M.KRISHNAKUMAR & ASSOCIATES
No. 33 (Old No. 17), School View Road, R.K. Nagar, Chennai - 600 028
☎: 24614932
CHARTERED ACCOUNTANTS

Place: Chennai
Date: 13.02.2020

M.Krishna Kumar B Sc FCA
Proprietor
Membership No.203929

UDIN: 20203929AAAAAW8808

No.11th Floor , Bascon Futura IT Park New.No:10/2, Old No: 56 L, Venkat Narayan Road, T.Nagar, Chennai-600 017.
CIN No.L45200TN2002PLC049601

REFEX INDUSTRIES LIMITED STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2019

Rs. In Lakhs

	Part-I	Consolidated -					
		Quarter Ended			Nine Months Ended		Previous Year Ended
S. No.	Particulars	Dec 31,2019	Sep 30,2019	Dec 31,2018	Dec 31,2019	Dec 31,2018	March 31,2019
		(Unaudited)					(Audited)
1	Income						
	Revenue From Operations	23,684.41	16,074.34	16,894.31	53,685.53	25,385.83	46,105.11
2	Other Income	1.43	167.88	43.10	272.42	142.63	185.38
	Total - Net Income from Operations	**23,685.84**	**16,242.22**	**16,937.41**	**53,957.95**	**25,528.46**	**46,290.48**
3	**Expenses**						
	Cost of Materials Consumed	14,999.16	10,257.83	11,403.76	34,302.90	15,140.83	16,976.38
	Purchase of Traded goods	-	-	-	-	1,213.91	7,090.59
	Purchase Of Services	3,210.38	2,386.25	3,421.26	9,694.36	4,570.86	16,480.40
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	354.11	1,051.73	22.73	446.60	885.76	(236.09)
	Employee Benefits Expense	83.18	79.04	114.11	237.26	197.99	243.94
	Depreciation and Amortisation Expense	26.18	20.47	26.47	71.05	71.06	96.23
	Finance Costs	1.78	1.37	1.39	5.16	19.93	29.67
	Other expenses	2,606.95	1,035.17	989.94	4,309.04	2,023.41	2,722.86
	Total expenses	**21,281.73**	**14,831.86**	**15,979.66**	**49,066.36**	**24,123.75**	**43,403.97**
		-					
4	**Profit / (Loss) from ordinary activities before Tax**	**2,404.11**	**1,410.36**	**957.75**	**4,891.59**	**1,404.71**	**2,886.51**
		-					
5	**Profit/(Loss) before exceptional items and extraordinary items and Tax**	2,404.11	1,410.36	957.75	4,891.59	1,404.71	2,886.51
		-					
6	**Exceptional items**	-	-	-	-	-	-
		-					
7	**Profit/(Loss) before Tax**	2,404.11	**1,410.36**	**957.75**	**4,891.59**	1,404.71	**2,886.51**
		-					
8	**Tax Expenses**	-					
	Current tax expense for current year	420.09	202.54	-	**854.75**	-	646.44
	(Less): MAT credit (where applicable)	-	108.83	-	-	-	(646.44)
	Current tax expense relating to prior years	-	-	-	-	-	
	Net current tax expense	-	-	-	-	-	-
	Deferred tax (Asset)	258.62	2.83	-	**261.45**	-	(276.44)
	Total Tax Expense	**678.71**	**314.20**	-	**1,116.20**	-	(276.44)
	Net Profit /Loss for the Period/Year	**1,725.40**	**1,096.16**	**957.75**	**3,775.39**	**1,404.71**	**3,162.95**
		-					
9	Profit/(Loss) for the period from continuing operations	**1,725.40**	**1,096.16**	**957.75**	**3,775.39**	**1,404.71**	**3,162.95**
10	Profit/(Loss) from discontinuing operations	-	-	-	-	-	-
11	Tax expenses of discontinuing operations	-	-	-	-	-	-
12	Profit/(Loss) from Discontinuing operations	-	-	-	-		-
13	Other Comprehensive Income, net of income tax						
	a Items that will not be reclassified to Profit or loss account						
	Remeasurements of defined benefit plan actuarial gains/ (losses)	-	-	-	-	-	(0.07)
14	Profit/(Loss) for the period/year	1,725.40	1,096.16	957.75	3,775.39	1,404.71	3,162.88
15	Paid-up Equity Capital (face value of share - Rs 10/- each)	1,547.52	1,547.52	1,547.52	1,547.52	1,547.52	1,547.52
16	Basic and Diluted Earning per share (before extraordinary items)	11.15	7.08	6.19	24.40	9.08	20.44
17	Basic and Diluted Earning per share (after extraordinary items)	11.15	7.08	6.19	24.40	9.08	20.44

REFEX INDUSTRIES LTD.

Part-II Segment wise Revenue, Results and Capital Employed Under Regulation 33 (3) (f) of SEBI (LODR), Regulations 2015							**(Rs. In Lakhs)**
		Consolidated					
		Quarter Ended			**Nine Months Ended**		**Previous Year Ended**
S. No.	**Particulars**	**Dec 31,2019**	**Sep 30,2019**	**Dec 31,2018**	**Dec 31,2019**	**Dec 31,2018**	**March 31,2019**
		(Unaudited)					**(Audited)**
1	**Segment Revenue (Net Sales/Income)**						
	Coal & Ash Handling Business	22,142.00	13,924.00	15,298.04	47,494.38	21,046.98	33,520.17
	Solar Power - Generation and Related Activities	288.93	514.00	320.70	1,166.79	925.16	7,470.81
	Refrigerant Gas- Manufacturing(Refilling) and Sales	382.66	217.00	205.18	1,568.76	872.51	1,325.57
	Sale Of Service	870.82	1,419.00	1,070.40	3,455.60	1,936.33	3,206.51
	Minerals Trading	-	-	-	-	604.86	582.06
	Total	**23,684.41**	**16,074.00**	**16,894.32**	**53,685.53**	**25,385.84**	**46,105.11**
2	**Segment Results**						
	(Profit /Loss before Interest and Tax)			-			
	Coal & Ash Handling Business	1,724.50	956.34	877.31	3,447.24	1,460.46	1,710.76
	Solar Power - Generation and Related Activities	(99.58)	27.17	(16.49)	(203.64)	(17.27)	12.06
	Refrigerant Gas- Manufacturing(Refilling) and Sales	(12.56)	(76.25)	(95.43)	(85.30)	(256.89)	31.60
	Sale Of Service	867.91	559.90	150.65	1,778.38	82.12	1,070.92
	Minerals Trading	-	-		-	13.59	30.32
	Corporate	(75.93)	(224.13)		(312.47)		146.73
	Total	**2,404.33**	**1,243.03**	**916.04**	**4,624.20**	**1,282.01**	**3,002.40**
Less:	**Finance Cost**	1.66	3.38	1.39	5.04	19.93	24.83
Add:	**Other Income**	1.43	170.71	43.10	272.42	142.63	185.38
				-			
	Profit /Loss before Tax	**2,404.11**	**1,410.36**	**957.75**	**4,891.59**	**1,404.71**	**3,162.95**
	Segment Assets						
	Coal & Ash Handling Business	3,046.18	-	5,293.97	3,046.18	5,293.97	11,222.18
	Solar Power - Generation and Related Activities	101.69	102.94	119.26	101.69	119.26	928.37
	Minerals Trading	-	-	-	-	-	-
	Refrigerant Gas- Manufacturing(Refilling) and Sales	2,841.85	3,639.33	2,873.20	2,841.85	2,873.20	2,106.68
	Sale Of Service	-	-	356.04	-	356.04	-
	Unallocated	-	-	6,193.30	-	6,193.30	-
	Corporate	6,454.32	6,617.76	-	6,454.32		1,593.68
	Total- Segment Assets	**12,444.04**	**10,360.03**	**14,835.77**	**12,444.04**	**14,835.77**	**15,850.92**
	Segment Liabilities						
	Coal & Ash Handling Business	-	1,615.66	3,479.89	-	3,479.89	11,150.03
	Solar Power - Generation and Related Activities	214.16	173.52	210.10	214.16	210.10	153.98
	Minerals Trading	-	-	-	-	-	-
	Refrigerant Gas- Manufacturing(Refilling) and Sales	91.72	161.57	(2,370.76)	91.72	(2,370.76)	241.15
	Sale Of Service	1,437.91	280.63	4,824.22	1,437.91	4,824.22	-
	Unallocated	-	-	8,692.32	-	8,692.32	3,533.07
	Corporate	10,700.25	8,128.65	-	10,700.25		772.69
		-					
	Total-Segment Liabilities	**12,444.04**	**10,360.03**	**14,835.77**	**12,444.04**	**14,835.77**	**15,850.93**
		-	-				
Notes:		-	-	-	-	-	(0.00)

1 The above Unaudited Consolidated financial results of the Company for the Quarter and Nine Months ended 31st December 2019 have been reviewed by the audit committee and approved by the Board at their meeting held on 13th February 2020

2 The Statutory Auditors of the Company have carried out a aforesaid Limited Review of the above results.

3 The financial results of the company have been prepared in accordance with the Indian Accounting Standards (INDAS) as prescribed under sec 133 of the Companies Act 2013

3 The Consolidated financial results of the company for the Quarter ended December 31st 2019 have been prepared in accordance with the applicable accounting standards and based on the audited accounts of the subsidiary to verify

4 The Company's business activities falls into the following segments:
   - Coal & Ash Handling Business
   - Solar Power - Generation and Related Activities
   - Minerals Trading
   - Refrigerant Gases- Manufacturing (Refilling) and Sales
   - Sale of Service

5 Figures have been re-grouped/re-classified to make them comparable to the figures wherever necessary.

For and on behalf of the Board of Directors
For Refex Industries Ltd

T.Anil Jain
Managing Director
DIN:00181960

Place: Chennai

Date: 13th February 2020

ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

ACCOUNTING RATIOS

The following table presents certain accounting and other ratios derived from our Audited Consolidated Financial Statements included in "*Financial Statements*" beginning on page 56.

