



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 49 of this 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 55,26,848 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF OUR COMPANY FOR CASH AT A PRICE OF ₹45/- (INCLUDING A PREMIUM OF ₹35/-) PER EQUITY SHARE ("RIGHTS EQUITY SHARES") FOR AN AMOUNT AGGREGATING TO ₹24,87,08,160/- (RUPEES TWENTY FOUR CRORES EIGHTY SEVEN LAKHS EIGHT THOUSAND ONE HUNDRED AND SIXTY ONLY) ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 5 RIGHTS EQUITY SHARES FOR EVERY 14 FULLY PAID-UP EQUITY SHARES HELD BY SUCH ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON WEDNESDAY, JUNE 17, 2020 (THE "ISSUE"). THE ISSUE PRICE OF EACH RIGHTS EQUITY SHARE IS 4.5 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 this Letter of Offer. **Investors are advised to refer "Risk Factors" beginning on page 16 before investing in the Issue.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this 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 this 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 this 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 May 26, 2020 and April 13, 2020 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 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: https://rights.cameoindia.com/Refex / www.cameoindia.com

Contact Person: Ms. Sreepriya K.

SEBI Registration No.: INR000003753

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION	ISSUE CLOSSES ON
Monday, July 27, 2020	Thursday, August 06, 2020	Monday, August 10, 2020

Please note Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

TABLE OF CONTENTS

SECTION I – GENERAL	3
DEFINITIONS AND ABBREVIATIONS	3
NOTICE TO OVERSEAS INVESTORS	9
PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA	11
FORWARD LOOKING STATEMENTS	12
SECTION II- SUMMARY OF THE LETTER OF OFFER	13
SECTION III – RISK FACTORS	16
SECTION IV – INTRODUCTION	30
SUMMARY OF FINANCIAL INFORMATION	30
THE ISSUE	34
GENERAL INFORMATION	35
CAPITAL STRUCTURE	39
OBJECTS OF THE ISSUE	43
SECTION V – STATEMENT OF TAX BENEFITS	47
SECTION VI – ABOUT THE COMPANY	49
HISTORY AND CORPORATE STRUCTURE	49
OUR MANAGEMENT	52
SECTION VII – FINANCIAL INFORMATION	55
FINANCIAL STATEMENTS	55
ACCOUNTING RATIOS AND CAPITALISATION STATEMENT	90
STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY	91
SECTION VIII – LEGAL AND OTHER INFORMATION	93
OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS	93
GOVERNMENT AND OTHER APPROVALS	98
OTHER REGULATORY AND STATUTORY DISCLOSURES	99
SECTION IX – ISSUE INFORMATION	107
TERMS OF THE ISSUE	107
SECTION X – OTHER INFORMATION	145
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	145
DECLARATION	146

SECTION I – GENERAL
DEFINITIONS AND ABBREVIATIONS

In this 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 Letter of Offer.

In this 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, 2020 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 via email 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 /	Unless the context otherwise requires, the allotment of Rights Equity Shares

Term	Description
Allotted	pursuant to the Issue
Allotment Date	The date on which the Allotment is made pursuant to the Issue
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 (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available on R-WAP, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application at R-WAP facility or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable at the time of Application i.e. ₹45/- 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 Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be
Banker to the Issue Agreement	Agreement dated June 22, 2020 entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Bankers to the Issue for receipt of the Application Money in the Escrow Account from Applicants making an Application through R-WAP facility, including for the purposes of refunding the surplus funds remitted by such Applicants after Basis of Allotment, remitting funds to the Allotment Accounts from the Escrow Account and SCSBs in case of Allottees, release of funds from Allotment Accounts to our Company and other persons, as applicable and providing such other facilities and services as specified in the agreement.
Banker to the Issue	Collectively, the Escrow Collection Bank, the Allotment Account Banks and the Refund Account Bank to the Issue, in our case being HDFC Bank
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
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	The draft letter of offer dated March 30, 2020 which was filed with SEBI

Term	Description
	and which did not have complete terms of the number of Rights Equity Shares proposed to be offered in the Issue in accordance with the SEBI ICDR Regulations
Eligible Equity Shareholder	A holder / beneficial owner of Equity Shares as on the Record Date
Escrow Account	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank for the purposes of collecting the Application Money from resident Investors making an Application through the R-WAP facility.
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being HDFC Bank.
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 55,26,848 Equity Shares Of face value of ₹10/- each of our Company for cash at a price Of ₹45/- (including a premium of ₹35) per Equity Share for an amount aggregating to ₹24,87,08,160/- (Rupees Twenty Four Crores Eighty Seven Lakhs Eight Thousand One Hundred And Sixty Only) on a Rights Basis to the Eligible Equity Shareholders of our company in the Ratio of 5 Rights Equity Shares for every 14 fully paid-up equity shares held by such Eligible Equity Shareholders on the Record Date, that is on Wednesday, June 17, 2020 (The "Issue")
Issue Closing Date	Monday, August 10, 2020
Issue Opening Date	Monday, July 27, 2020
Issue Price	₹ 45/- per Equity Share
Issue Proceeds	The gross proceeds raised through the Issue
Lead Manager	Keynote Financial Services Limited (<i>Formerly Keynote Corporate Services Limited</i>)
Letter of Offer / LOF	The final letter of offer dated July 17, 2020 filed with the Designated Stock Exchange, with SEBI and NSE for purposes of record keeping
MCA Circular	General Circular No. 21/2020 dated May 11, 2020 issued by the Ministry of Corporate Affairs, Government of India.
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)
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before Thursday, August 06, 2020.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository

