



Research report on

# Refex Industries Limited (Refex)

**"Accumulate"**

**Target price: Rs.817**

**Upside: 15.09%**

- ❖ We had initiated coverage on "Refex Industries Limited" on February 23, 2023 at Rs. 255.20 with a target price of Rs. 350 which was achieved and later got revised from time to time based on the quarterly & yearly performance of the Company (the last was based on Q4FY23 and FY23 performance) with the target price of Rs. 656, which was also achieved.
- ❖ We continue our coverage on the Company post its Q1FY24 result and revise our price target to Rs. 817 per share and hereby present the updated research report.



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**refex**



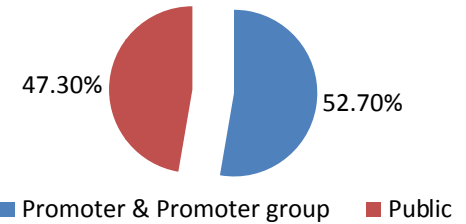
**REFEX  
INDUSTRIES  
LIMITED**  
**RESEARCH REPORT**

CMP	Rs. 709.90 (Face value: Rs. 10)
Book value	Rs. 142.26 per share as on FY23
Recommendation	"Accumulate"
Target price	Rs. 817
Upside	15.09%
52 Week High/Low	Rs. 924 /Rs. 127
Market Cap	Rs. 1,569.38 Crore
NSE/BSE code	REFEX/532884
Bloomberg code	REFX:IN
Promoter holding	52.70 %
Price performance	1 month: 6.46 %, 3 months: 52.15 %, YTD: 154.70 %, 1 Year: 450.64 %

Source: Company

Particulars (Rs. in Crore)	Q1FY24	FY23	FY22	FY21	FY20
Revenue	381	1,629	444	633	661
EBITDA	37	175	58	68	51
EBITDA (%)	9.59	10.72	13.03	10.7	7.77
Profit before tax	30	156	61	58	48
Profit after tax	22	116	45	41	33
PAT margin (%)	5.77	7.12	10.22	6.47	5.01
Equity share capital	22.10	22.10	21.00	21.00	15.475
Reserves	-	292	163	119	60
Networth	-	314.39	184	140	76
Total Debt including Lease Liability	-	149	85	74	9
Debt/Equity (x)	-	0.47	0.46	0.53	0.11
Diluted EPS (Rs.)	-	53.84	21.61	21.74	21.38
P/E (x)	-	10	25	25	26
Inventory days	-	3	8	4	2
Debtors days	-	55	96	54	40
Creditors days	-	49	80	70	27
RoNW (%)	-	36.93	24.46	29.29	43.42

#### Shareholding pattern as on June 30, 2023



#### Key highlights..

Reflex Industries began its journey in the year 2002 and successfully broke the monopoly that existed in the refrigerant gas market.

The Company is one of the significant organized player for Coal and Ash handling in the country.

The Company benefits from high entry barriers in the fly ash and coal handling segment.

The Company enjoys strong balance sheet with low debt and has improved its Return on Networth (RoNW) to 36.93 percent in FY23 from 24.46 percent in FY22.

#### Impressive background

From the modest beginning as a refrigerant gas company, the Company has flourished and diversified in areas of coal supply, ash handling and power trading. Currently, Refex is in the business of coal supply and fly ash handling, power trading, refrigerant gases and solar energy. The Company has also been working on innovative ways to grow its portfolio that will not only propel its growth but also help it to withstand the existing competition across industries.

Reflex Industries Limited (Refex) was incorporated in 2002 by the name of Refex Refrigerants Private Limited and initially commenced the business of refilling refrigerant gases (ozone-friendly Hydro FluroCarbons (HFCs)). In 2006, the Company converted itself into public limited company. Later in 2007, the Company got listed on the Bombay Stock Exchange (BSE) and subsequently in 2009 on the National Stock Exchange (NSE). In 2009, Refex achieved the largest market share among the refrigerant gases in the Country.

#### Investment recommendation and rationale

At CMP of Rs. 709.90, the stock is valued at a P/E of 13.52x at FY23 Diluted EPS of Rs. 52.50. We recommend "Accumulate" with a target price of Rs. 817 (P/E of 13.50 x at estimated FY24 EPS of Rs. 60.50) due to the following factors: a) the Company's business model is well diversified across segments and new segments are also being added, b) one of the largest organized player for Coal & Ash Handling Business in the country in an environmental-friendly manner across various locations utilizing a fleet of bulkers, hyvas, and rail rakes, c) High entry barrier in fly ash and coal handling segment, d) strong brand recognition in the Indian refrigerant Industry, e) power trading business which commenced during the year is catching up fast and may contribute substantially in the coming quarters, f) strong Balance sheet with low debt, g) promoters having good experience with strong domain expertise, h) strong professional management team, i) good growth prospects in Coal supply /Ash handling business & new businesses being added.

### Key Milestone

Year	Particulars
2002	Incorporation of the Company as Refex Refrigerants Private Limited and commencement of the refilling business of refrigerant gases (Hydro FluoroCarbons)
2004	Received Appreciation Letter from Minister of State for Commerce & Industry, Government of India for the eco-friendly approach of the Company to introduce Hydro FluroCarbons (HFCs) in place of CFCs and for establishing such a Project in Thiruporur, Kancheepuram District
2005	The Company was awarded with ISO 9001: 2000 Certificate by TUV Management Services.
2006	Refex was converted into a Public Limited Company
2007	Public Issue of Equity Shares and listing of equity shares on BSE
2008	Launching of disposable refrigerants R134A Cans
2009	Listing of Equity Shares on National Stock Exchange and achieved highest market share in the Refrigerant gases business
2012	Setting up a 5MW solar power plant in the state of Rajasthan
2013	Renamed the Company from Refex Refrigerants Limited to Refex Industries Limited
2015	Entered in the business of export of refrigerant gases
2018	Entered into the business of supply of coal and disposal of ash
2020	Issue of Shares on Rights Basis for INR 25 Crores
2021	Secured Investment Grade rating of BBB+ from Acuité Ratings & Research Limited
2022	Received Power Trading - "Category – I" license for inter State trading of electricity in India
2023	"Refex Green Mobility Limited", has become a Wholly Owned Subsidiary (WOS) of Refex Industries Limited, with effect from 17th April, 2023, by acquiring 100% of stake. Refex Green Mobility Limited is incorporated to provide the business of using the ever-evolving innovations in technology landscape in order to offer environmentally sustainable services in the urban transportation and energy sectors. The offerings will include but not be limited to providing transportation services to people through electric vehicles, or through any other mode, to, among others, customers (retail and corporate), government entities, tourists, and any other customer group, and to also provide logistic services by way of using electric vehicles or through any other mode.

Source: Company

### Parent Company: Sherisha Technologies Private Limited (STPL)

Sherisha Technologies Private Limited (STPL) is a holding company of the Refex Group. STPL holds 47.46% in the listed entity – Refex Industries Limited ("RIL"). RIL has coal trading, ash handling, power trading, and refrigerant gases as its major line of business.