Particulars	As at and for the six-month period ended September 30, 2019	Year ended March 31, 2019
Earnings Per Share (EPS) (Basic and Diluted) (₹)	12.70*	20.44
Return on Net Worth (excluding revaluation reserve) (in %)	31.51*	74.02
Net Asset Value per share (₹)	40.32	27.61
EBITDA (₹ in Lakhs)	2535.74	3012.42
EBITDA (%)	8.38	6.51

*Not Annualised

These ratios have been computed as under:

1. **Earnings Per Share (₹)**: Net Profit after tax for the year attributable to Equity Shareholders divided by weighted average no of equity shares outstanding during the period.
2. **Return on Net Worth (%)**: Net Profit after tax for the year attributable to Equity Shareholders divided by Net Worth at the end of the period multiplied by 100.
3. **Net Asset Value Per Share (₹)**: Net Assets as at the year end/ period end divided by total number of equity shares outstanding at the end of the period.
4. **EBITDA (₹ in lakhs)**: Profit before tax plus finance costs plus depreciation and amortisation expense less interest income.
5. **EBITDA (%): [**EBITDA/ (Revenue-Interest Income)] * 100

CAPITALIZATION STATEMENT

The following tables present the capitalization statement as per the Financial Information as March 31, 2019 and as adjusted for the Issue of our Company:

Amount (₹ in lakhs)

Particulars	Pre-Issue as at March 31, 2019	As Adjusted Post Issue*
Total Borrowings:		
Current Borrowings (A)	-	-
Non-Current borrowings (including current maturities) (B)	38.54	[●]
Total Borrowings (C) = (A) + (B)	**38.54**	[●]
Total Equity:		
Share Capital (D)	1547.52	[●]
Reserve & Surplus (E)	2725.37	[●]
Total Equity (F) = (D) + (E):	**4272.89**	[●]
Ratio: Non-current Borrowings (including current maturity/ Total Equity (G) = (C) / (F)	**0.009**	[●]

**The corresponding post Issue figures shall be updated at the time of filing of Letter of Offer.*

STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Company's Equity Shares are listed on the BSE Limited and National Stock Exchange of India Limited.

For the purpose of this section:
1) Year is a calendar year;
2) Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
3) High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, for the year, or the month, as the case may be; and
4) In case of two days with the same high/low/closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The high, low and average closing prices recorded on the BSE and NSE, during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Calendar Year	Date of High	High (₹)	Volume on date of High (Number of Equity Shares)	Date of Low	Low (₹)	Volume on date of low (Number of Equity Shares)	Average price for the year (₹)
BSE							
2019	July 15, 2019	133.75	92,516	January 16, 2019	17.25	13,021	55.30
2018	January 08, 2018	25.00	29,535	June 06, 2018	10.52	3,693	17.09
2017	November 07, 2017	30.90	1,18,631	September 01,2017	12.51	14,664	18.95
NSE							
2019	July 15, 2019	133.55	1,61,477	January 14, 2019	17.45	12,354	55.43
2018	January 08, 2018	25.00	39,233	July 13, 2018	13.95	82,749	17.04
2017	November 07, 2017	30.95	3,61,038	August 11, 2017	12.45	31,735	18.91

Source: www.bseindia.com , www.nseindia.com

Month	Date of High	High (₹)	Volume on date of High (Number of Equity Shares)	Date of Low	Low (₹)	Volume on date of low (Number of Equity Shares)	Volume of trade on monthly basis
BSE							
February 2020	February 19, 2020	80.25	114687	February 03, 2020	48.00	26122	1413991
January 2020	January 14, 2020	60.00	57344	January 08, 2020	49.50	20052	494315
December 2019	December 02, 2019	63.90	31581	December 24, 2019	50.90	23599	476646
November 2019	November 21, 2019	71.25	239283	November 07, 2019	43.15	83280	1245430
October 2019	October 01, 2019	67.95	26636	October 25, 2019	36.55	88013	824229

Month	Date of High	High (₹)	Volume on date of High (Number of Equity Shares)	Date of Low	Low (₹)	Volume on date of low (Number of Equity Shares)	Volume of trade on monthly basis
September 2019	September 17, 2019	81.80	58727	September 04,2019	50.35	47127	951273
NSE							
February 2020	February 19, 2020	80.20	500851	February 03, 2020	48.05	101163	4730646
January 2020	January 14, 2020	59.70	251731	January 08, 2020	49.45	134835	2235164
December 2019	December 02, 2019	64.05	149499	December 24, 2019	50.50	140863	2351289
November 2019	November 21, 2019	71.95	7,38,842	November 07, 2019	43.10	136419	3808460
October 2019	October 01, 2019	68.50	91,491	October 25, 2019	37.00	1,93,588	26,38,037
September 2019	September 17,2019	81.75	97,851	September 04,2019	50.75	1,30,887	24,00,421

Source: www.bseindia.com , www.nseindia.com

Week end closing prices of the Equity Shares for the last four weeks on BSE and NSE are as below:

For the week ended on	Closing Price (₹)	High Price (₹)	Date of High	Low Price (₹)	Date of Low
BSE					
March 27, 2020	34.00	35.55	March 27, 2020	29.40	March 25, 2020
March 20, 2020	34.10	43.90	March 16, 2020	34.10	March 20, 2020
March 13, 2020	43.85	52.25	March 11, 2020	43.85	March 13, 2020
March 06, 2020	52.40	63.70	March 02, 2020	50.40	March 05, 2020
NSE					
March 27, 2020	34.00	35.40	March 27, 2020	29.40	March 25, 2020
March 20, 2020	34.20	43.50	March 16, 2020	34.20	March 20, 2020
March 13, 2020	44.00	52.25	March 11, 2020	44.00	March 13, 2020
March 06, 2020	52.50	63.70	March 02, 2020	50.50	March 05, 2020

Source: www.bseindia.com , www.nseindia.com

The closing market price of the Equity Shares of our Company as on March 29, 2020, the trading day immediately prior to the date of this Draft Letter of Offer, was ₹ 34.00 on BSE and NSE.

The Issue Price of ₹ [●] has been decided by the Board in consultation with the Lead Manager.

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

Except as disclosed below, there are no outstanding litigations involving our Company and our Subsidiaries including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

(i) *In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'material' and*

(ii) *Except as disclosed in this section, our Company is not involved in any litigation involving issues of moral turpitude or criminal liability, material violations of statutory regulations or proceedings relating to economic offences, which are currently pending.*

Our Company, from time to time, has been and continues to be involved in legal proceedings, arising in the ordinary course of its business. These legal proceedings are in the nature of civil as well as tax proceedings and we believe that the number of proceedings in which it is involved is not unusual for companies of its size doing business in India.

It is clarified that for the purposes of the above, pre-litigation notices (other than those issued by statutory or regulatory authorities) received by our Company shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company is impleaded as a defendant in litigation proceedings before any judicial forum.

A. LITIGATIONS INVOLVING OUR COMPANY

1. AGAINST OUR COMPANY

(a) Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company:

i. M/s Hindustan FluoroCarbon Limited (the "Petitioner") has filed a writ petition (19504/2009) before the Hon’ble High Court of Andhra Pradesh at Hyderabad (the "***Court***") under Article 226 of Constitution of India in the year 2009 against State Bank of India, Chennai and Ors. (collectively, the "***Respondents***"). Our Company is one of the Respondents in the matter. Petitioner has filed the writ before the Court in the nature of Mandamus to declare the act of State Bank of India, one of the Respondents, rejecting Petitioner’s letter of credit issued by SBI-Commercial Brach Chennai, Chennai, OF) as illegal and consequentially seeking an order directing State Bank of India to honor its commitment to realize the payment of ₹132.06 Lakhs along with interest on the same to the Petitioner towards goods supplied by the Petitioner to our Company. Our Company has filed counter reply with the Hon’ble High Court in the year 2016 to dismiss the writ petition. Presently, the matter is pending before the Hon’ble High Court.