Term	Description
	participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
QIB(s) / Qualified Institutional Buyer(s)	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, Wednesday, June 17, 2020
Refund Account Bank	The Bankers to the Issue with whom the refund account will be opened, in this case being HDFC Bank.
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
Renounee(s)	Any person(s) who, not being the original recipient has/have acquired the Rights Entitlement, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on Thursday, August 06, 2020 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounee on or prior to the Issue Closing Date.
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	<p>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 5 Rights Equity Shares for 14 Equity Shares held on Wednesday, June 17, 2020.</p> <p>The Rights Entitlements with a separate ISIN: INE056I20017 will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the record date.</p>
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the R-WAP facility and link for the same will be available on the website of our Company
Rights Equity Shares	The fully paid up Equity Share(s) offered in this Issue
R-WAP	Registrar's web based application platform accessible at https://rights.cameoindia.com/Refex , instituted as an optional mechanism in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, for accessing/submitting online Application Forms by resident Investors.
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

Term	Description
	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
ASBA Circulars	Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
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
NACH	National Automated Clearing House
NEFT	National Electronic Fund Transfer
Non-Resident / NR	Persons resident outside India as defined in the FEMA
Rupees / INR / ₹	The lawful currency of India
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

Term	Description
	Requirements), Regulations, 2015, as amended
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020.
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 Litigations, Defaults and Material Developments*” on pages 47, 55 and 93, respectively, shall have the meanings given to such terms in these respective sections.

NOTICE TO OVERSEAS INVESTORS

The distribution of this Letter of Offer, Abridged Letter of Offer and Application Form 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 Letter of Offer, Abridged Letter of Offer or the Application Form 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 electronically dispatch through email the Letter of Offer/ the Abridged Letter of Offer and Application form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Further, this Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, the Stock Exchanges, and on R-WAP.

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 Letter of Offer was filed with Stock Exchanges and SEBI. Accordingly, the issue of the Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, Abridged Letter of Offer or the Application Form 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 Letter of Offer, Abridged Letter of Offer or the Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer, Abridged Letter of Offer or the Application Form 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 Letter of Offer, Abridged Letter of Offer or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, Abridged Letter of Offer or the Application Form in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer, Abridged Letter of Offer or the Application Form 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 Letter of Offer, Abridged Letter of Offer or the Application Form.

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 Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form 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 Application Form. Neither the delivery of this 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 Letter of Offer or the date of such information.

THE CONTENTS OF THIS 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 letter of offer is being offered in India, but not in the united states. The offering to which this 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 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 an Application Form 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 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 only through email. dispatch this Letter of Offer, the Abridged Letter of Offer and Application Form 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 receipt of this 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 Application Form 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 Application Form headed “Overseas Shareholders” to the effect that the person accepting and/or renouncing the Application Form 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 Application Form is incomplete or the acceptance of such Application Form 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 Application Form. 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 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 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 Letter of Offer is derived from the Audited Financial Statements. Our audited financial statements as of and for financial year ended March 31, 2020 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 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 55.

In this 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 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 March 31, 2020	As on March 31, 2019
1 US\$*	₹75.38	₹69.17

*Source: fbil.org.in (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 Letter of Offer contains certain “forward-looking statements”. Forward looking statements appear throughout this 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 Letter of Offer that are not historical facts. These forward-looking statements contained in this 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:

- impact of the COVID-19 pandemic on our business and operations
- 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;
- our ability to handle our new businesses of handling and disposal of fly ash and coal trading; and

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “Risk Factors”, on page 16 . 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 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 (gross proceeds less issue expenses) 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	127.08

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 2020, March 2019 and March 2018, prepared in accordance with recognition and measurement principles of Ind AS 34 and Regulation 33 of SEBI (LODR) Regulations, 2015

(in ₹ lakhs other than share data)

Particulars	For the Fiscal		
	2020	2019	2018
Equity Share Capital	1,547.52	1,547.52	1,547.52
Net Worth	7,580.53	4,272.89	1,110.02
Revenue (total income)	66,553.52	46,290.48	7,941.37

Particulars	For the Fiscal		
	2020	2019	2018
Profit after tax	3,307.41	3,162.88	93.74
Earnings per share (basic and diluted)	21.37	20.44	0.61
Net asset value per equity share	48.99	27.61	7.17
Total Borrowings	171.90	17.92	4,094.56

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, 2020.

Summary of Outstanding Litigations:

A summary of outstanding litigation proceedings pertaining to our Company as on the date of this Letter of Offer is provided below. For details of the material outstanding litigation proceedings including criminal proceedings and civil proceedings, please see “Outstanding Litigations, Defaults and Material Developments” on page 93.

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 High 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 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 16.

Summary of Contingent Liabilities of our Company

As of March 31, 2020, we have certain contingent liabilities that had not been provided for, details of the same is as under

<i>(in ₹ lakhs)</i>		
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 55 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, 2020 please see page no 87 of this 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 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 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 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 55 and other information contained in this 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. Covid-19 pandemic has adversely affected our business & operations to a certain degree. Further, the future impact due to the its uncertainties on the business cannot be clearly stated or predicted.**

COVID-19 disease, commonly known as "novel coronavirus", has spread globally, with the number of reported cases and related deaths increasing daily and, in many countries, exponentially.