### Key strengths of the Company - Refex Industries Limited

- Diversified Business Portfolio:** The company's business has been well diversified which is enabling Refex to capture opportunities in different market conditions and reduce vulnerability to industry movement. This also signifies a healthy cash flow realization on a periodic basis.
- Strong Balance sheet with comfortable debt:** The Company's balance sheet position has been showing an upward movement consistently in terms of profitability and net worth position. The Company is highly unleveraged in terms of Bank liabilities. As on March 23, it has a Debt/Equity ratio 0.26x which indicates healthy financing mix for the Company.
- Credit Rating:** The Company has been able to secure "BBB+ Stable" for its long-term credit facility and "A2 reaffirmed" for its short-term loan second consecutive year in FY 23-24. This is an investment grade rating that shows a stable and growing liquidity position mitigating the lender's credit risk comfortably.

### Q1FY24 Standalone result summary - (Rs. in Crore)

(Rs. In Crore)	Q1FY24	Q4FY23	% qoq	Q1FY23	% yoy
<b>Income from Operations</b>	<b>381.36</b>	<b>630.12</b>	(39.5)	<b>265.19</b>	43.8
Cost of Material consumed	65.21	71.55	(8.9)	34.85	87.1
Purchases of stock in trade	266.43	480.62	(44.6)	193.64	37.6
Changes in Inventory	2.53	4.01	(163.1)	1.86	36.0
Employee benefits expenses	3.51	2.80	25.4	4.20	(16.4)
Other expenses	7.12	5.62	26.7	8.73	(18.4)
<b>EBITDA</b>	<b>36.56</b>	<b>73.55</b>	(50.3)	<b>21.91</b>	66.9
<b>EBITDA (%)</b>	<b>9.59</b>	<b>11.67</b>	<b>-208 bps</b>	<b>8.26</b>	<b>132 bps</b>
Less: Depreciation	2.15	1.87	15.0	1.61	33.5
Less: Finance cost	6.25	5.89	6.1	3.60	73.8
Add: Other income	1.93	1.85	4.3	2.27	(15.0)
<b>Profit Before Tax (PBT) and Exceptional item</b>	<b>30.11</b>	<b>67.64</b>	(55.5)	<b>18.97</b>	58.6
Exceptional item	0.17	0.27		0.20	
<b>PBT</b>	<b>29.93</b>	<b>67.90</b>	(55.9)	<b>18.78</b>	59.3
<b>Tax</b>	<b>7.92</b>	<b>17.22</b>	(54.0)	<b>4.98</b>	59.0
Current tax expense for current year	8.11	17.00	(52.3)	5.89	37.7
Current tax expense relating to prior years	0.00	0.02		0.00	
Deferred tax	0.19	0.24	(180.3)	0.91	(78.8)
<b>Effective tax rate (%)</b>	<b>26.31</b>	<b>25.46</b>		<b>26.25</b>	0.3
<b>Profit after tax (PAT)</b>	<b>22.01</b>	<b>50.67</b>	(56.6)	<b>13.78</b>	59.5
<b>PAT margin (%)</b>	<b>5.77</b>	<b>8.04</b>	<b>-227 bps</b>	<b>5.20</b>	<b>57 bps</b>
<b>Equity capital</b>	<b>22.10</b>	<b>22.10</b>	-	<b>21.0</b>	5.2
<b>FV</b>	<b>10.00</b>	<b>10.00</b>	-	<b>10</b>	-
<b>No. of equity shares</b>	<b>2.21</b>	<b>2.21</b>	-	<b>2.10</b>	5.2
<b>Basic EPS</b>	<b>9.96</b>	<b>22.93</b>	(56.6)	<b>6.57</b>	51.6

Source: Company

- The Company's Topline witnessed a growth of 43.8 percent on YoY basis to Rs. 381.36 Crore in Q1FY24 as against Rs. 265.19 Crore in Q4FY23. On sequential basis, the topline has declined led by de growth in Coal & Ash handling segment.
- EBITDA registered a growth of 66.9 percent on YoY basis to Rs. 36.56 Crore in Q1FY24 as against Rs. 21.91 Crore in Q4FY23. EBITDA margin witnessed an improvement by 132 bps to 9.59 percent in Q1FY24 from 8.26 percent in Q1FY23.
- PAT clocked YoY growth of 59.5 percent to Rs. 22 Crore in Q1FY24 from Rs. 13.80 Crore in Q1FY23. On a sequential basis, PAT declined by 56.6 percent led by fall in topline of Coal & Ash handling segment in the same period.

**Q1FY24 Standalone result - Segment wise analysis (Rs. in Crore)**

(Rs. In Crore)	Q1 FY24	Q4FY23	% QoQ	Q1FY23	% YoY
<b>Segment Revenue</b>					
Coal & Ash Handling Business	68.13	416.4	(83.6)	223.45	(69.5)
Solar Power - Generation and Related Activities	3.13	2.84	10.2	3.38	(7.4)
Refrigerant Gas - Manufacturing (Refilling) and Sales	22.7	22.23	2.1	13.53	67.8
Sale of Service	20.14	20.09	0.2	15.77	27.6
Power Trading	267.27	168.56	58.6	0.00	
Others	-	-		9.06	
<b>Total</b>	<b>381.37</b>	<b>630.12</b>		<b>265.20</b>	
<b>Segment Results</b>					
<b>(Profit /Loss before Interest and Tax)</b>					
Coal & Ash Handling Business	<b>21.41</b>	<b>59.87</b>	<b>(64.2)</b>	<b>12.59</b>	<b>70.1</b>
Coal & Ash Handling Business - EBIT (%)	31.43%	14.38%		5.63%	
Solar Power - Generation and Related Activities	<b>1.81</b>	<b>0.84</b>	<b>115.5</b>	<b>1.56</b>	<b>16.0</b>
EBIT (%)	57.83%	29.58%		46.15%	
Refrigerant Gas - Manufacturing (Refilling) and Sales	<b>1.11</b>	<b>1.26</b>	<b>(11.9)</b>	<b>0.56</b>	<b>99.6</b>
EBIT (%)	4.89%	5.67%		4.11%	
Sale of Service	<b>12.32</b>	<b>12.90</b>	<b>(4.5)</b>	<b>7.21</b>	<b>70.9</b>
EBIT (%)	61.17%	64.21%		45.69%	
Power Trading	<b>0.22</b>	<b>0.30</b>	<b>(26.7)</b>	<b>0.00</b>	
EBIT (%)	0.08%	0.18%			
Corporate	<b>-2.45</b>	<b>-3.50</b>	<b>(30.0)</b>	<b>-1.98</b>	<b>23.7</b>
Others				<b>0.35</b>	
EBIT (%)					
<b>EBIT (except other Income &amp; Exceptional item)</b>	<b>34.42</b>	<b>71.67</b>	<b>-21.83</b>	<b>20.29</b>	<b>69.64</b>
Less: Finance cost	6.25	5.89	8.3	3.59	74.1
Add: Other income	1.93	1.85	1.1	2.27	(14.9)
Less: Exceptional items	0.17	-0.27		0.20	(15.0)
<b>Profit Before Tax (PBT)</b>	<b>29.93</b>	<b>67.90</b>	<b>(56.2)</b>	<b>18.77</b>	<b>58.1</b>
<b>Segment Assets</b>					
Coal & Ash Handling Business	236.45	259.57	(8.9)	186.39	26.9
Solar Power - Generation and Related Activities	59.54	60.67	(1.9)	64.14	(7.2)
Refrigerant Gas - Manufacturing (Refilling) and Sales	29.35	31.54	(6.9)	30.68	(4.3)
Sale of Service	1.07	-		5.40	(80.2)
Power Trading	183.83	167.48	9.8	-	
Corporate	229.61	232.79	(1.4)	148.54	54.6
Others				12.03	
<b>Total - Segment Assets</b>	<b>739.85</b>	<b>752.05</b>	<b>(1.6)</b>	<b>447.18</b>	<b>65.5</b>
<b>Segment Liabilities</b>					
Coal & Ash Handling Business	51.66	101.53	(49.1)	171.05	(69.8)
Solar Power - Generation and Related Activities	70.28	67.59	4.0	73.48	(4.4)
Refrigerant Gas - Manufacturing (Refilling) and Sales	2.25	3.16	(28.8)	1.98	13.6
Sale of Service	9.23	11.24	(17.9)	32.78	(71.8)
Power Trading	184.58	175.23	5.3	-	
Corporate	421.85	393.30	7.3	158.12	166.8
Others				9.77	
<b>Total - Segment Liabilities</b>	<b>739.85</b>	<b>752.05</b>	<b>(1.6)</b>	<b>447.18</b>	<b>65.4</b>