(b) Litigation involving issues of moral turpitude or criminal liability, which are currently pending or have arisen in the preceding last ten years:

Nil

(c) Litigation involving material violations of statutory regulations which are currently pending or have arisen in the preceding last ten years:

Income tax department has filed an appeal before the Hon'ble High Court of Madras at Chennai (the "Court") as aggrieved by an order of Hon'ble Income Tax Appellate Tribunal (ITAT), Chennai under Section 143(1) of Income Tax Act 1961 which was passed in favour of our Company. This matter relates to the tax demand to the tune of ₹170.61 Lakhs for the assessment year 2009-10 which was raised by an assessing officer by way of issue of an assessment order dated October 16, 2014 under Section 40 (a) (ia) of Income Tax Act, 1961. The matter is pending and shall come up for hearing in due course.

(d) Litigation involving proceedings relating to economic offences, which are currently pending or have arisen in the preceding last ten years:

Nil

(e) Penalties imposed by regulatory authorities for violations in the past:

Nil

2. FILED BY OUR COMPANY

(a) Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company:

i. Our Company has filed an execution petition in the original suit (60/2014) before the Hon'ble District Munsiff Judge at Chengalpet (the "***Court***") under Order XXI read with Rule 11 (2) of Civil Procedure Code, 1908 for execution of judgement and decree obtained by our Company in Original Suit (60/2014) (the "***Suit***") against V.Veera alias Veerapathiran (the "***Defendant***") before Court seeking permanent injunction and removal of the construction undertaken by the Defendant over the immovable property located at No. 114 Thandalam Village, Now Thirupporur Taluk, Kancheepuram District admeasuring 0.33.0 Hectares which is disputed in Suit. The said matter is pending.

ii. Our Company has filed a commercial suit (747/2012) before the Hon'ble High Court of Madras at Chennai under Order XVII read with Rule 1 of Civil Procedure Code, 1908 against United India Assurance Co. (the "Defendant") for recovery of insurance claim rejected by the Defendant, to the tune of ₹484.93 Lakhs for the loss caused to our Company because of leakage of stored gas which was insured by standard fire and special peril policy availed from the Defendant. The matter is pending before the court will shall come up for hearing in due course.

iii. Our Company (the "Petitioner") had filed a writ petition (20939/2017) before the Hon'ble High Court of Madras at Chennai (the "***Court***") under Article 226 of Constitution of India against The Chief Commissioner of Customs and Deputy Commissioner of Customs, Chennai (collectively, the "***Respondents***") to challenge the act of detention without any authority but with an oral intimation, of two containers of refrigerant gas namely R-142B in 2 ISO tanks by the Deputy Commissioner of Customs which were imported from China in the year 2014 by Petitioner. The matter was heard and the Hon'ble Court directed the Petitioner to deposit sum of ₹28.94 Lakhs for the release of said containers by Respondents and directed to appear before the Respondents.

iv. Our Company has filed a suit (105/2011) (the "***Suit***") before the Hon'ble District Munsiff Court at Chengalpet (the "Court") under Order XVIII read with Rule 1 of Civil Procedure Code, 1908 against Mr. Dhanpal (the "Defendent") seeking permanent injunction against the Respondent from encroachment and removal of the construction undertaken by the Defendant over the immovable property located at No. 114 Thandalam Village, Now Thirupporur Taluk, Kancheepuram District admeasuring 0.33.0 Hectares which is disputed in Suit. The Hon'ble Court passed a judgement and decree favour of our Company and we are in process of filing the execution petition under Order XXI read with Rule 11(2) of C.P.C for execution of judgment and decree obtained in the Suit.

v. Our Company has filed a Petition [CP (IB) No. 563/9/HDB/2019] before the Hon'ble National Company Law Tribunal, Hyderabad (the "**NCLT**") under Section 9 of the Insolvency and Bankruptcy Code, 2016 read with rule 6 of Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 against VS Lignite Power Private Limited (the "**Corporate Debtor**") for recovery of outstanding to the tune of ₹ 806.00 Lakhs in respect of excavation of over burden by our Company generated from the lignite mining activities of the Corporate Debtor. Hon'ble NCLT has admitted the petition and appointed Mr. Govindarajulu Venkata Narsimha Rao as Interim Resolution Professional.

(b) Litigation involving issues of moral turpitude or criminal liability, which are currently pending or have arisen in the preceding last ten years:

i. Our Company has filed a criminal complaint (7463/2017) before the Hon'ble Metropolitan Magistrate Court, Saidapet, Chennai under Section 138 of the Negotiable Instruments Act, 1938 against Mr. Rajendar Malu, proprietor of M/s Premier Electric & Refrigeration C. (the "Accused") for dishonor of Cheque issued towards outstanding dues to the tune of ₹ 4.75 Lakhs in respect of supply of goods to accused by our company. Presently, the said matter is pending and shall come up for hearing in due course.

(c) Litigation involving material violations of statutory regulations which are currently pending or have arisen in the preceding last ten years:

i. Our Company has filed an appeal before the Hon'ble Income Tax Appellate Tribunal (the "ITAT") as aggrieved by an order of CIT (Appeals) under Section 260A of Income Tax Act. This matter relates to the tax demand to the tune of ₹581.45 Lakhs for the assessment year 2011-12 which was raised by an assessing officer by way of issue of an assessment order dated June 27, 2014 under Section 143(3) read with Section 263 of Income Tax Act, 1961. The matter is pending before the ITAT and shall come up for hearing in due course.

(d) Litigation involving proceedings relating to economic offences, which are currently pending or have arisen in the preceding last ten years:

Nil

B. LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANY

1. LITIGATIONS AGAINST OUR SUBSIDIARY COMPANY

(a) Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our subsidiary Company:

Nil

(b) Litigation involving issues of moral turpitude or criminal liability, which are currently pending or have arisen in the preceding last ten years:

Nil

(c) Litigation involving material violations of statutory regulations which are currently pending or have arisen in the preceding last ten years:

Nil

(d) Litigation involving proceedings relating to economic offences, which are currently pending or have arisen in the preceding last ten years:

Nil

(e) Penalties imposed by regulatory authorities for violations in the past:

Nil

2. LITIGATIONS BY OUR SUBSIDIARY COMPANY

(a) Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our subsidiary Company:

Nil

(b) Litigation involving issues of moral turpitude or criminal liability, which are currently pending or have arisen in the preceding last ten years:

Nil

(c) Litigation involving material violations of statutory regulations which are currently pending or have arisen in the preceding last ten years:

Nil

(d) Litigation involving proceedings relating to economic offences, which are currently pending or have arisen in the preceding last ten years:

Nil

C. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, our Promoters nor our Directors are or have been classified as a wilful defaulter by a bank or financial institution or a consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI.

D. MATERIAL CHANGES AND COMMITMENTS

We confirm that other than the disclosures made in the financial statements as appearing in this Draft Letter of Offer, there are no material changes and commitments affecting the financial position of the company.

E. MATERIAL DEVELOPMENTS SINCE THE DATE OF THE LAST AUDITED ACCOUNTS

To our knowledge no circumstances have arisen since the date of the latest audited balance sheet i.e. March 31, 2019, which may materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities.

GOVERNMENT AND OTHER APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

There are no material pending regulatory and government approvals and no pending renewals of licenses or approvals in relation to the activities undertaken by our Company, or in relation to the Issue.

A. Approvals from government / regulatory authority in relation to our business:

1. **Material approvals for which applications have been made by our Company but are currently pending grant:**

   Nil

2. **Material approvals which have expired and for which renewal applications have been made by our Company:**

   Nil

3. **Material approvals which have expired and for which renewal applications are yet to be made by our Company:**

   Nil

4. **Material approvals for which no application has been made by our Company**

   Nil

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board has pursuant to a resolution passed in its meeting held on February 14, 2019 authorized this Issue.

Our Company has received 'in-principle' approvals from the BSE and the NSE for listing of the Rights Equity Shares to be allotted in the Issue pursuant to their letters dated [●] and [●] respectively.

Our Board in their meeting held on [●] have determined the Issue Price as ₹[●] per Rights Equity Share and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager to the Issue.

Prohibition by SEBI or RBI or other governmental authorities

Our Company, the Promoters, the members of the Promoter Group and the Directors of our Company have not been prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which our Promoters, our Directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of the Directors of our Company are associated with the securities market in any manner except for the Directors, Mr. Anil Jain and Mr. Dinesh Kumar Agarwal who are designated partners of the Refex Capital Advisors LLP which is the investment manager of Refex Capital Trust (Category I - Venture Capital Fund) SEBI registered alternative investment fund. Further, SEBI has not initiated any action against any entity with which the Directors are associated.

We confirm that none of our Promoters or Directors is a fugitive economic offender.