Several countries' governments imposed increasingly stringent restrictions to help avoid, or slow down, the spreading of COVID-19.

In India, the Government of India initially announced a 21-day country-wide lockdown starting from March 24, 2020, in a bid to contain the spread of the novel coronavirus. The lockdown was first extended till May 3 and then again till May 17. It was further extended till May 31. The lockdown is now restricted only to containment zones across the country and will continue till July 31. Ministry of Home Affairs (MHA) has announced a new period of the Lockdown under its "Unlock 2" Plan which has eased restrictions in phases. There can be no assurance that lockdown with stricter norms and stringent restrictions will not be extended further on one or more occasions.

In our Refrigerant gas business, it is important to note that the months starting from February to May in any given year generate the most sales. But due to the current pandemic situation and various stages of lockdown as announced by the Government to the whole of India, we were unable to execute the operations seamlessly or generate sales as expected. The Company usually generates upto 17-18% of its Sales of the Refrigerants for the whole year during the month of April which is the first month in the Financial Year. Lockdown Measures imposed by the government had an impact on our Refrigerant business. However, with the relaxed lockdown measures now the sales are slowly picking up in the given situation.

Further, the Coal trading business was highly impacted due to the restrictions on shipment and transportation imposed again due to the Lockdown measures. However, during the lockdown period the ash handling business was not affected since power generation falls under essential services.

The various risks arising on account of COVID-19 can also threaten the safe operation of our facilities, impact the transportation of our products, cause disruption of operational activities, loss of life, injuries and can impact the wellbeing of our employees. These risks could have an adverse effect on our business, results of operations, cash flows and financial condition.

As of the date of this Letter of Offer, there is significant uncertainty relating to the severity of the near and long term adverse impact of the COVID-19 pandemic on the global economy and the Indian economy, and we are unable to accurately predict the near-term or long-term impact of the COVID-19 pandemic on our business. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this “Risk Factors” section.

2. ***Our top two (2) customers have contributed majority of our revenues from our coal trading and fly ash handling business operations for the financial year ended March 31, 2020. Any loss of business from one or more of them may adversely affect our revenues and profitability.***

Our top two customers KSK Mahanadi Power Company Limited and M.S Fuels have contributed 71.43% to our revenues from our coal trading and fly ash handling business for the financial year ended March 31, 2020 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.

3. ***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.

4. ***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, labour 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 labour dispute between our contractors and their employees or any major labour 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.

5. *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 been doing business with certain power generating entities for coal trading and handling pond ash, dry ash, bottom ash & 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.

We have been doing business with Sai Wardha Power Generation Limited (“SWPGL”), VS Lignite Power Private Limited (“VSLPPL”) and KSK Mahanadi Power Company Limited (“KMPCL”) which are presently undergoing proceedings under the Insolvency and Bankruptcy Code (“IBC”) before the NCLT. Our Company is an operational creditor of SWPGL, VLPPL and KMPCL with an outstanding claim of ₹669.29 Lakhs, ₹806.01 Lakhs and ₹619.90 Lakhs respectively. Our Company has received only ₹3.00 Lakhs from SWPGL as on March 31, 2020. During the Financial Year 19-20 our company has written off an amount of ₹2657.93 lacs receivable from these companies as bad debts.

6. *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.

During the lockdown period imposed due to COVID-19 pandemic, the sales of automobiles and other consumer appliances were mostly shut down as the same were falling under the non-essential category of goods defined by the Government. The demand for our product had reduced drastically because of the Covid-19 pandemic.

7. *We source a significant portion 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.

Covid -19 pandemic led to disruption in supply of the refrigerant gases from China. However, summer being the peak season for the business related to Refrigerant gases, the Company had ordered material in advance and with the sufficient stock of the imported raw material, company would be able to fulfil the near term demand. Any future disruptions in supply of the refrigerant gases can adversely affect our business operations and 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.

8. ***We have certain contingent liabilities which has not been provided for in our balance sheet. In the event that any of our contingent liabilities crystallizes, our business, financial condition and results of operations may be adversely affected.***

As of March 31, 2020, we have certain contingent liabilities that have not been provided for, as per Ind AS 37, details of the same are as under:

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

In the event that any of our contingent liabilities crystallizes, our business, financial condition and results of operations may be adversely affected.

9. ***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 or natural disasters 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`

Company generates majority of its revenue for the refrigerant gas business from the months of February to May. But due to the current pandemic situation the Company was unable to execute the operations or generate sales as expected. This has adversely affected our business operations.

10. ***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.

11. ***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. Due to the Covid-19 pandemic, our factory was closed during the initial lockdown period and this closure has adversely affected the revenues from the refrigerant gas business

12. ***During the financial year 2018-19, our Company had 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 was 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 had 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 had 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.

13. ***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.

14. 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.

15. 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 forums. 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 High 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 Litigations, Defaults and Material Developments” on page 93. 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.

16. *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.

17. *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.

18. *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.

Due to the Covid-19 pandemic, our business operations were impacted due to the non-availability of vehicles and disruption in free movement of goods due to the lockdown measures imposed by the Government. Further, we had difficulties in transportation service as some of our working areas were declared containment zones or red alert areas which affected our dispatch services and thereby leading to a decline in sale of the products.