**Q1FY24 Consolidated result summary - (Rs. in Crore)**

<b>(Rs. In Crore)</b>	<b>Q1FY24</b>	<b>Q4FY23</b>	<b>% qoq</b>
<b>Income from Operations</b>	<b>382.33</b>	<b>630.12</b>	<b>(39.3)</b>
Cost of Material consumed	65.93	71.55	(7.8)
Purchases of stock in trade	266.43	480.62	(44.6)
Changes in Inventory	2.52	4.01	(162.6)
Employee benefits expenses	3.85	2.80	37.5
Other expenses	7.19	5.62	27.9
<b>EBITDA</b>	<b>36.42</b>	<b>73.55</b>	<b>(50.5)</b>
<b>EBITDA (%)</b>	<b>9.53</b>	<b>11.67</b>	<b>-215 bps</b>
Depreciation	2.51	1.87	34.2
Finance cost	6.38	5.89	8.3
Other income	1.87	1.84	1.6
<b>Profit Before Tax (PBT) and Exceptional item</b>	<b>29.39</b>	<b>67.63</b>	<b>(56.5)</b>
Exceptional item	0.17	0.27	
<b>PBT</b>	<b>29.22</b>	<b>67.9</b>	<b>(56.8)</b>
Tax	7.94	17.22	(53.9)
Current tax expense for current year	8.11	17.00	(52.3)
Current tax expense relating to prior years	-	0.02	
Deferred tax	0.17	0.24	(170.5)
<b>Effective tax rate (%)</b>	<b>27.01</b>	<b>25.47</b>	
<b>Profit after tax (PAT)</b>	<b>21.27</b>	<b>50.67</b>	<b>(57.8)</b>
<b>PAT margin (%)</b>	<b>5.57</b>	<b>8.01</b>	<b>-244 bps</b>
<b>Equity capital</b>	<b>22.10</b>	<b>22.10</b>	<b>-</b>
<b>FV</b>	<b>10.00</b>	<b>10.00</b>	<b>-</b>
<b>No. of equity shares (in Crore)</b>	<b>2.21</b>	<b>2.21</b>	<b>-</b>
<b>Basic EPS</b>	<b>9.62</b>	<b>22.92</b>	<b>(57.8)</b>

Source: Company



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**Q1FY24 Consolidated result - Segment wise analysis (Rs. in Crore)**

(Rs. In Crore)	Q1 FY24	Q4FY23	% QoQ
<b>Segment Revenue</b>			
Coal & Ash Handling Business	68.13	416.4	(83.6)
Solar Power - Generation and Related Activities	3.13	2.84	10.2
Refrigerant Gas - Manufacturing (Refilling) and Sales	22.7	22.23	2.1
Sale of Service	20.14	20.09	0.2
Power Trading	267.27	168.56	58.6
Electric Vehicle	0.96		
<b>Total</b>	<b>382.33</b>	<b>630.12</b>	
<b>Segment Results</b>			
<b>(Profit /Loss before Interest and Tax)</b>			
Coal & Ash Handling Business	21.41	59.87	(64.2)
Coal & Ash Handling Business - EBIT (%)	31.43%	14.38%	
Solar Power - Generation and Related Activities	1.81	0.84	115.5
EBIT (%)	57.83%	29.58%	
Refrigerant Gas - Manufacturing (Refilling) and Sales	1.11	1.26	(11.9)
EBIT (%)	4.89%	5.67%	
Sale of Service	12.32	12.90	(4.5)
EBIT (%)	61.17%	64.21%	
Power Trading	0.22	0.30	(26.7)
EBIT (%)	0.08%	0.18%	
Electric Vehicle	-0.54		
Corporate	-2.45	-3.50	(30.0)
<b>EBIT (except other Income &amp; Exceptional item)</b>	<b>33.88</b>	<b>71.67</b>	<b>(21.83)</b>
Less: Finance cost	6.38	5.89	8.3
Add: Other income	1.87	1.85	1.1
Less: Exceptional items	0.17	-0.27	(163.0)
<b>Profit Before Tax (PBT)</b>	<b>29.21</b>	<b>67.90</b>	<b>(57.0)</b>
<b>Segment Assets</b>			
Coal & Ash Handling Business	236.45	259.57	(8.9)
Solar Power - Generation and Related Activities	59.54	60.67	(1.9)
Refrigerant Gas - Manufacturing (Refilling) and Sales	29.35	31.54	(6.9)
Sale of Service	1.07	0.00	
Power Trading	183.83	167.48	9.8
Electric vehicle	10.56	0.25	
Corporate	229.45	232.79	(1.4)
<b>Total - Segment Assets</b>	<b>750.25</b>	<b>752.30</b>	<b>(0.3)</b>
<b>Segment Liabilities</b>			
Coal & Ash Handling Business	51.66	101.53	(49.1)
Solar Power - Generation and Related Activities	70.28	67.59	4.0
Refrigerant Gas - Manufacturing (Refilling) and Sales	2.25	3.16	(28.8)
Sale of Service	9.23	11.24	(17.9)
Power Trading	184.58	175.23	5.3
Electric Vehicle	11.12	0.25	
Corporate	421.13	393.30	7.1
<b>Total - Segment Liabilities</b>	<b>750.25</b>	<b>752.30</b>	<b>(0.3)</b>