Eligibility for the Issue

Our Company is eligible to make this Rights Issue in terms of Chapter III of SEBI ICDR Regulations. Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information with the BSE and NSE in compliance with the SEBI Listing Regulations and listing agreements (to the extent applicable) for the last three years immediately preceding the date of filing of this Draft Letter of Offer with SEBI;

2. The reports, statements and information referred to in paragraph (a) above are available on the website of NSE and BSE with nationwide trading terminals or on a common e-filing platform specified by SEBI

3. Our Company has investor grievance-handling mechanism which includes meeting of the Shareholders/Investors Grievance Committee at frequent intervals, appropriate delegation of power by the Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (5) of Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulation 62(1) of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulation 62(1), to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications for "in-principle" approval for listing of the Rights Equity Shares to BSE and NSE. We have received such approvals from the BSE and NSE vide their letters dated [●] and [●] respectively. We will apply to the BSE and NSE for final approval for the listing and trading of the Rights Equity Shares. Our Company has chosen BSE Ltd as the Designated Stock Exchange for the Issue.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGER, KEYNOTE FINANCIAL SERVICES LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE LEAD MANAGER, KEYNOTE FINANCIAL SERVICES LIMITED, HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 30,2020, WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT LETTER OF OFFER PERTAINING TO THE ISSUE;**
2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

    (a) **THIS DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
    (b) **ALL THE MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
    (c) **THE MATERIAL DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, TO THE EXTENT APPLICABLE, SECURITIES AND**

EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE.**

6. **WE CERTIFY THAT REGULATION 15 OF THE SEBI (ICDR) REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE.**

7. **WE UNDERTAKE THAT SUB-REGULATION (3) OF REGULATION 14 AND CLAUSE (C) AND (D) OF SUB-REGULATION (9) OF REGULATION 25 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2018 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE.**

8. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE CREDITED/TRANSFERED IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40(3) OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOT APPLICABLE. THIS BEING A RIGHTS ISSUE, SECTION 40(3) OF THE COMPANIES ACT, 2013 IS NOT APPLICABLE. FURTHER, TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO THE COMPANY AFTER FINALISATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 90 OF THE SECURITIES AND**

<u>EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.</u>

9. **WE CERTIFY THAT THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE "MAIN OBJECTS" IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST 10 YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. - <u>COMPLIED TO THE EXTENT APPLICABLE</u>**

10. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:**

    (a) **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY. AS ON THE DATE OF THIS DRAFT LETTER OF OFFER, OUR COMPANY HAS NOT ISSUED ANY SR EQUITY SHARES AND THERE ARE NO OUTSTANDING SR EQUITY SHARES; AND**

    (b) **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.**

11. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED WHILE MAKING THE ISSUE – <u>NOTED FOR COMPLIANCE</u>.**

12. **WE CONFIRM THAT THE ISSUER IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), REGULATIONS 2018 – NOT APPLICABLE.**

13. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.- <u>COMPLIED WITH</u>**

14. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.- <u>COMPLIED WITH</u>**

THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 38 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCE AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS DRAFT LETTER OF OFFER.

Caution

Disclaimer Statement from our Company and the Lead Manager:

We and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at her/his own risk.

We and the Lead Manager shall make all information available to the Equity Shareholders and no selective or additional information would be available for a section of the Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer with SEBI.

No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in the Draft Letter of Offer. You must not rely on any unauthorised information or representations.

The Draft Letter of Offer is rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in the Draft Letter of Offer is current only as of its date.

Investors who invest in the Issue will be deemed to have represented to us and Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice/evaluation as to their ability and quantum of investment in the Issue.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Chennai, only.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of this Issue will be BSE Ltd.

Disclaimer clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

Disclaimer clause of NSE

As required, a copy of this Draft Letter of Offer has been submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

Filing

The Draft Letter of Offer has been filed with the Corporate Finance Department of the SEBI, located at Overseas Towers, 7th Floor, 756-L, Anna Salai, Chennai – 600 002, Tamil Nadu, India for its observations and with the stock exchanges. After SEBI gives its observations, the Letter of Offer will be filed with the with the Stock Exchanges as per the provisions of the Companies Act.

Selling Restrictions

Each person who exercises Rights Entitlement and subscribes for Rights Equity Shares or excess Rights Equity Shares, or who purchases Rights Entitlement or Rights Equity Shares shall do so in accordance with the restrictions set out below.

The distribution of the Letter of Offer, the Abridged Letter of Offer and CAFs and the issue of Rights Entitlements and the Rights Equity Shares to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer, the Abridged Letter of Offer and CAFs may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to our Company. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Letter of Offer, the Abridged Letter of Offer and CAFs or any other material relating to our Company, the Rights Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI for observations.

Accordingly, none of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and CAFs or any offering materials or advertisements in connection with the Rights Equity Shares or Rights Entitlement may be distributed or published in any jurisdiction outside India and the Rights Equity Shares and Rights Entitlement may not be offered or sold, directly or indirectly, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and CAFs will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

The Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

If the Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlement referred to in the Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and the Rights Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Rights Equity Shares or Rights Entitlement.

Neither the delivery of the Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information.

Estimated Issue Related Expenses

The Issue related expenses consist of fees payable to the Lead Manager, Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchanges. Our Company will need approximately ₹[●] lakhs towards these expenses, a break-up of the same is as follows:

(₹ in lakhs)

Activity	Estimated Expense	% of Total Expenses	As a % of Issue size
Fees payable to the intermediaries (including Lead Manager fees, Legal Counsel fees, selling commission, registrar fees and expenses)	[●]	[●]	[●]

Activity	Estimated Expense	% of Total Expenses	As a % of Issue size
Advertising, Printing, stationery and distribution Expenses	[●]	[●]	[●]
Statutory and other Miscellaneous Expenses	[●]	[●]	[●]
Total	[●]	[●]	[●]

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the SEBI Listing Regulations.

Our Company has a Stakeholders' Relationship Committee which currently comprises of Pillappan Amalanathan, Jamuna Ravikumar and Mr. Anil Jain. The broad terms of reference include redressal of investors' complaints pertaining to share / debenture transfers, non-receipt of annual reports, interest / dividend payments, issue of duplicate certificates etc. Our Company has been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Status of outstanding investor complaints in relation to our Company

As on the date of this Draft Letter of Offer, there were no outstanding investor complaints in relation to our Company.

Investor Grievances arising out of the Issue

Our Company's investor grievances arising out of the Issue will be handled by Cameo Corporate Services Limited, the Registrar to the Issue. The Registrar will have a separate team of personnel handling only post-Issue correspondence. The agreement between our Company and the Registrar provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of Allotment Advice/ demat credit/ refund order to enable the Registrar to redress grievances of Investors.

All grievances relating to the Issue may be addressed to the Registrar or the SCSB in case of ASBA Applicants giving full details such as folio number / demat account number, name and address, contact telephone / cell numbers, email id of the first Applicant, number of Rights Equity Shares applied for, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the renouncee should be furnished.

. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the investor grievances in a time bound manner.

The investor complaints received by our Company are generally disposed of within 30 days from the date of receipt of the complaint. **Investors may contact our Compliance Officer or the Registrar in case of any pre-Issue/post-Issue related problems such as non-receipt of Allotment advice/demat credit/refund orders etc.** The contact details of the Compliance Officer and Registrar to the Issue are as follows:

Registrar to the Issue

Cameo Corporate Services Limited
"Subramanian Building", No.1,
Club House Road, Chennai 600 002
Telephone: +91 44 2846 0390
Fax: +91 44 2846 0129
Email: priya@cameoindia.com
Website: www.cameoindia.com
Contact Person: Ms. Sreepriya K.
SEBI Registration No.: INR000003753

Compliance Officer

S. Gopalakrishnan
11th Floor, Bascon Futura IT Park
New No. 10/2, Old No. 56L, Venkat Narayana Road,
T Nagar, Chennai 600 017, Tamil Nadu
Telephone: 044 4340 5950
Email: gopalkrishnan.s@refex.co.in

SECTION IX – ISSUE INFORMATION

TERMS OF THE ISSUE

The Rights Equity Shares proposed to be issued in the Issue, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Common Application Form ("**CAF**"), the Memorandum of Association and Articles of Association of our Company, the provisions of the Companies Act, FEMA, SEBI ICDR Regulations, SEBI Listing Regulations, any other regulations, guidelines, notifications and regulations for issue of capital and for listing of securities issued by SEBI, the RBI, the Government of India and/or other statutory and regulatory authorities and bodies from time to time, and the terms and conditions as stipulated in the Allotment advice or letters of Allotment or demat credit of securities and rules as may be applicable and introduced from time to time.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 ("**SEBI – Rights Issue Circular**"), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of SEBI circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in their own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue by using the ASBA facility shall be responsible for ensuring that they have a separate account in their own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, for ensuring compliance with the applicable regulations.

All rights and obligations of the Eligible Equity Shareholders in relation to Applications pertaining to the Issue shall apply to Renouncee(s) as well.

Allotment of Rights Equity Shares pursuant to this Rights Issue shall be only in dematerialized form. Hence, the physical shareholders shall be required to provide their demat account details to the Company / Registrar to the Issue for credit of their Rights Entitlements not later than two working days prior to the issue closing date.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to those existing Eligible Equity Shareholders **("Investors")** of our Company whose names appear, (i) as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the electronic form, and (ii) on the register of members of our Company in respect of Equity Shares held in the physical form at the close of business hours on the Record Date, i.e. [●], fixed in consultation with the Designated Stock Exchange, but excludes persons not eligible under applicable laws, rules, regulations and guidelines.