19. ***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.

20. ***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 are 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.

21. ***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.

22. *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.

23. *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 55 . 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.

24. *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-imburement 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 52, and the Note titled “Related Parties” and “Transactions during the year” under chapter titled “Financial Statements” beginning on page 55 of this Letter of Offer.

25. ***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 43. 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, Covid-19 Pandemic also being one of the major factors.

26. ***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.

27. ***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.

28. ***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 endeavour 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.

29. *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.

30. *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.

31. *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.

32. *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.

33. 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)

34. 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 ₹1187.98 lakhs and ₹4,418.33 lakhs and ₹414.98 lakhs for the financial year ended March 31, 2020, 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 55 of this Letter of Offer.

Risks relating to the Issue and the Rights Equity Shares

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

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and the MCA Circular, our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. 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 *respect* to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

2. ***SEBI has recently, by way of circulars dated January 22, 2020 and May 6, 2020, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in this Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020 and May 6, 2020, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see “Terms of the Issue” on page 107.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “REFEX INDUSTRIES LIMITED”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

3. ***No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.***

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Rights Equity Shares may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

4. ***The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.***

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, a separate web based application platform, i.e., the R-WAP facility (accessible at <https://rights.cameoindia.com/Refex>), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the resident Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see “Terms of the Issue – Procedure for Application through the R-WAP” on page 120. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policy effectively to such payment mechanisms;
- keeping users’ data safe and free from security breaches; and

- effectively managing payment solutions logistics and technology infrastructure.

Further, R-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic. We cannot assure you that R-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the RWAP facility.

5. ***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.

6. ***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.

7. ***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:

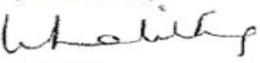
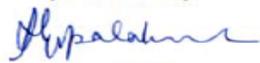
- Quarterly variations in the rate of growth of our financial indicators such as earnings per share;
- Changes in revenue or earnings estimates or publications of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international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

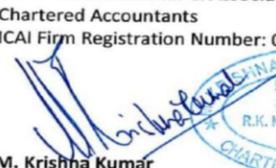
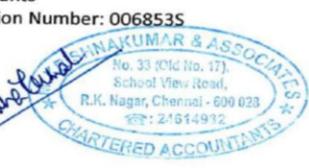
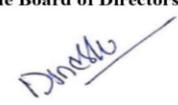
SECTION IV – INTRODUCTION**SUMMARY OF FINANCIAL INFORMATION**

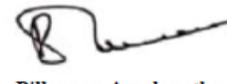
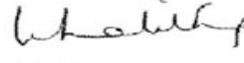
The following tables set forth summary of financial information derived from our Audited Consolidated financial statement for the year ended March 31, 2020, prepared in accordance with recognition and measurement principles of Ind AS 34 and Regulation 33 of SEBI (LODR) Regulations, 2015. The summary 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 55 of this Letter of Offer.

[The rest of this page has been intentionally left blank]

SUMMARY OF AUDITED CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

REFEX INDUSTRIES LIMITED			
Consolidated Balance Sheet as at March 31, 2020			
(Rs. In Lakhs)			
Particulars	Note No	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	1	1,491.75	1,485.57
(b) Right of use assets	2	701.99	
(c) Intangible		-	2.21
(d) Capital Work in Progress		-	26.68
(e) Non-current financial assets			
(i) Investments	3	-	-
(ii) Trade receivables			
(iii) Other non current financial assets	4	59.54	61.03
(f) Deferred Tax Assets	5	183.57	905.43
(g) Other Non current assets	6	432.57	251.26
Current assets			
(a) Inventories	7	318.25	758.69
(b) Financial Assets			
(i) Trade receivables	8	7,227.27	8,749.67
(ii) Cash and cash equivalents	9	2,095.60	387.40
(iii) Bank Balances other than (ii) above		-	-
(iv) Other current financial assets	10	910.75	798.56
(c) Current Tax Assets (Net)	11	-	109.75
(d) Other current assets	12	370.47	2,314.67
Total Assets		13,791.77	15,850.92
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	1,547.52	1,547.52
(b) Other Equity	14	6,032.79	2,725.37
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Long term Borrowings	15	-	17.92
(ii) Lease Liability	2	613.96	-
(b) Deferred Tax Liabilities		-	-
(c) Long Term provisions	16	726.46	15.65
Current liabilities			
(a) Financial Liabilities			
(i) Short term Borrowings	15	171.90	-
(ii) Lease Liability	2	116.22	
(iii) Trade payables	17	4,120.23	10,118.07
(iv) Other financial liabilities	18	55.48	45.79
(b) Other current liabilities	19	407.20	1,380.60
Total Equity and Liabilities		13,791.77	15,850.92
The accompanying notes form an integral part of these financial statements	28-38		
Notes 1 to 38 forms part of the Financials As per our report of even date attached			
For and On behalf of the Board of Directors			
For M. Krishnakumar & Associates, Chartered Accountants ICAI Firm Registration Number: 0068535  M. Krishna Kumar Proprietor Membership No.: 203929 Firm Registration No. with ICAI: 0068535 		 T. Anil Jain Managing Director (DIN: 00181960)	
		 Dimesh Kumar Agarwal Director (DIN: 07544757)	
		 Pillappan Amalanathan Director (DIN: 08730795)	
		 Jamuna Ravikumar Director (DIN: 08009308)	
Place: Chennai Date: 30th June 2020 		 U. Lalitha Chief Financial Officer	
		 S. Gopalkrishnan Company Secretary	