Source: Company



**FY 23 (Standalone) - Result summary (Rs. in Crore)**

Particulars	FY23	FY22	YoY (%)
<b>Income from Operations</b>	<b>1,629.14</b>	<b>443.95</b>	267.0
Cost of Material consumed	201.32	174.77	15.2
Purchases of stock in trade	1223.97	182.68	570.0
Changes in Inventory	2.81	1.98	41.9
Employee benefits expenses	14.04	13.16	6.7
Other expenses	17.98	14.47	24.3
<b>EBITDA</b>	<b>174.64</b>	<b>60.85</b>	187.0
<b>EBITDA (%)</b>	<b>10.72</b>	<b>13.71</b>	<b>-299 bps</b>
Depreciation	6.89	5.65	21.9
Finance cost	19.41	12.63	53.7
Other income	8.29	5.03	64.8
<b>Profit Before Tax (PBT) and Exceptional item</b>	<b>156.63</b>	<b>47.60</b>	229.1
<b>Exceptional item</b>	<b>0.25</b>	<b>13.38</b>	
<b>PBT</b>	<b>156.38</b>	<b>60.98</b>	156.4
<b>Tax expenses</b>	<b>40.32</b>	<b>15.59</b>	<b>158.6</b>
Current tax expense for current year	41.26	13.94	196.0
Current tax expense relating to prior years	0.02	0.00	
Deferred tax (Asset)	0.92	1.65	(155.8)
<b>Effective tax rate (%)</b>	<b>25.74</b>	<b>32.75</b>	
<b>Profit after tax (PAT)</b>	<b>116.06</b>	<b>45.39</b>	155.7
<b>PAT margin (%)</b>	<b>7.12</b>	<b>10.22</b>	<b>-310 bps</b>
<b>Equity capital (Rs. in Crore)</b>	<b>22.10</b>	<b>21.00</b>	4.8
<b>FV (Rs.)</b>	<b>10.00</b>	<b>10.00</b>	-
<b>No. of equity shares (In Crore)</b>	<b>2.21</b>	<b>2.10</b>	4.8
<b>Basic EPS</b>	<b>53.90</b>	<b>21.61</b>	144.1

Source: Company

- ❖ The massive Increase in the turnover in the Income from operations of Rs. 1,629.14 Crore in FY23 as against Rs. 443.95 Crore in FY22 is due to substantial increase in trading turnover across businesses.

### FY 23 - Segment wise analysis

(Rs. In Crore)	FY23	FY22	YoY (%)
<b>Segment Revenue</b>			
Coal & Ash Handling Business	1,286.41	320.62	301.2
Solar Power - Generation and Related Activities	11.54	11.67	(1.1)
Refrigerant Gas - Manufacturing (Refilling) and Sales	64.41	37.72	70.8
Sale of Service	67.99	73.94	(8.0)
Others	11.24	-	
Power Trading	187.55	-	
<b>Total</b>	<b>1,629.14</b>	<b>443.95</b>	<b>267.0</b>
<b>Segment Results</b>			
<b>(Profit /Loss before Interest and Tax)</b>			
Coal & Ash Handling Business	<b>129.14</b>	<b>27.86</b>	363.5
Coal & Ash Handling Business - EBIT (%)	10.04%	8.69%	
Solar Power - Generation and Related Activities	<b>5.05</b>	<b>4.41</b>	14.5
EBIT (%)	43.76%	37.79%	
Refrigerant Gas - Manufacturing (Refilling) and Sales	<b>4.06</b>	<b>6.10</b>	(33.4)
EBIT (%)	6.30%	16.17%	
Sale of Service	<b>38.40</b>	<b>26.60</b>	44.4
EBIT (%)	56.48%	35.98%	
Others	<b>0.43</b>	<b>0.00</b>	0.00
Power Trading	<b>0.42</b>	<b>0.00</b>	366.7
EBIT (%)	0.22%		
Corporate	<b>-9.75</b>	<b>-9.77</b>	(0.2)
<b>EBIT (except other Income &amp; Exceptional item)</b>	<b>167.75</b>	<b>55.21</b>	203.4
Finance cost	19.41	12.63	53.7
Other income	8.29	5.03	64.8
Exceptional items	-0.25	-13.37	(98.1)
<b>Profit Before Tax (PBT)</b>	<b>156.39</b>	<b>60.98</b>	156.9
<b>Segment Assets</b>			
Coal & Ash Handling Business	259.57	117.26	121.4
Solar Power - Generation and Related Activities	60.67	65.27	(7.0)
Refrigerant Gas - Manufacturing (Refilling) and Sales	31.54	32.28	(2.3)
Sale of Service	0.00	1.25	(99.8)
Others	0.00	0.00	
Power Trading	167.49	0.00	
Corporate	232.79	164.88	41.2
<b>Total - Segment Assets</b>	<b>752.05</b>	<b>380.93</b>	97.4
<b>Segment Liabilities</b>			
Coal & Ash Handling Business	101.53	106.70	(4.8)
Solar Power - Generation and Related Activities	67.59	72.66	(7.0)
Refrigerant Gas - Manufacturing (Refilling) and Sales	3.16	3.29	(4.0)
Sale of Service	11.24	27.60	(59.3)
Others	0.00	0.00	
Power Trading	175.23	0.00	
Corporate	393.30	170.68	130.4
<b>Total - Segment Liabilities</b>	<b>752.05</b>	<b>380.93</b>	97.4

Source: Company



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## Fly Ash and Coal handling



Source: Company

- 1) Refex Industries Limited forayed into the space of offering value-added services to the power plants namely: Coal Supply, Coal Handling and Effective Disposal of Fly Ash. The Objective of foraying into ash disposal segment was to mitigate the environmental pollution caused by the accumulation of ash at the thermal plants.

- 2) The company's coal trading services includes sourcing, procurement, and transportation of various types of coal. The Company works with a network of trusted suppliers to ensure that clients receive only the highest quality coal products, delivered on time and within budget.
- 3) Refex provides a comprehensive end-to-end solution that involves handling the flow of coal throughout the plant, from coal delivery to feeding into boilers. The Company provides round the clock services for coal yard management, shifting and crushing of uncrushed coal along with housekeeping works to the power plants
  - o 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.
  - o 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.
- 4) Ash is the by-product from the burning of coal which is the fuel to the thermal power plants. 30-45% of the burnt coal is ash. This ash is full of 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 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). Refex has been successful in emptying the ash dykes at some of the plant locations.
- 5) Refex is one of the largest organized ash disposal companies in Chhattisgarh. Refex procures ash from the leading thermal power plants in the regions of Rajasthan, Maharashtra and Chhattisgarh and supplies to the major cement manufacturers in the region. Refex owns a massive fleet (tippers and trailers inclusive) of vehicles deployed at each of the thermal plants. And a strong, capable team to handle the operations efficiently at the grass root level. The Company desires to be a total solution partner for the power plants instead of an aggregator

### **Opportunities & Challenges**

Power is important for growth of any country. With India targeting to be a 5 Trillion USD economy, requirement of power is only to grow higher and higher. We all also understand that Renewables have their own set of limitations and thermal power plants are the only source of firm round the clock power generator and supplier. Furthermore, almost 80% of the power requirement is being met through Thermal Power Plants, ensuring continuity of the business in years to come, both for coal trading and ash disposal segments.

The Indian Government has introduced a penalty regime applicable effective from April 1, 2022 for non-compliant thermal power plants based on the 'polluter pays' principle. Given these regulations, the thermal plants are at immense pressure to dispose off ash in a safe and secure manner. There are massive ash dykes in each of the plant premises, where the disposal is to start off at the earliest. Heavy penalties are levied for non-compliance, forcing the plants to onboard strong service providers. The government also started pushing for usage of ash in NHAI projects, and has been releasing tenders regularly for the same. Refex has successfully secured few such tenders and has begun operations.

Coal restrictions, the hike in prices of secondary coal and policy changes for imported coal have created a challenging environment. Since coal orders are tender based, the competition is extensive and cutthroat, which narrows down the bid prices. However, continuous supply of coal without interruptions, along with ancillary value-added services provided by Refex differentiates the Company amongst the other players.