PRINCIPAL TERMS AND CONDITIONS OF THE EQUITY SHARES ISSUED UNDER THE ISSUE

Face Value

Each Equity Share shall have the face value of ₹10/-.

Issue Price

Each Equity Share is being offered at a price of ₹[●] (including a premium of ₹ [●] per Rights Equity Share). The Issue Price has been arrived at, by us in consultation with the Lead Manager.

Terms of payment

The full amount of Issue Price ₹[●] is payable on application.

Ranking of Equity Shares

The Rights Equity Shares being issued shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Rights Equity Shares shall rank *pari passu*, in all respects including dividend, with our existing Equity Shares.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

Mode of Payment of Dividend

In the event of declaration of dividend, our Company shall pay dividend to the shareholders of our Company as per the provisions of the Companies Act and the provisions of the Articles of Association.

Rights Entitlement ("REs") (Rights Equity Shares)

As your name appears as a beneficial owner in respect of the Equity Shares held in the electronic form or appears in the register of members as an Eligible Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e. [●], you are entitled to the number of Rights Equity Shares in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held on the Record Date. Details of your rights entitlement will be sent to you separately along with the CAF.

Details of respective Eligible Equity Shareholder's entitlement would also be available on the website of the Registrar to the Issue (www.cameoindia.com) and on the website of our Company at (www.refex.co.in) which can be checked by keying the requisite details therein.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have a registered address in India. The distribution of the Letter of Offer/ Abridged Letter of Offer and the issue of securities on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Any person who acquires Rights Entitlements or the Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer/ Abridged Letter of Offer/CAF that such person is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, will not be, in any restricted jurisdiction.

Eligible Equity Shareholders can also download the CAF from the website of the Registrar to the Issue being (www.cameoindia.com)

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held on the Record Date.

Fractional Entitlements

As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, in case of fractional entitlements of RE's to be credited before issue opening date, the fractional part shall be ignored by rounding down the entitlement.

However, while allotting the rights equity shares, the eligible equity shareholders whose fractional entitlements, while calculating the RE's, were ignored and have applied for additional shares, would be allotted one rights equity shares. Same will be adjusted from one of the promoter's entitlement.

Process of credit of Rights Entitlements

As per the SEBI – Rights Issue Circular issued in order to streamline the process of the rights issue, SEBI has introduced dematerialized Rights Entitlements and the process with respect to the credit of rights entitlements and renunciation thereof is as set out below:

(1) A separate temporary ISIN No. [●] has been obtained by our Company for credit of REs in demat account of the Eligible Equity Shareholders.

(2) Based on the rights entitlement ratio, RE's will be credited to the demat account of eligible equity shareholders in dematerialized form before the opening of the issue.

(3) The physical shareholders are required to provide their demat account details to the Company / Registrar to the Issue for credit of their RE's not later than two working days prior to the issue closing date being [●], such that the credit of the RE's in their demat account takes place at least one date prior to the issue closing date.

(4) The REs will be credited in the demat account of the Eligible equity shareholder on [●] through a corporate action by our company and the separate ISIN so obtained for the REs will be kept frozen (for debit) in the depository system till the date of opening of the issue i.e. [●].

(5) If the demat account of the eligible equity shareholder is frozen or demat account details are not available, including shares held in unclaimed suspense account or in the account of Investor Education and Protection Fund Authority, then REs of such eligible equity shareholders will be credited in a suspense escrow demat account of our Company and an intimation will be sent to such eligible equity shareholder by the Registrar to the Issue.

(6) Eligible Equity Shareholders can either apply or renounce full or part of their REs.

(7) Eligible Equity Shareholders shall apply for the REs through ASBA facility only. For details, see "*Terms of the Issue- procedure for application*" on page 144

(8) No withdrawal of application will be permitted by any Eligible Equity Shareholders after the issue closing date.

(9) REs credited to demat account can be renounced either by sale of REs using stock exchange platform or off-market transfer.

(10) In case the shareholders wish to renounce their REs by sale of REs through stock exchange, the eligible shareholder can place order only to the extent of REs available in his demat account. Trading in REs in such case shall be closed on [●] being at least four days prior to the closure of rights issue.

(11) In case the shareholders wish to renounce his REs by the way of off-market transfer, the eligible shareholder can do so only to the extent of REs available in his demat account. The ISIN so obtained shall be suspended for such Off-market transfers of the RE's from the issue closing date.

(12) REs which are neither renounced nor subscribed by the shareholders, will lapse after the closure of Rights Issue.

Details of respective Eligible Equity Shareholder's entitlement would also be available on the website of the Registrar to the Issue (www.cameoindia.com) and on the website of our Company at (www.refex.co.in) which can be checked by keying the requisite details therein.

Trading of the Rights Entitlements ("REs") on the Stock Exchange Platform.

Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI – Rights Issue Circular, the Rights Entitlements credited in demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN - [●] subject to necessary approvals.

The ISIN of REs shall be kept frozen (for debit) in the depository system till the date of the opening of the issue.

The company would submit details of total REs credited to the Stock Exchange and shall obtain requisite trading approval of such RE's from the stock exchange.

The Eligible equity shareholders can place order for sale only to the extent of REs available in the demat account of the eligible equity shareholders. RE's credited to the demat account of the respective eligible equity shareholders duly renounced by them by the way of sale through stock exchange platform, would be settled by transferring the dematerialized RE's through depository system in the same manner as done for all the other types of securities.

Trading in REs shall commence on the date of opening of the issue.

Trading in the REs on the secondary market platform of the stock exchange will happen electronically on T+2 rolling settlement basis. The transactions will be settled on trade-for-trade basis.

Thus, trading in REs in such case shall be closed on [●] being at least four days prior to the closure of rights issue.

Listing and trading of the Rights Equity Shares proposed to be issued under the Issue

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the basis of allotment approved by the designated stock exchange, the separate ISIN no. [●] for REs so obtained will be permanently deactivated from the depository system.

Our Company's existing Equity Shares are listed and traded on BSE (Scrip code: 532884) and NSE (Scrip code: REFEX), under the ISIN: INE056I01017

Post the closure of the issue and approval of the basis of allotment from the designated stock exchange, the Rights Equity Shares to be allotted pursuant to the Issue shall, in terms of the circular (no. CIR/MRD/DP/21/2012) by SEBI dated August 2, 2012, be Allotted under a temporary ISIN which shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchanges. Upon receipt of such listing and trading approval, the Rights Equity Shares shall be debited from such temporary ISIN and credited in the existing ISIN of our Company and be available for trading.

The listing and trading of the Rights Equity Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the schedule. Upon Allotment, the Rights Equity Shares shall be traded on Stock Exchanges in the demat segment only.

Our Company has made applications to the Stock Exchanges seeking 'in-principle' approval for the listing of the Rights Equity Shares pursuant to the Issue in accordance of SEBI Listing Regulations and has received such approval from BSE pursuant to their letter no. [●] dated [●] and from NSE pursuant to their letter no. [●] dated [●]. All steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within seven working days from finalization of the basis of allotment. All steps for the completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares to be allotted pursuant to the Issue shall be taken in accordance with law. The Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE and NSE under the existing ISIN for Equity Shares.

Rights of the Equity Shareholder

Subject to applicable laws, Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote either in person or by proxy;
- Right to receive offers for equity shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability of shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association of our Company.

Intention and extent of participation by our Promoters and Promoter Group in the Issue

Our Promoter(s) and entities forming part of our Promoter Group have, vide their letters dated March 05, 2020 (the "**Subscription Letters**") undertaken to: (a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company; and (b) subscribe to, either individually or jointly and/ or severally with any other Promoter or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue.

Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations. The additional subscription by the promoters shall be made subject to such additional subscription not resulting in the minimum public shareholding of the issuer falling below the level prescribed in LODR/ SCRR.

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company are tradable only in dematerialized form. The market lot for the Rights Equity Shares in dematerialized mode is one Equity Share.

Minimum Subscription

If our Company does not receive the minimum subscription of 90 % of the Issue (i.e. Net Issue), our Company shall refund the entire subscription amount, not later than fifteen working days from the closure of the Issue. In the event there is a delay in unblocking of ASBA beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Joint-Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association of our Company. In case of joint holders, the CAF would be required to be signed by all the joint holders to be considered valid

Nomination

Since the allotment of Rights Equity Shares will be made only in dematerialized form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with respective Depositary Participant ("DP") of the investor would prevail. Any investor desirous of changing the existing nomination is requested to inform their respective DP.

Arrangements for Disposal of Odd Lots

Our Rights Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence no arrangements for disposal of odd lots are required.