REFEX INDUSTRIES LIMITED			
Statement of Consolidated Profit or Loss for the Year ended March 31, 2020			
Particulars	Note No	For Year Ended March 31, 2020	For Year Ended March 31, 2019
		Audited	Audited
Income			
I Revenue from operations	20	66,074.43	46,105.11
II Other income	21	479.09	185.38
III Total Income (I+II)		66,553.52	46,290.48
IV Expenses			
Cost of material consumed	22	43,451.31	16,740.29
Purchase of stock in trade	23	12,293.90	23,570.98
Excise duty on sale of goods		-	-
Employee benefits expenses	24	312.95	243.94
Finance costs	25	90.58	29.68
Depreciation and Amortisation	26	139.32	96.23
Other Expenses	27	4,881.98	2,722.86
Total expenses (IV)		61,170.04	43,403.97
V Profit/(loss) before exceptional items and tax		5,383.48	2,886.51
VI Exceptional items		(581.46)	-
VII Profit/(loss) before tax		4,802.03	2,886.51
VIII Tax expense			
- Current Tax		767.56	646.44
Less: MAT Entitlement Credit		646.44	-646.44
- Deferred Tax		75.42	-276.44
IX Profit/(loss) for the period		3,312.61	3,162.95
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan actuarial gains/(losses)		(5.19)	(0.07)
Income tax expense on above		(5.19)	(0.07)
XI Total Comprehensive Income for the period (Comprising)		3,307.42	3,162.88
XII Earnings per equity share			
(1) Basic		21.37	20.44
(2) Diluted		21.37	20.44
The accompanying notes form an integral part of these financial statements	28-38		
Notes 1 to 38 forms part of the Financials As per our report of even date attached			
For and On behalf of the Board of Directors			
For M. Krishnakumar & Associates, Chartered Accountants ICAI Firm Registration Number: 0068535   M. Krishna Kumar Proprietor Membership No.: 203929 Firm Registration No. with ICAI: 0068535 		 T. Anil Jain Managing Director (DIN:00181960)	
		 Dinesh Kumar Agarwal Director (DIN:07544757)	
		 Pillappan Amalanathan Director (DIN:08730795)	
		 Jamuna Ravikumar Director (DIN:08009308)	
Place: Chennai Date: 30th June 2019		 U. Lalitha Chief Financial Officer	
		 S. Gopalkrishnan Company Secretary	

REFEX INDUSTRIES LIMITED		
Consolidated Statement of Cash Flow for the year ended 31st March 2020		
Particulars	For Year Ended March 31, 2020	For Year Ended March 31, 2019
	Audited	Audited
Cash flows from operating activities		
Profit Before Taxes	4,802.03	2,886.51
Adjustments:		
Interest Income	(479.09)	(185.38)
Loss/ (Profit) on sale of fixed assets	(19.27)	0.14
Bad Debts	2,657.93	-
Interest expense	90.58	29.67
Remeasurement of Defined benefit Plan under OCI	-	(0.07)
Provisions For ECL	129.11	-
Provisions For Contingent liability	581.46	-
Foreign Gain or loss Difference	(21.67)	-
Difference due to Ind As 116 leases	(28.19)	-
Depreciation and amortization	139.32	96.23
Operating cash flow before working capital changes	7,852.19	2,827.11
Changes in		
Decrease/(Increase) In Trade Receivables	(1,264.63)	(5,098.30)
Decrease/(Increase) In Other current Financial Asset(s)	(112.19)	2,739.36
Decrease/(Increase) In Other current Asset(s)	1,944.20	(2,287.47)
Decrease/(Increase) In Other non-current financial assets	1.49	44.45
Decrease/(Increase) In Inventories	440.44	(236.09)
Decrease/(Increase) In Other non-current assets	(181.31)	51.95
(Decrease)/Increase In Long term Provisions	710.81	(15.62)
(Decrease)/Increase In non-current liabilities	-	-
(Decrease)/Increase In Trade Payables current	(5,997.84)	5,977.42
(Decrease)/Increase In other current liabilities	(973.39)	1,078.79
(Decrease)/Increase in Non Current Investments	-	-
(Decrease)/Increase In Other financial liabilities	9.69	-5.44
Income taxes paid	(1,241.03)	(657.51)
Cash generated from / (used in) operations	1,188.43	4,418.63
Cash flows from investing activities		
Purchase of fixed assets	(22.71)	(180.00)
Proceeds from sale of fixed assets	-	0.05
Interest received	479.09	185.38
Net cash generated from/(used in) investing activities [B]	456.38	5.42
Cash flows from financing activities		
Proceeds from / (repayment of) long term and short term borrowings	153.97	(4,076.64)
Dividend paid (including dividend distribution tax)	-	-
Interest paid	(90.58)	-29.67
Net cash used in financing activities	63.40	(4,106.31)
Increase in cash and cash equivalents	1,708.21	317.75
Cash and cash equivalents at the beginning of the year	387.40	69.65
Cash and cash equivalents at the end of the year	2,095.60	387.40
Components of cash and cash equivalents (refer note 21)		
Cash on hand	10.06	12.95
Balances with banks	2,085.55	374.45
Total cash and cash equivalents	2,095.60	387.40
For and On behalf of the Board of Directors		
<p>For M. Krishnakumar & Associates, Chartered Accountants ICAI Firm Registration Number: 0068535</p>   <p>M. Krishna Kumar Proprietor Membership No.: 203929 Firm Registration No. with ICAI: 0068535</p>  <p>Place: Chennai Date: 30th June 2020</p>	 <p>T. Anil Jain Managing Director (DIN:00181960)</p>  <p>Pillappan Amalanathan Director (DIN:08730795)</p>  <p>U. Lalitha Chief Financial Officer</p>	 <p>Dinesh Kumar Agarwal Director (DIN:07544757)</p>  <p>Jamuna Ravikumar Director (DIN:08009308)</p>  <p>S. Gopalkrishnan Company Secretary</p>