**Key Fly Ash applications**

<b>Industry/end use segment</b>	<b>Application of Fly Ash</b>
<b>Cement Manufacturing</b>	<ol style="list-style-type: none"><li>1) As a partial replacement of portland cement since it contains substantial percentage of silica, alumina and lime</li><li>2) Concrete made from ash can be suitably utilised in coastal atmosphere as it is stronger and more durable than traditional concrete and is less susceptible to chemical attack</li></ol>
<b>Reclamation</b>	<ol style="list-style-type: none"><li>1) Bottom ash can be utilised for filling low lying areas</li><li>2) Reclamation of sea</li></ol>
<b>Construction</b>	<ol style="list-style-type: none"><li>1) Construction of roads &amp; embankment</li></ol>
<b>Construction material</b>	<ol style="list-style-type: none"><li>1) Manufacture of bricks which are light weight and stronger than common burnt clay bricks</li><li>2) Manufacture of pavement blocks/tiles normally used for laying hard, durable and attractive flooring in the courtyards, pavements, walkways, car parking etc.</li></ol>
<b>Agriculture</b>	<ol style="list-style-type: none"><li>1) To improve crop yield as it contains micronutrients like phosphorus, potassium and calcium, improves water holding capacity and soil aeration</li><li>2) Reclaim saline alkali soil thereby saving gypsum</li></ol>
<b>Thermal Power</b>	<ol style="list-style-type: none"><li>1) Used for raising ash dyke</li></ol>

Source: Company



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## Refrigerant gases division



Refex is a well-known brand in the refrigerant gas industry for the past two decades. The Company began its journey in the year 2002 and successfully broke the monopoly that existed in the refrigerant gas market. The Company was among the first to set up an ISO-certified unit for the refilling of refrigerant gases in India and is specialised in re-filling the environmentally accepted and ozone-friendly Hydro FluroCarbons (HFCs), used in airconditioners, refrigerators and refrigerating equipment, aerosol propellants and foam blowing agents. Refex has successfully revolutionised its business by launching 'Refex Cans' in the market. The Company is the pioneer in India in supplying automotive air conditioning gases in disposable cans and has an ISO 9001 and 14001 certification for quality standard.

At Refex, HFC gases are procured and filled into different cans and cylinders. Thereafter, these cans are distributed across India through the established supply and distribution chains. The Company offers a comprehensive selection of HFC products to a variety of market segments, including R134A, R404A, R407C, R410A, R32, and R152A.

Refex primarily caters to the B2B segment. The sale usually occurs through the distributor and dealer networks established across the country.

Locations	Details
Re-filling capacity	Tamil Nadu
Distribution	PAN India
Commercial Warehouse	Delhi

Source: Company

### Key USPs

- ❖ *Use of disposable cans decreases the freight cost of returned empty cylinders and results in the hassle-free refilling of the gases*
- ❖ *State of the art automated filling equipment*
- ❖ *Well networked logistics and assurance of highest quality standards*
- ❖ *The warehouse in Delhi helps reduce the delivery time to the northern part of the country*

With the objective to increase its outreach, the Company is focusing on strengthening its dealer network across India and venturing into new territories. Furthermore, the Company is also targeting the OEMs and plans to procure high volume and value contracts from the Indian government.

### Opportunities & Challenges

In March 2022, the Government of India imposed curbs on imports of Hydro FluoroCarbons (HFCs) in refrigeration & air conditioning to boost domestic manufacturing of the chemicals. With only handful players having R&D expertise in the country it will be difficult for India to meet the domestic requirements without imports. Further, with lack of resources and market preparedness in India regards the refrigerants development, cost of production of refrigerants shall be a costly affair in the current pretext. Hence, the market predominantly is still heavily dependent on importers and the situation remains the same for all importers. Importers will now have to seek a license or permission from the directorate to import HFCs, for which Refex has successfully obtained multiple licenses for large quantities to be serviced for longer durations of time. The impact of ADD is on all the importers, so there isn't much risk involved here.

## Power trading



- 1) Reflex offers a wide range of power trading solutions, encompassing power exchange, bilateral agreements, power banking & swapping, and group captive models. The Company's expertise extends to both conventional and non-conventional sources of power, catering to diverse entities across India.
- 2) Reflex held a position among the top ten power traders (by volume of electricity traded bilaterally) in the country. The Company has been striving to improve its standing, expand its market share, or differentiate itself through various strategies to stay competitive in the dynamic energy market.
- 3) The Company holds a CERC-approved Category-I licence for inter-state power trading, which allows it to conduct power trading activities with no upper limit on the volume of electricity it is permitted to trade.
- 4) In addition to this, the Company had opted for the membership of Power Exchange India Limited. The business has been operational from the time the license of power trading was granted in the month of March 2022.

### Opportunities & Challenges

The industry has the opportunity to transition to cleaner energy sources such as renewables (solar, wind, and hydro) and invest in energy efficiency technologies as global awareness of climate change expands. Adoption of these opportunities can reduce greenhouse gas emissions, increase environmental sustainability, and also strengthen grid resilience. In addition, technological advancements in smart grids and energy storage provide opportunities to meet improving demand and renewable energy integration. However, the power industry faces challenges such as ageing infrastructure, high capital costs for renewable projects, and the need to guarantee grid stability while integrating variable energy sources. In addition, the complex regulatory environment, geopolitical factors, and energy market fluctuations present additional challenges that necessitate strategic planning and cooperation among stakeholders.



## **Solar Power**

Refex Industries Limited entered into a power purchase agreement in October 2010 with NTPC Vidyut Vyapar Nigam Limited for the purpose of setting up a 5MW Solar Power at Balmer District, Rajasthan. This was done to take the advantage of opportunities available in the renewable energy sector. For the execution of the project, Rajasthan Government has leased land and entered into a Solar Energy Equipment Operation Lease Agreement with Essel Mining Limited.

The Company also provides consultancy services like techno-commercial feasibility study for power evacuation systems, labour services for EPC contracts with respect to the solar business. Additionally, Refex had carried out the business of trading in the field of solar accessories, i.e., solar modules among its group entities, which are in the business of solar power plants.



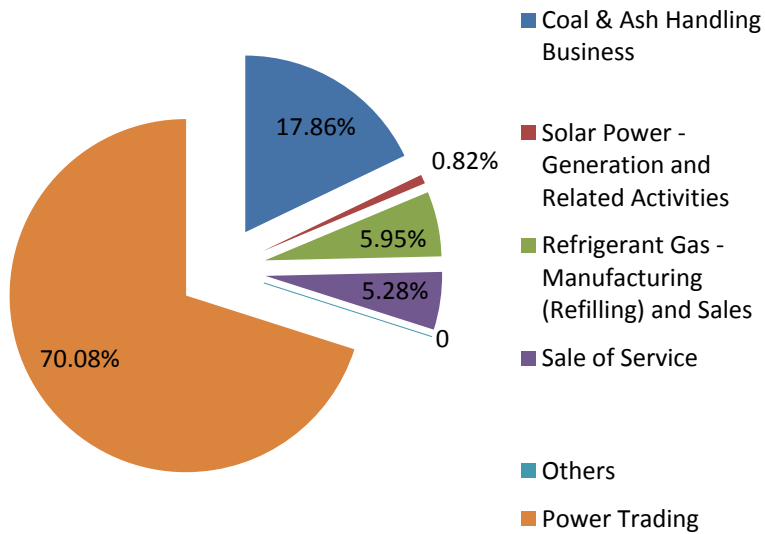
## **Opportunities & Challenges**

The key growth drivers of the Indian solar sector are the declining cost of solar power technology, the flexibility of these systems, and a greener method of power generation. However, the solar energy market is hampered by issues like T&D losses (Transmission & Distribution) and unpredictability in a continued power supply. Solar PV are the most popular medium of energy generation as they include an easy installation process and are significantly cheaper than any other solar technologies available. Also, the abundance of solar energy that India receives throughout the year along with foreign investment, technology and government initiatives have helped in driving the growth of the solar energy market in India.