Notices

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one (1) English national daily newspaper with wide circulation, one (1) Hindi national daily newspaper with wide circulation and one (1) Tamil daily newspaper with wide circulation at the place where our Registered Office is situated and/ or will be sent by ordinary post or registered post or speed post to the registered address of the Eligible Equity Shareholders in India as updated with the Depositories/ registered with the Registrar and Transfer Agent from time to time or the Indian address provided by the Eligible Equity Shareholders from time to time.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Regulation 6 of Notification No. FEMA 20(R)/2017- RB dated November 07, 2017, the RBI has given general permission to Indian companies to issue equity shares to non-resident shareholders including additional securities. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be *inter alia*, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. The Abridged Letter of Offer and CAF shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form. The Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Rights Equity Shares. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original shares against which Rights Equity Shares are issued.

CAFs will be made available for eligible NRIs at our Registered Office and with the Registrar to the Issue and would also be available on the website of the Registrar to the Issue.

In case of change of status of holders, that is, from Resident to Non-Resident, a new demat account must be opened.

By virtue of circular no.14, dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, OCBs shall not be eligible to subscribe to the Rights Equity Shares. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated Non-Resident entities.

PROCEDURE FOR APPLICATION

How to Apply

The Common Application Form ("**CAF**") will be printed in black ink for all Eligible Equity Shareholders. The CAF along with the Abridged Letter of Offer will be dispatched through registered post or speed post at least three days before the Issue Opening Date. In case the CAFs are not received by the Investor or is misplaced by the Investor, they can download the same from the website of the Registrar to the issue at www.cameoindia.com or can obtain printed CAF from our Company, the Lead Manager or the Registrar.

The CAF can be used both by the shareholder or renouncee.

Please note that in accordance with the provisions of the SEBI – Rights Issue Circular , all Eligible Equity Shareholder(s) (including renouncee) shall make an application for a rights issue only through ASBA facility.

Please also note that by virtue of circular no. 14, dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("OCBs") have been de recognised as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Any Equity Shareholders being an OCB is required to obtain prior approval from RBI for applying in this Issue.

Common Application Form ("CAF")

The Registrar will dispatch the CAF along with the Abridged Letter of Offer to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date.

Applicants may choose to accept the offer to participate in the Issue by making plain paper Applications. For more information, see "Terms of the Issue - Application on Plain Paper" on page 149

Application in electronic mode will only be available with such SCSBs who provide such facility. The Eligible Equity shareholders shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account.

Investors are also advised to ensure that the CAF is correctly filled up, stating therein the bank account number maintained with the SCSB in which an amount equivalent to the amount payable on Application as stated in the CAF will be blocked by the SCSB.

Mode of Payment

The Eligible Equity Shareholders applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the

CAF until it receives instructions from the Registrar to the Issue. Upon receipt of intimation from the Registrar to the Issue, the SCSBs shall transfer such amount as per the Registrar to the Issue's instruction from the ASBA Account. This amount will be transferred in terms of SEBI ICDR Regulations, into the separate bank account maintained by our Company for the purpose of the Issue. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB.

The Eligible Equity Shareholder would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Investor in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, our Company would have a right to reject the application only on technical grounds.

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned link.

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the CAF and would also be available on the website of the Registrar to the Issue at www.cameoindia.com and on the website of our Company at (www.refex.co.in). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

(1) **Resident Eligible Equity Shareholders**

Resident Eligible Equity shareholders can apply through ASBA application by electronic mode or shall submit the CAF to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account.

In case the CAF is not received by the Eligible Equity shareholder or is misplaced by the him, then the Eligible Equity shareholder may request the printed forms of same from the Company, Registrar to the Issue or the Merchant Banker to the Issue.

Eligible Equity Shareholder(s) can also download the application form which will be available on the website of the Registrar to the issue at www.cameoindia.com.

(2) **Non-Resident Eligible Equity Shareholders**

The CAF to the Eligible Equity shareholder(s) being an Non-Resident Indian shall be sent at their Indian address only as per Company/DP records. Such shareholders can apply through ASBA (facility provided for NRE/NRO accounts) application by electronic mode or shall submit the CAF to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account

In case the CAF is not received or is misplaced, then the Non- Resident Eligible Equity shareholder may request the printed forms of same from the Company, Registrar to the Issue or the Merchant Banker to the Issue.

Non- Resident Eligible Equity Shareholder(s) can also download the application form which will be available on the website of the Registrar to the issue at www.cameoindia.com.

Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full amount payable, at the time of the submission of the CAF to the SCSB. Eligible Non-Resident Equity Shareholders applying on non-repatriation basis are advised to use the CAF for residents (white in colour). Eligible Non-Resident Equity Shareholders applying on a repatriation basis are advised to use the CAF meant for Non-Residents (blue in colour).

Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be *inter alia*, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Entitlement offered without renouncing them in whole or in part in favour of any other person(s). Renouncee(s), applying for all Rights Equity Shares renounced in their favour, can also apply for additional Rights Equity Shares in the Issue. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section titled "*Terms of the Issue*" on page 138. If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in the CAF. Those applying through the electronic mode are required to punch in their requirement for additional Rights Equity Shares.

Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (**"OCBs"**), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003. Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s).

The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such

Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Renunciation

The Issue includes a right exercisable by you to renounce the Rights Entitlement offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Company shall not allot the Rights Equity Shares in favour of the following Renouncees: (i) more than three persons (including joint holders); (ii) partnership firm(s) or their nominee(s); (iii) minors (except applications by minors having valid demat accounts as per the demographic details provided by the Depositors); (iv) HUF (however, you may renounce your Rights Entitlements to the Karta of an HUF acting in his capacity of Karta); or (v) any trust or society (unless the same is registered under the Societies Registration Act, 1860, as amended or the Indian Trust Act, 1882, as amended or any other applicable law relating to societies or trusts and is authorised under its constitution or bye-laws to hold equity shares, as the case may be). Additionally, the Eligible Equity Shareholders may not renounce in favour of "U.S. Persons" (as defined in Regulation S) or persons or entities which would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.

The CAF can be used by both the Eligible Equity Shareholder and the Renouncee. The renouncee can make the application in electronic mode only if such facility is available with such SCSBs. In case where the application through electronic mode is not available with the SCSB, the renouncee shall submit the CAF to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account.

Renouncee(s), applying for all Rights Equity Shares renounced in their favour, can also apply for additional Rights Equity Shares in the Issue.

Renouncee(s) are also advised to ensure that the CAF is correctly filled up, stating therein the bank account number maintained with the SCSB in which an amount equivalent to the amount payable on Application as stated in the CAF will be blocked by the SCSB. The list of SCSBs would be available on the reverse of the CAF.

This right of renunciation is subject to the express condition that our Board of Directors shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof

Procedure for renunciation

The Investors holding Rights Entitlements in dematerialized form in their demat account can renounce the same either in full or in part in favour of any other person or persons in India only either a) by using the secondary market platform of the Stock Exchanges ("**On Market Renunciation**") or b) through off market transfer ("**Off Market Renunciation**") during the Renunciation Period.

(a) On Market Renunciation

The Investors holding Rights Entitlements in dematerialized form in their demat account can renounce the same by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company are being traded.

In this connection, in terms of provisions of the SEBI ICDR Regulations and the SEBI – Rights Issue Circular, the Rights Entitlements credited in demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN - [●]. The details for trading in Rights Entitlements will be as specified by BSE from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlement. The trading in Rights Entitlements on the Stock Exchanges shall commence from the Issue Opening Date and shall close on [●] (both days inclusive) or such other extended date as may be determined by our Board from time to time.

The Investors holding the Rights Entitlements in their demat account who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN - [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The order for trading of the Rights Entitlements can placed during the normal trading hours of the Stock Exchanges and only during the Renunciation Period. The trading in Rights Entitlements shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis.

Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

The Investors who intend to trade in the Rights Entitlements should consult their respective stock brokers for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the stock brokers for trading in Rights Entitlements.

The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage) levied by the stock brokers, and such costs will be incurred solely by the Investors.

(b) Off Market Renunciation

The Investors holding Rights Entitlements in dematerialized form in their demat account can renounce the same through off market transfer through a depository participant in the same manner as the existing Equity Shares of our Company can be transferred.

The Rights Entitlements can be transferred in dematerialized form only. The Rights Entitlements can be renounced through off market transfer from the Issue Opening Date till [●] (both days inclusive) or such other extended date as may be determined by our Board from time to time.

The Investors holding the Rights Entitlements in their demat account who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN - [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer.

The buyer of the Rights Entitlements (unless he has already given a standing receipt instruction) has to issue a receipt instruction slip to his depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants and only during the Renunciation Period. The transfer shall take on the execution date mentioned in the instruction slip and the settlement shall be carried out through depository transfer mechanism in the same manner as done for all other type of securities.

The detailed rules for transfer of Rights Entitlements through off market transfer shall be as specified by the NSDL and CDSL from time to time

REs which are neither renounced nor subscribed by the shareholders, will lapse after the closure of Rights Issue.

Availability of Application Form

The CAF along with the Abridged Letter of Offer shall be dispatched through registered post or speed post at least three days before the Issue Opening Date. The Abridged Letter of Offer and CAF shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only.