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 107.

Rights Equity Shares offered in the Issue	55,26,848 Rights Equity Shares
Rights Entitlement	5 Rights Equity Shares for every 14 fully paid up Equity Shares held on the Record Date
Record Date	Wednesday, June 17, 2020
Face Value per Rights Equity Share	₹10/- each
Issue Price	₹45/- including a premium of ₹35/- per Rights Equity Share
Issue size	₹24,87,08,160/- (Rupees Twenty Four Crores Eighty Seven Lakhs Eight Thousand One Hundred and Sixty Only)
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)	2,10,02,024 Equity Shares
Terms of the Issue	Please refer to “ <i>Terms of the Issue</i> ” on page 107
Use of Issue Proceeds	For further information, see “ <i>Objects of the Issue</i> ” on page 43
Security Codes	ISIN: INE056I01017 BSE: 532884 NSE: REFEX ISIN for Rights Entitlements: INE056I20017

Terms of payment

The full amount of ₹45/- 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 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, 6 th Cross St, Pallavan Nagar, Maduravoyal, Chennai 600 095 Tamil Nadu
Mr. Dinesh Kumar Agarwal	Non-Executive Director	07544757	Anjali Apts, Flat-821 8 th Block, No. 264, MTH Road, Villivakkam, Chennai 600 049

For further details of our Board of Directors, see "*Our Management*" on page 52.

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, 9 th Floor, 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	
HDFC Bank Limited FIG-OPS Department Lodha I, Think Techno Campus, Level O-3 Opp. Crompton Greaves, Next to Kanjurmarg Railway Station Kanjurmarg (E), Mumbai - 400 042 Tel: +91 22 30752927/28/2914 Email: Vincent.Dsouza@hdfcbank.com / Siddharth.Jadhav@hdfcbank.com / Prasanna.Uchil@hdfcbank.com / Neerav.Desai@hdfcbank.com Website: www.hdfcbank.com Contact Person: Mr. Vincent Dsouza/ Mr. Siddharth Jadhav/Mr. Prasanna Uchil/ Mr. Neerav Desai SEBI Registration No.: INBI00000063	

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 audit report dated June 30, 2020 on our financial statements for the year ended March 31, 2020 and report dated November 30, 2019 on the Statement of Possible Special Tax Benefits included in this Letter of Offer, and such consent has not been withdrawn as on the date of this 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, Application Form, 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 Application Form, 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

No.	Activities
	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 was 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. Subsequently, SEBI vide email dated April 27, 2020 communicated that in terms of Clause 2 (C) of SEBI circular no. SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, the minimum threshold limit of Rights Issue for filing draft letter of offer with SEBI as specified in SEBI (ICDR) Regulations has been increased from ₹10 Crore to ₹25 Crore. These relaxations are applicable for Right Issues that open on or before March 31, 2021. In light of the above, it is advised that the company may open the Rights Issue if the size is less than ₹25 Crores subject to the following conditions:

1. The issuer shall prepare the final letter of offer in accordance with requirements as specified in SEBI ICDR Regulations, 2018 and file the same with the Stock Exchange and SEBI
2. The eligibility and general conditions as specified in Regulation 61 & 62 SEBI ICDR Regulations, 2018 respectively shall be complied with.
3. All other provisions in SEBI LODR Regulations, 2015 and SEBI Circulars shall continue to apply
4. Abridged letter of offer and the common application form shall be sent to all the shareholders on record date as specified in SEBI ICDR Regulations, 2018 and Circulars issued thereunder

Further, this Letter of Offer is being filed with the Designated Stock Exchange i.e. BSE, NSE and with SEBI.