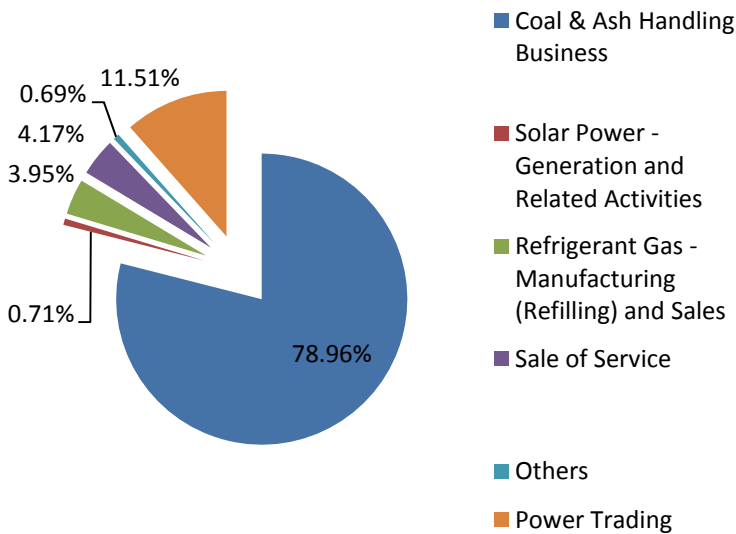
Source: Company

## Segment wise performance

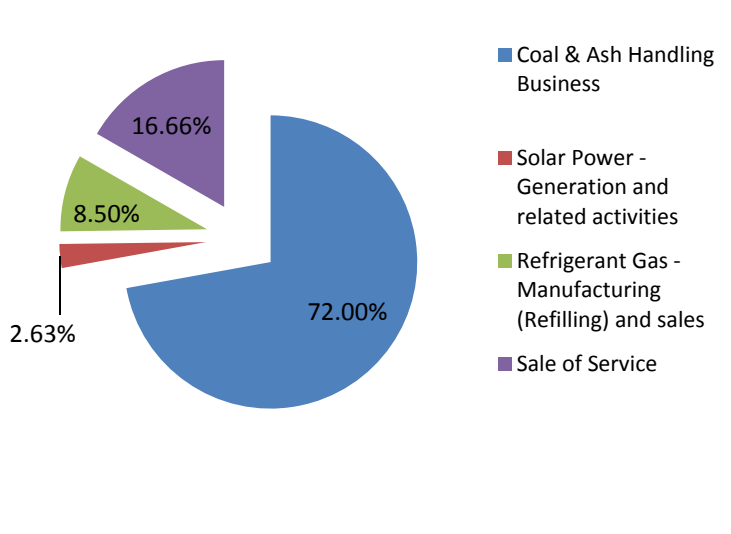
Revenue mix as on Q1FY24



Revenue mix as on FY23



Revenue mix - FY22



Source: Company

### Credit Rating

Acuité Ratings & Research Limited has reaffirmed its long term rating of 'ACUITE BBB+' (read as ACUITE triple B plus) and short term rating of 'ACUITE A2' (read as ACUITE A two) on the Rs.40.00 Cr bank facilities of Refex Industries Limited (RIL). Acuité has assigned its long term rating of 'ACUITE BBB+' (read as ACUITE triple B plus) and short term rating of 'ACUITE A2' (read as ACUITE A two) on the Rs.60.00 Cr bank facilities of Refex Industries Limited (RIL). The outlook is 'Stable'.

(Source: Acuité Ratings & Research Limited Credit Rating Report filed with the exchanges)

## Board of Directors



**Mr. Anil Jain - Chairman cum Managing Director**

Mr. Anil Jain started working at the age of 17 and founded the REFEX Group in 2002. The turning point came after he was exposed to a new product - Refrigerant gas. He was able to foresee an exponential growth in the business of HFC gases, as by 2010, the use of HFC gases would be mandatory as per the Montreal Protocol. He revolutionized the industry, by launching retail sized cans, when all other vendors offered 10kg cylinders and above. Solar EPC, which was a fledgling business in 2007, he had the foresight to jump onto that bandwagon to capitalize on it early on.

Mr. Anil Jain is a first-generation entrepreneur and is well known as an industrialist, investor, and philanthropist. Mr. Anil Jain has grown his businesses into many successful diversified venture units with the purpose of creating sustainable solutions and providing environment-friendly energy alternatives in India. He had also started an Incubation Centre in Chennai to provide support to budding entrepreneurs and their ventures. Refex Capital, a Category-I Alternate Investment Fund, was set up to invest in promising startups working in the arena of technology. It has invested in over 30 startups across diversified business areas. In his personal capacity, too, Anil has nurtured and mentored several startups and enjoys doing so.

In the past, he has held the office of President of the JITO Administrative Training Foundation (JATF) that seeks to strengthen the nation by giving deserving students opportunities for mentorship. He was also instrumental in setting up the angel investment & incubation Center of JITO for pan-India operations when he was the Secretary General of Jain International Trade Organization.



**Mr. Dinesh Kumar Agarwal - Non - Executive Director**

Mr. Dinesh Kumar Agarwal has honed his entrepreneurial skills across several business domains and has always been successful in all his business endeavours. Dinesh's expertise with numbers has helped several businesses to scale up in the growth trajectory and his business acumen in Corporate Finance spanning Audit, Financial Accounting and Planning, Tax and Fundraising has helped raise over Rs. 5,000 crores (Equity + Debt) for clients. Dinesh has made a significant difference to the Company's business since he joined the Company in 2014. His expertise combined with his passion and zeal to grow Refex business reflects in the growth journey. In the past, Dinesh has worked

with reputed organisations like Aircel and Brisk, specialising in streamlining internal processes and functions. He has diverse experience of working in Solar EPC segments and Utility-scale projects. He has also worked in consulting for start-ups, SMEs, established Corporate Houses, and International NGOs. Dinesh has received several industry recognitions for his contribution to management stream and related areas.



**Ms. Susmitha Siripurapu - Non Executive Director**

Ms Susmitha Siripurapu is an accomplished Strategy and Program Management professional. She holds a Bachelors in Engineering degree from Osmania University with a specialization in Computer science. Post which, she worked in Consulting verticals with the BIG 4's and helped large, multinational corporates optimize and digitalize the lease administration and accounting processes in their capital projects, optimize their facilities, and re-size their real estate portfolios. After 3 years of Consulting exposure, she pursued her Master's in Business Administration from HEC Paris and Duke University. Ever since, she has been working in strategy roles and gained hands-on experience in developing data-driven strategic and managerial initiatives and ensuring timely and within-budget implementations. She possesses a demonstrated record in building strong leadership networks, collaborating across countries, and enabling high-performance operating models/teams across diversified industry verticals. She has proven to be adept at leveraging analytics for decision-making, formulating strategies for growth, improving efficiency in operations, and developing advanced reporting structures.