In case the CAFs are not received by the Investor or is misplaced by the Investor, the Investor may request the printed forms of same from the Company, Registrar to the Issue or the Merchant Banker to the Issue.

Eligible Shareholders can also download the application form which will be available on the website of the Registrar to the issue at www.cameoindia.com

Rights Equity Shares in Dematerialized Form

ELIGIBLE EQUITY SHAREHOLDERS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH APPLICANT ON THE RECORD DATE.

Is the demat account of a shareholder is frozen or demat account details are not available, including shares held in the unclaimed suspense account or in the account of IEPF Authority, the Rights Entitlement shall be credited in the suspense escrow demat account of the Company and an intimation would be sent to such a shareholder by the Company and / or the Registrar to the Issue.

Last date of Application

The last date for submission of the duly filled in the Application Form is [●]. Our Board or any Committee thereof will have the right to extend the said date for such period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date and no withdrawal of Application shall be permitted after the issue closing.

Acceptance of the Issue

You may accept the Issue and apply for the Rights Equity Shares either in full or in part, through ASBA application by electronic mode or shall submit the CAF to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account. The submission of CAF to Designated Branch of the SCSB for ASBA application should be done before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of our Company in this regard

Application on Plain Paper

An Eligible Equity Shareholder who has neither received the CAF nor is in a position to obtain the CAF either from our Company, Registrar to the Issue, Manager to the Issuer or from the website of the Registrar, can make an Application to subscribe to the Issue on plain paper through ASBA process. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

The envelope should be super scribed *"[●]"* or *"[●]"* and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Company/Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being Refex Industries Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of ₹[●] per Rights Equity Share;
- Details of ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of non-resident investors, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;
- Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company/Depositories); and
- Additionally, all such Applicants shall include the following:

*"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "**United States**")or to or for the account or benefit of a "U.S. Person" as defined in Regulation S under the US Securities Act ("**Regulation S**"). I/we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement in the United States. I/we understand that none of the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company has reason to believe is, a resident of the United States or a "U.S. Person" (as defined in Regulation S,) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

I/We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement and/or the Rights Equity Shares is/are, outside the United States, (ii) am/are not a "U.S. Person" as defined in Regulation S, and (iii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Investors are requested to note that CAF or plain paper application with only foreign addresses is liable to be rejected on technical grounds. The CAF or plain paper application should contain the Indian address also if foreign address is mentioned.

General instructions for Eligible Equity Shareholders / Renouncees

1. Please read the instructions printed on the CAF carefully.

2. As per the SEBI – Rights Issue Circular , application for a rights issue shall be made only through ASBA facility.

3. Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer are liable to be rejected. The CAF / plain paper application must be filled in English.

4. The CAF / plain paper application in the ASBA Process should be handed over only at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to our Company or Registrar or Manager to the Issue. The onus of due completion and submission of such ASBA applications shall solely be that of the Investor.

5. Application in electronic mode will only be available with such SCSBs who provide such facility.

6. All Investors, and in the case of application in joint names, each of the joint Investors, should mention his/her PAN allotted under the Income-Tax Act, 1961, irrespective of the amount of the application. Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, **CAFs / plain paper applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no allotment and credit of Rights Equity Shares shall be made into the accounts of such Investors.**

7. All payments will be made by blocking the amount in the bank account maintained with the SCSB.

8. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Eligible Equity Shareholders must sign the CAF / plain paper application as per the specimen signature recorded with our Company /or Depositories.

9. In case of joint holders, all joint holders must sign the CAF / plain paper application in the same order and as per the specimen signature(s) recorded with our Company. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.

10. All communication in connection with application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue.

11. Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

12. In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the section titled "Terms of the Issue - Application on Plain Paper under the ASBA process" beginning on page 149

13. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Do's:

(a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Rights Entitlement and Rights Equity Shares will be allotted in the dematerialized form only.

(b) Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.

(c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares as the case may be applied for} X {Issue Price of Rights Equity Shares}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.

(d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.

(e) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.

(f) Except for CAFs submitted on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the IT Act.

(g) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

(h) Ensure that the Demographic Details are updated, true and correct, in all respects.

(i) Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked.

Don'ts:

(a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

(b) Do not apply on through multiple CAF after you have submitted a CAF to a Designated Branch of the SCSB.

(c) Do not pay the amount payable on application in cash, by money order, pay order, postal order, cheque or demand drafts.

(d) Do not send your physical CAFs to the Lead Manager to Issue / Registrar / to a branch of the SCSB which is not a Designated Branch of the SCSB / Bank; instead submit the same to a Designated Branch of the SCSB only.

(e) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(f) Do not apply if the ASBA account has been used for five Applicants.

(g) Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

(h) Do not submit more than one application form for the Rights Entitlement available in the particular demat account.

Grounds for Technical Rejection

Applications are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.

(b) Sending CAF to a Lead Manager / the Registrar to the Issue/ the Registrar and Transfer Agent/ to a branch of a SCSB which is not a Designated Branch of the SCSB/ Bank.

(c) Insufficient funds are available with the SCSB for blocking the amount.

(d) Funds in the bank account with the SCSB whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.

(e) Submission of more than one application form for the Rights Entitlement available in the particular demat account..

(f) ASBA Account holder not signing the CAF or declaration mentioned therein.

(g) Multiple CAFs, including cases where an Eligible Equity Shareholder submits CAFs along with a plain paper application.

(h) CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in restricted jurisdictions and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.

(i) Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended, except applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(j) Submitting the GIR number instead of the PAN.

(k) ASBA Bids by SCSBs applying through the ASBA process on own account, other than through an ASBA Account in its own name with any other SCSB.

(l) Failure to mention an Indian address in the Application. Application with foreign address shall be liable to be rejected.

(m) If an Investor is (a) debarred by SEBI and/or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.

(n) Failure to provide a copy of the requisite RBI approval in relation to renunciation by non-resident ASBA Applicants.

By signing the CAFs, the Investors applying would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking would be mailed at the address of the Investor as per the Demographic Details received from the Depositories. The Registrar to the Issue will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Investors may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Investor in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, the Registrar to the Issue or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Eligible Equity Shareholders (including the order of names of joint holders), (b) the DP ID and (c) the beneficiary account number, then such Applications are liable to be rejected.

Prohibition on payment of incentives

Any person connected with the issue, shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the rights issue, except for fees or commission for services rendered in relation to the issue.

Transfer of Funds

The Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA bank accounts for (i) transfer of requisite funds to the separate bank account maintained by our Company as per the provisions of Section 40 (3) of the Companies Act, 2013 (ii) rejected / unsuccessful ASBAs.

In case of failure or withdrawal of the Issue, on receipt of appropriate instructions from the Lead Manager through the Registrar to the Issue, the SCSBs shall unblock the bank accounts latest by the next day of receipt of such information.

Underwriting

The Issue is not underwritten.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Issue Opening Date:	
Last date for On Market Renunciation of Rights Entitlement	
Last date for Off Market Renunciation of Rights Entitlement	
Issue Closing Date:	

The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not be kept open in excess of 30 (thirty) days from the Issue Opening Date and no withdrawal application by eligible equity shareholders will be allowed after issue closing date, in accordance with SEBI ICDR Regulations.

Basis of Allotment

For Eligible Equity Shareholders

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the CAF, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s), who has/ have applied for the Rights Equity Shares renounced in their favour, in full or in part. Allotment to Non-Resident Renouncees shall be subject to the permissible foreign investment limits applicable to our Company under FEMA.

(b) For Rights Equity Shares being offered under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Rights Equity Shares or not in multiples of [●] as on Record Date, the fractional entitlement of such Eligible Equity Shareholders shall be ignored. Eligible Equity Shareholders whose fractional entitlements are being ignored would be considered for Allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares(s). Allotment under this head shall be considered if there are any un-subscribed Equity Shares after Allotment under (a) above. If the number of Rights Equity Shares required for Allotment under this head is more than number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

(c) Allotment to Eligible Equity Shareholders who having applied for the Rights Equity Shares in full and have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there is an under-subscribed portion after making Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of the Board/Committee of Directors of our Company in consultation with the Designated Stock Exchange, as a part of the Issue and not as a preferential Allotment.

(d) Allotment to the Renouncees, who having applied for the Rights Equity Shares renounced in their favour have also applied for additional Rights Equity Shares, provided there is an under-subscribed portion after making full Allotment in (a), (b) and (c) above. The Allotment of such additional Rights Equity Shares will be made on a proportionate basis at the sole discretion of our Board or any committee of our Board but in consultation with the Designated Stock Exchange, as a part of the Issue and not as a preferential allotment.

(e) Allotment to any other person as our Board may in its absolute discretion deem fit provided there is surplus available after making Allotment under (a), (b), (c), and (d) above, and if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Rights Equity Shares in the Issue, along with:

- The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Our Company shall retain no oversubscription.

Allotment Advices

Our Company will issue and dispatch Allotment advice/demat credit and the company would credit the allotted Rights Equity Shares to the respective beneficiary accounts, within a period of 15 (fifteen) working days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

Advice regarding credit of the Rights Equity Shares shall be given separately to the Investors. Investors will be sent a letter through ordinary post intimating them about the unblocking of ASBA within 15 (fifteen) working days of the Issue Closing Date.