Issue Schedule:

Last date for Credit of Rights Entitlement:	Tuesday, July 21, 2020
Issue Opening Date:	Monday, July 27, 2020
Last date for on market renunciation of rights	Thursday, August 06, 2020
Issue Closing Date:	Monday, August 10, 2020
Finalization of Basis of Allotment:	Tuesday, August 18, 2020
Date of Allotment (on or about):	Thursday, August 20, 2020
Date of Credit (on or about):	Friday, August 21, 2020
Date of Listing (on or about):	Tuesday, August 25, 2020

Please note the Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the 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 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 ₹ 2487.08 lakhs ⁽¹⁾		
	55,26,848 Rights Equity Shares of ₹10/- each at a premium of ₹35/- i.e. at an Issue Price of ₹45/- per Equity Share.	552.68	2487.08
D	Issued, Subscribed and Paid-up Capital after the Offer		
	2,10,02,024 Equity Shares of ₹10/- each ⁽²⁾	2100.20	
E	Securities Premium Account		
	Before the Issue		2324.12
	After the Issue ⁽²⁾		4258.52

(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 March 31, 2020, 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	11,303	1,01,34,974	1,01,34,974	65.49	1,01,33,707
Grand Total	11,308	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 March 31, 2020:

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	16.64	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	0.47	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 March 31, 2020:

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	-	-	-	-	-
B2. Central Government/ State Government(1	2,000	2,000	0.01	2,000

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
s)/ President of India					
B3. Non-Institutions					
Individual share capital up to ₹2 Lakhs	10663	65,15,296	65,15,296	42.10	65,15,296
Individual shareholders holding nominal share capital in excess of ₹2 Lakhs.	46	20,79,462	20,79,462	13.44	20,79,462
Nisha Jain*	1	2,04,542	2,04,542	1.32	2,04,542
Any Other (specify)	593	15,38,216	15,38,216	9.94	15,37,016
TV18 Broadcast Limited*	1	2,75,000	2,75,000	1.78	2,75,000
RMP Infotech Private Limited*	1	2,00,000	2,00,000	1.29	2,00,000
Subtotal B3	11302	1,01,32,974	1,01,32,974	65.48	1,01,31,707
Total Public Shareholding B1+B2+B3	11303	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 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 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 this Letter of Offer.
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 ₹ 47.64/- per equity share.

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	60.00
3.	General Corporate Purpose	127.08
	Total	2487.08

(in ₹ lakhs)

Means of Finance	Amount
Proceeds of the Issue	2487.08

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

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.

The exponential growth in the segments of Coal and Ash handling Business and the consistent increase in the performance in the sector has provided our company an opportunity to utilize its growing potential for expansion in the coming years. As per audited financials for the year ended March 31, 2020 the Segment revenue for Coal & Ash Handling business of the Company was ₹58,905.59 Lakhs as compared to ₹33,520.17 Lakhs as on March 31, 2019. 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 improved from ₹ 1,325.57 lakhs in the FY 19 to ₹ 2,010.81 lakhs in FY 20. 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 2019-20)	Estimated (FY 2020-21)
(A) Current Assets		
Inventories	318.25	625.81
Trade Receivables	7227.27	4098.24
Short-term loans and advances	-	3619.14
Other current assets	1281.78	1281.78
Total Current Assets (A)	8827.29	9624.97
(B) Current Liabilities		
Trade Payables	4120.23	2542.14
Other current liabilities	462.58	667.23
Total Current Liabilities (B)	4582.82	3209.37
Working Capital Gap (WCL) (A) – (B)	4244.47	6415.60
To be financed by:		
Rights Issue	-	2300.00
Internal Accruals	4244.47	4115.60

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 Days	
	Holding Level as of FY 2019-20 (Actuals)	Holding Level as of FY 2020-21 (Estimated)
Inventory	3	3
Trade Receivables	44	31
Trade Payables	46	21

Justification for Estimation

Particulars	Details for FY 2020-21 (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 average inventory holding levels are estimated to remain almost at the same level. Accounting for the impact that COVID 19' might cause, we have taken conservative estimates in growth and also in the inventory holding period.
Trade Receivables	We estimate that the holding period of trade receivables shall be reduced from 44 days in FY 2019-20 to 31 days in FY 2020-21 due to an improvement in collection period because the company shall provide the credit facility only to highly reliable customers, taking into account the impact of the current pandemic.
Trade Payables	The credit period of Trade Payables has been estimated to have a reduction from 46 days in FY 2019-20 to 21 days in the FY 2020-21 because of the prompt payments made by our company to its suppliers in order to avail favorable credit terms and to ensure a continued relation with the suppliers.

Particulars	Details for FY 2020-21 (Estimated)
Short-term Loans and Advances	We estimate advances to customers in the FY 2020-21 for our Coal & Ash Handling business segment. Accounting for the probable impact that COVID 19' might cause, we've made a fair estimate to pay advances to our suppliers to have first mover advantage on the competition.

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, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchanges. Our Company will need approximately ₹ 60.00 lakhs towards these expenses, a break-up of the same is as follows:

Activity	Estimated Expense	% of Total Expenses	(₹ in lakhs)
			As a % of Issue size
Fees payable to the intermediaries (including Lead Manager fees, Legal Counsel fees, registrar fees and expenses)	40.00	66.67	1.61
Fees payable to regulators, including depositories, Stock Exchanges and SEBI	10.00	16.67	0.40
Advertisement and other Miscellaneous Expenses	10.00	16.67	0.40
Total*	60.00	100.00	2.41

*Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.

General Corporate Purposes

We intend to deploy ₹127.08 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.

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 25.