**Mr. Ramesh Dugar - Independent Director**

Mr. T. Ramesh Dugar is Director of Dugar group of Companies. He has completed his B.Com Graduation from Loyola College, Chennai and has also attained his diploma programme certification in Marketing Management from Loyala Institute Business Administration. His forte is in the field of finance and investment. Mr T. Ramesh Dugar is into the property development domain and also has established a name for himself in the real estate market. In addition to the above he acts as a trustee for K C Chellammal Charitable Trust and N T Dugar Foundation.

He is currently an active director in Dugar Finance & Investments Ltd, Kiwi Entertainment Vistas Ltd, Goodworth Properties Pvt Ltd and also a partner in Dugar Infrastructures. His continuing guidance has helped with effective leadership in relation to the Company's strategy, performance, and risk management as well as enduring high standard of corporate governance which has led them to thrive in competitive markets. His Achievements also include holding the position of Vice Chairman of Hindustan Chamber of Commerce, one of the prestigious commerce chambers in India and being an active Vice chairman of All India Manufacturers Organization. He was also the chairman of South India hire purchase Association and Madras Hire purchase Association.



**Mr. Sivaramakrishnan Vasudevan - Independent Director**

Mr. Sivaramakrishnan Vasudevan worked as a whole time Company Secretary in listed companies for a period of about 19 years. He had held the top position as Group Senior Manager (Finance) for a period of about 5 years in a multifarious activity Company. Mr. Vasudevan has rich experience in all banking activities in a 100% Export oriented unit and heads the Finance department. He had represented the Companies in BIFR and SEBI hearings. He has been associated with Financial Institution Nominee Directors and Special Director from BIFR. He had hands-on experience of Board Meetings and allied committee meetings since 1991 to till date.



**Mr. Krishnan Ramanathan - Independent Director**

Mr. Krishnan Ramanathan is an Advocate, Member of the Bar Council of Tamil Nadu. He graduated in Bachelors in Law in 1990 from the University of Madras and started practicing as an advocate until 1999. He entered the Judicial service as a Judicial Magistrate in 1999 for the regions of Madurai, Arcot, Tiruvallur, Chennai etc, handling criminal cases predominantly. In 2011, He then moved to the role of a Senior Civil Judge Handling Tax related cases, specifically corporation tax and Sales tax for Vellore and Chennai regions. From 2012 to 2016, he served as a Joint Secretary in the Law Department, Government of Tamil Nadu. In September 2016, Mr Krishnan Ramanathan served as the District Judge and served as the Sessions Judge in Bomb blast court, Chennai at Poonamallee. From May 2017 till 2021, he served as an Additional District and Sessions Judge handling Civil & Criminal Cases at Chengalpattu. Post retirement, he resumed practice as an advocate.

Mr. Krishnan Ramanathan has extensive knowledge due to his vast experience handling sensitive cases as well as in administrative capacity. He has completed Master of Law and did Ph.D. from Madras University. His decades of experience in legal practice and Profession in various fields of law have won him several accolades and deep admiration and respect from the legal fraternity

## Key risks and concerns

### **A significant portion of Coal Supply Operations are conducted through third party contractor**

The Company engages third party contractors for coal supply from pit head to loading points, transportation of materials, loading of coal on wagons and a range of activities ancillary to its fly ash operations at certain sites. Under its operating agreements with the third-party contractors, the contractor is responsible for providing substantially all equipment, labour and management required for its operations. The Company is required to pay the contractors for their services according to specified rates fixed by it. The Company is exposed to the risks relating to the quality of the services, equipment and supplies provided by contractors necessitating additional investments by the Company to ensure the adequate performance and delivery of contracted services and cost overruns. Any failure by the Company's contractors to comply with their obligations under their operating agreements, any termination or breach of the Company's operating agreements by its contractors, any protracted dispute with a contractor, any material labour dispute between its contractors and their employees or any major labour action by those employees against the Company's contractors could materially adversely affect the Company's coal supply and fly ash disposal operations. The Company may also not be able to recover from a contractor any losses that may be suffered by the Company due to any performance shortfalls of its contractors.

### **Presence of high counterparty risk in the revenue profile**

Refex Industries Limited is engaged in various segments such as Coal trading, Ash Handling, Refrigerant gases and sale of services leading to diversified customer profile. However, it can be observed that the top 10 customers are contributing nearly 85-90 per cent to the total sales, thereby depicting high customer concentration risk in revenue profile. It is observed that certain customers of Refex Industries Limited are currently financially stressed, which poses a threat of delayed payments and/or cancellations of work orders. Refex Industries Limited mitigates such cancellations by means of clauses and notice periods in the work orders, yet there is still a heavy dependency on each of respective thermal power plants.

(Source: Acuité Ratings & Research Limited Credit Rating Report dated April 04, 2023 filed with the exchanges)

### **Presence of intense competition in the sector; impact of change in regulations**

As per the present Import policy, coal can be freely imported under the Open General License by the consumers themselves considering their needs based on their commercial prudence, thus enabling entry of many players into the sector and leading to intense competition as evident from the low profitability margins.

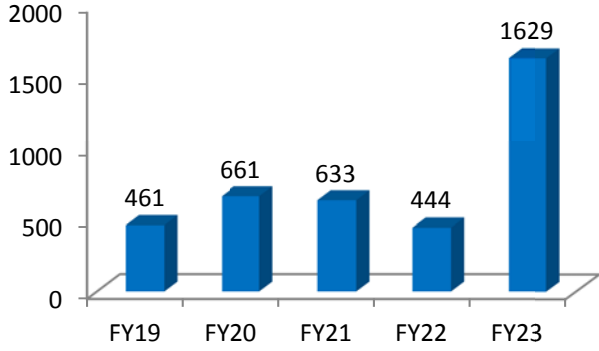
(Source: Acuité Ratings & Research Limited Credit Rating Report dated April 04, 2023 filed with the exchanges)

### **The refrigerant gas business is seasonal which may adversely affect the demand for its products**

A significant majority of its sales take place immediately prior or during the summer months, and any adverse weather conditions or natural disasters during such peak sales seasons may materially and adversely affect its sales, results of operations and financial condition. In addition, the Company's 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 its products to its customers. The Company generates majority of its revenue for the refrigerant gas business from the months of February to May.