The letter of allotment would be sent by registered post/ speed post to the sole/ first Investor's registered address in India or the Indian address provided by the Eligible Equity Shareholders from time to time.

In the case of Non-resident Shareholders or Investors who remit their Application Money from funds held in NRE/FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Rights Equity Shares in the Issue, along with:

- The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

This Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and the CAF shall be dispatched to only such Non-resident Shareholders who have a registered address in India or have provided an Indian address.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the electronic form is as under:

1. Open a beneficiary account with any DP (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as is registered in the records of our Company). In case of investors having various folios in our Company with different joint holders, the investors will have to open separate accounts for such holdings. **Those Eligible Equity Shareholders who have already opened such beneficiary account(s) need not adhere to this step.**

2. For Eligible Equity Shareholders already holding Equity Shares in dematerialized form as on the Record Date, there Rights Entitlement would be credited to the demat account of the respective Eligible Equity Shareholder. For those who open accounts later or those who change their accounts and wish to receive their Rights Equity Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF and shall be informed atleast one day prior to the closure of the issue. It may be noted that the Allotment of Rights Equity Shares arising out of this Issue would be made in dematerialised form even if the original Equity Shares

are not dematerialised. Nonetheless, it should be ensured that the depository account is in the name(s) of the Eligible Equity Shareholders and the names are in the same order as in the records of our Company.

3. Responsibility for correctness of information (including applicant's age and other details) filled in the CAF vis-à-vis such information with the applicant's DP, would rest with the Applicant. Applicants should ensure that the names of the applicants and the order in which they appear in CAF should be the same as registered with the applicant's DP.

4. If incomplete/ incorrect details are given under the heading 'Request for Shares in Electronic Form' in the CAF, if incomplete/ incorrect beneficiary account details are given in the CAF, then such shares will be credited to a demat suspense a/c which shall be opened by our Company as specified in SEBI circular no. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009.

5. Allotment advice or letters of Allotment would be sent directly to the applicant by the Registrar to the Issue but the applicant's DP will provide to him the confirmation of the credit of such Rights Equity Shares to the applicant's depository account.

6. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of the Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, such applications by Renouncees are liable to be rejected.

7. Non-transferable allotment advice will be directly sent to the Investors by the Registrar.

8. Dividend or other benefits with respect to the Rights Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Procedure for Application by Mutual Funds

In case of a Mutual Fund, a separate application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the application clearly indicates the scheme concerned for which the application has been made. Applications made by asset management companies or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

Procedure for Application by Systematically Important Non-banking Financial Companies (NBFCs)

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45–IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Procedure for Application by FPIs

In terms of the SEBI FPI Regulations, investment in the Equity Shares by a single FPI or an investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control) shall be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Rules the total holding by each FPI or an investor group, cannot exceed 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate holdings of all the FPIs, including any other direct and indirect foreign investments in our Company, shall not exceed 24 % of the total paid-up Equity Share capital on a fully diluted basis.

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the capital of an Indian company is subject to certain limits, i.e. the individual holding of an FPI (including its investor group) is restricted to below 10% of the capital of the company. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up equity capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e. 100%). The aggregate limit may be decreased below the sectoral cap to a threshold limit of 24% or 49% or 74% as deemed fit by way of a resolution passed by our Board followed by a special resolution passed by the Shareholders of our Company. In terms of the FEMA Non- Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Procedure for Applications by AIFs, FVCIs and VCFs

The VCF Regulations and the FVCI Regulations prescribe, amongst other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the AIF Regulations prescribe, amongst other things, the investment restrictions on AIFs.

As per the VCF Regulations and FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as category I AIFs, as defined in the AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Investment by NRIs

Investments by NRIs are governed by FEMA Non-Debt Rules. Applications will not be accepted from NRIs in restricted jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO accounts shall use the Application Form meant for resident Indians and shall not use the Application Forms meant for reserved category.

Impersonation

As a matter of abundant caution, attention of the investors is specifically drawn to the provisions of sub- section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who –

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a Bank to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

(d) shall be liable for action under section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 1.00 million or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹1.00 million or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 2.00 million or with both.

Payment by Stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the stockinvest scheme has been withdrawn with immediate effect. Hence, payment through stock invest would not be accepted in this Issue.

Utilisation of Issue Proceeds

Our Board of Directors declares that:

(a) All monies received out of the Issue shall be transferred to a separate bank account;

(b) Details of all monies utilized out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

(c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

(d) Our Company may utilise the funds collected in the Issue only after the Basis of Allotment is finalised.

Undertakings by our Company

Our Company undertakes as follows:

(a) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

(b) All steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Rights Equity Shares are proposed to be listed will be taken within 7 (seven) Working Days of finalization of Basis of Allotment.

(c) Details with respect to unblocking of ASBA shall be dispatched to the applicants within 15 (fifteen) days of the Issue Closing Date.

(d) The letters of Allotment/ Allotment advice to the NRs shall be dispatched within the specified time.

(e) No further issue of securities affecting equity capital of our Company shall be made till the securities issued/ offered through this Draft Letter of Offer are listed.

(f) At any given time, there shall be only one denomination of Equity Shares of our Company. As on the date of this draft letter of offer, our company has not issued any SR equity shares and there are no outstanding SR equity shares.

(g) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Important

- Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the accompanying CAF is an integral part of the conditions and must be carefully followed; otherwise the Application is liable to be rejected.

- It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in the section titled "Risk Factors" on page 15

- All enquiries in connection with this Draft Letter of Offer, the Letter of Offer or accompanying CAF must be addressed to the Registrar to the Issue at the following address:

  Cameo Corporate Services Limited
  Subramanian Building", No.1, Club House Road, Chennai 600 002
  Contact Person: Ms. Sreepriya K.
  Telephone: +91 44 4002 0700 / 2846 0390, **Email**: priya@cameoindia.com
  Website: www.cameoindia.com
  SEBI Registration No.: INR000003753

- This Issue will be kept open for a minimum period of 15 (fifteen) days in accordance with the Articles of Association of our Company. However, the Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Consolidated FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries / departments of the Government of India and the RBI. The Union Cabinet has recently approved phasing out the FIPB, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to concerned ministries/ departments.

Subsequently, the DIPP issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June29, 2017 (the "**SOP**"). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act as the competent authority (the "Competent Authority") for the grant of post facto approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP shall identify the Competent Authority.

The GoI has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails. The Consolidated FDI Policy, issued by the DIPP, consolidates the policy framework in place as on August 27, 2017, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore the Consolidated FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of this Draft Letter of Offer until the Issue Closing Date.

(A) Material Contracts

1. Issue Agreement dated December 15 ,2019 between our Company and the Lead Manager to the Issue.
2. Registrar Agreement dated December 16 ,2019 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated [●] amongst our Company, the Lead Manager, Registrar to the Issue and the Banker(s) to the Issue.

(B) Material Documents

1. Certified copies of the Memorandum and Articles of Association of our Company.
2. Certificate of incorporation and fresh certificate of incorporation pursuant to change of name of our Company.
3. Resolution of our Board/ committee of the Board dated February 14, 2019 pursuant to section 62 of the Companies Act, 2013 authorizing the Issue.
4. Prospectus dated July 10, 2007 in respect of the initial public offering of Equity Shares by our Company.
5. Consents of the Directors, Company Secretary and Compliance Officer, Lead Manager, Legal advisor to the Issue, Registrar to the Issue and Bankers to our Company, to include their names in this Draft Letter of Offer to act in their respective capacities.
6. Annual Report of our Company for the last five financial years ended March 31 2019, 2018, 2017, 2016, 2015, limited review report for six (6) months period ended September 30, 2019 and nine months ended December 31, 2019.
7. Statement of Tax Benefits certificate dated November 30, 2019 from M. Krishnakumar & Associates, Chartered Accountants, the Statutory Auditors of our Company.
8. Tripartite Agreement dated February 22, 2006 between our Company, National Securities Depository Limited and the Registrar to the Issue.
9. Tripartite Agreement dated March 31, 2007 between our Company, Central Depository Services (India) Limited and the Registrar to the Issue.
10. Due Diligence Certificate dated March 30,2020 addressed to SEBI from the Lead Manager.
11. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time, if so required, in our interest or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We, the undersigned, hereby declare that, all the relevant provisions of the Companies Act 2013, and the guidelines issued by the Government of India or the guidelines and regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations or guidelines issued, as the case may be. We further certify that all the disclosures and statements made in this Draft Letter of Offer are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Name	Signature
Anil Jain *Chairman and Managing Director*	Sd/-
Dinesh Kumar Agarwal *Non-Executive Director*	Sd/-
Pillappan Amalanathan *Additional Director (Independent)*	Sd/-
Jamuna Ravikumar *Independent Director*	Sd/-

Name	Signature
U. Lalitha Chief Financial Officer	Sd/-

Date: March 30, 2020
Place: Chennai