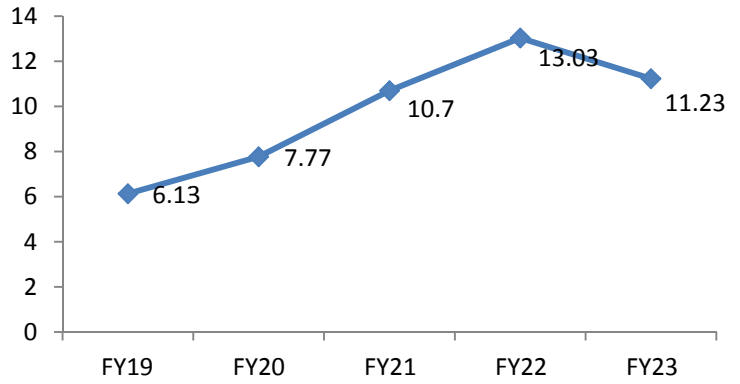
**Story in charts..**

**Revenue from operations (Rs. in Crore)**

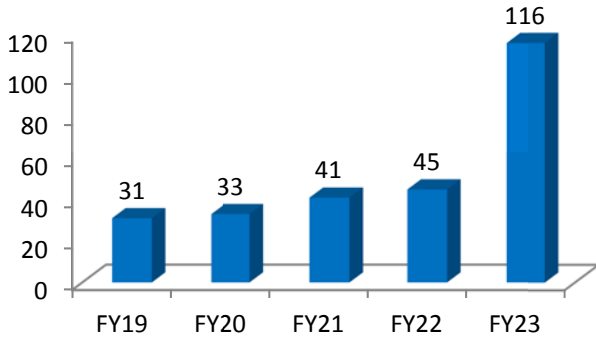


Source: Company

**EBITDA margin**

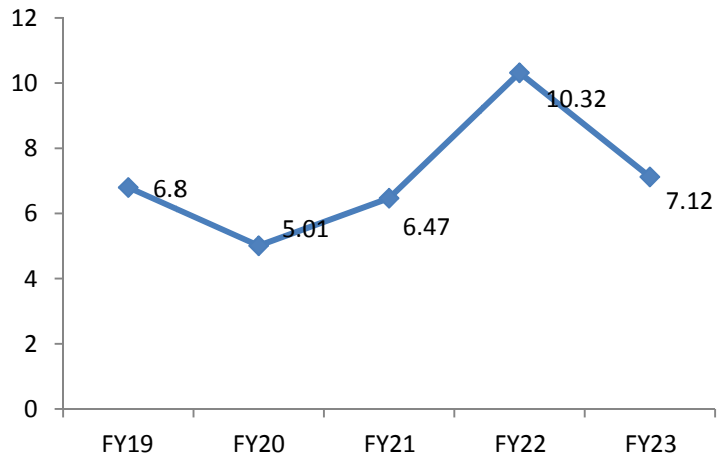


**Net Profit (Rs. in Crore)**

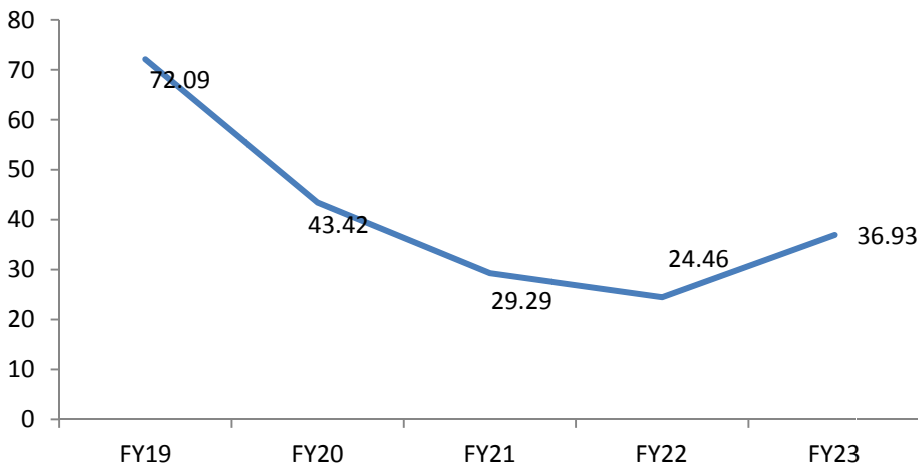


Source: Company

**PAT margin**



**Return on Net worth (%)**



Source: Company



**Balance Sheet Summary - Standalone (Rs. in Crore)**

Particulars	FY23	FY22	FY21	FY20
<b>ASSETS</b>				
<b>Non Current Assets</b>				
a) Property, Plant and Equipment	86.14	19.89	15.30	14.92
b) Right of use assets	60.57	65.08	71.49	7.02
c) Intangible	0.05	0.05	-	-
d) Capital Work in Progress	3.25	0.39	-	-
e) Non - current financial assets				
- Investments	73.85	74.0	74.05	0.05
- Trade receivables	-	-	-	-
- Other non current financial assets	-	7.0	7.0	7.0
f) Deferred Tax Assets	1.92	1.0	2.65	1.83
g) Other Non Current assets	0.36	0.036	-	-
<b>Current assets</b>				
a) Inventories	10.81	7.46	5.48	3.18
b) Financial Assets				
- Trade receivables	245.17	116.42	92.95	72.27
- Cash and cash equivalents	10.18	0.28	17.24	20.95
- Bank Balances other than above		-	-	-
Other current financial assets	84.01	81.30	50.43	2.71
Current Tax Assets (Net)		-	-	-
Other current assets	139.67	7.99	4.80	8.03
<b>Total Assets</b>	<b>752.05</b>	<b>380.93</b>	<b>341.39</b>	<b>137.96</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	22.107	21.00	21.00	15.48
Other Equity	292.28	162.96	118.57	60.38
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
1) Long term Borrowings	40.46	1.02	0.09	-
2) Lease liability	64.98	67.60	63.18	6.13
3) Deferred Tax Liabilities	-	-	-	-
4) Long Term provisions	0.47	0.81	9.48	6.09
<b>Current liabilities</b>				
<b>a) Financial Liabilities</b>				
1) Short term borrowings	41.12	14.05	0.02	1.72
2) Lease liability	2.62	2.43	10.86	1.16
3) Trade payables				41.20
-Total outstanding dues of micro enterprise and small enterprises	3.89	2.96	3.76	
-Total outstanding dues other than micro enterprise and small enterprises	188.69	74.29	96.62	
-Other financial liabilities	4.10	2.27	-	0.55
4) Other current liabilities	91.33	33.75	17.80	5.24
<b>Total Equity and Liabilities</b>	<b>752.05</b>	<b>380.93</b>	<b>341.39</b>	<b>137.96</b>

Source: Company





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One year price movement chart



Source: Trading View

**Disclosure under SEBI Research Analyst Regulations 2014:**

Sr.no.	Particulars	Yes/No
1)	Research Analyst or his/her relative's or Ajcon Global Services Limited financial interest in the subject company(ies):	No
2)	Research Analyst or his/her relative or Ajcon Global Services Limited actual/beneficial ownership of 1% or more securities of the subject company (ies) at the end of the month immediately preceding the date of publication of the Research report	No
3)	Research Analyst or his/her relative or Ajcon Global Services Limited has any other material conflict of interest at the time of publication of the Research Report	No
4)	Research Analyst has served as an officer, director or employee of the subject company(ies)	No
5)	Ajcon Global Services Limited has received any compensation from the subject company in the past twelve months	No
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7)	Ajcon Global Services Limited has received any compensation for products or services other than investment banking, or merchant banking, or brokerage services from the subject company in the past twelve months	No
8)	Ajcon Global Services Limited has received any compensation or other benefits from the subject company or third party in connection with the research report	No
9)	Ajcon Global Services Limited has managed or co-managed public offering of securities for the subject company in the past twelve months	No
10)	Research Analyst or Ajcon Global Services Limited has been engaged in market making activity for the subject company(ies)	No

**Recommendation parameters for fundamental reports:**

**Buy** – Absolute return of 20% and above

**Accumulate** – Absolute return between 15% and above

**Book profits** - On achieving the price target given in the research report for a particular Company or on a occurrence of a specific event leading to change in fundamentals of the Company recommended

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