Sources of financing of funds already deployed

Our Company has deployed ₹ 23.22 lakhs as of June 15, 2020 towards issue expenses as certified by M Krishnakumar & Associates, Chartered Accountants vide certificate dated June 15, 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 fluoro 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 March 31, 2020 we have traded in imported coal to the tune of 7,23,099.65 (MT) and 2,76,979.98 (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 techno-commercial feasibility 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 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 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 Letter of Offer:

No.	Name, designation, address, occupation, term and DIN	Age (Years)	Other directorships
1.	<p>Anil Jain <i>Designation:</i> Chairman and Managing Director</p> <p><i>Address:</i> ONO.52, NNO. 151, Habibullah Road, T Nagar, Chennai 600 017, Tamil Nadu</p> <p><i>Occupation:</i> Business</p> <p><i>Period of Directorship:</i> Director since September 9, 2002</p> <p><i>Term:</i> Fixed term for a period of 3 years with effect from July 1, 2020 (subject to approval of Shareholders in the AGM for FY 2020)</p> <p><i>Date of expiration of the current term of office:</i> June 30, 2023 (subject to approval of Shareholders in the AGM for FY 2020)</p> <p><i>Date of birth:</i> September 13, 1976</p> <p><i>DIN:</i> 00181960</p>	43	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ SunEdison Infrastructure Limited <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Sherisha Solar Private Limited ▪ Sherisha Technologies Private Limited ▪ Sherisha Agro Private Limited ▪ STPL Horticulture Private Limited ▪ Silres Energy Solutions Private Limited ▪ SIL Rooftop Solar Power Private Limited ▪ Sherisha Infrastructure Private Limited ▪ SunEdison Energy Solutions Private Limited ▪ SunEdison Rooftop Solar SPV 6 Private Limited <p><u>Company Limited by Guarantee:</u></p> <ul style="list-style-type: none"> ▪ NSEFI Renewable Energy Export Promotion Council <p><u>Section 8 company:</u></p> <ul style="list-style-type: none"> ▪ Jain International Trade Organisation ▪ AJ Incubation Forum
2.	<p>Amalanathan Pillappan <i>Designation:</i> Additional Director (Independent)</p> <p><i>Address:</i> House No. 181, Indhira Nagar, Main Road, Valasaravakkam, Tiruvallur,</p>	60	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ SunEdison Infrastructure Limited <p><u>Private Limited Entities:</u></p>

No.	Name, designation, address, occupation, term and DIN	Age (Years)	Other directorships
	<p>Alwarthirunagar, Tamil Nadu 600 087</p> <p>Occupation: Profession</p> <p>Period of Directorship: Director since March 28, 2020</p> <p>Term: Until the AGM for FY 2020</p> <p>Date of expiration of the current term of office: Until the AGM for FY 2020</p> <p>Date of birth: April 18, 1960</p> <p>DIN: 08730795</p>		<ul style="list-style-type: none"> ▪ Bocyx Technologies Private Limited
3.	<p>Jamuna Ravikumar Designation: Independent Director</p> <p>Address: New No.6, Old No.33, Hyder Garden,3rd Street, Perambur, Perambur Barracks Chennai 600012</p> <p>Occupation: Profession</p> <p>Period of Directorship: Director since February 14, 2018</p> <p>Term: Fixed term for a period of three years with effect from February 14, 2018</p> <p>Date of expiration of the current term of office: February 13, 2021</p> <p>Date of birth: May 29, 1984</p> <p>DIN: 08009308</p>	36	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ SunEdison Infrastructure Limited ▪ Refex Energy Limited <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Silverfine Development India Private Limited
4.	<p>Dinesh Kumar Agarwal Designation: Non-Executive Director</p> <p>Address: Anjali Apts, Flat-821, 8th Block, No. 264, MTH Road, Villivakkam, Chennai 600 049, Tamil Nadu</p> <p>Occupation: Profession</p> <p>Period of Directorship: Director since July 27, 2016</p> <p>Term: Not Applicable</p> <p>Date of expiration of the current term of office: Liable to retire by rotation in the ensuing AGM</p> <p>Date of birth: July 9, 1980</p> <p>DIN: 07544757</p>	40	<p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ SunEdison Energy India Private Limited ▪ SEI Tejas Private Limited ▪ Refex Power Trading Private Limited ▪ Sparzana Aviation Private Limited ▪ Sphere Capital Private Limited ▪ Sourashakthi Energy Private Limited ▪ Spangle Energy Private Limited ▪ NISA Renew Energy Private Limited ▪ Sherisha Infrastructure Private Limited ▪ Scorch Solar Energy Private Limited ▪ Singe Solar Energy Private

No.	Name, designation, address, occupation, term and DIN	Age (Years)	Other directorships
			Limited <ul style="list-style-type: none"> ▪ Torrid Solar Power Private Limited <u>Section 8 company:</u> <ul style="list-style-type: none"> ▪ AJ Incubation Forum

Past Directorships in listed companies

None of our Directors are, or were 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 this Letter of Offer.

None of our Directors are or were 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 this 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**

Sl. No.	Particulars	Page No.
1.	Independent Auditor's report and Audited Consolidated financial statement for the year ended March 31, 2020	56 to 89

INDEPENDENT AUDITOR REPORT AND AUDITED CONSOLIDATED FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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 2020, 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, 2020, 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 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.

M. Krishnakumar & Associates

Chartered Accountants

(O) 2461 4932
(R) 2491 3521
(M) 93821 26465**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 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 and financial statements and other financial information certified by the Management.

M. Krishnakumar & Associates

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, 2020 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, 2020 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 us:

M. Krishnakumar & Associates
Chartered Accountants

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

- (i) The holding company had disclosed the impact of pending litigations as at 31st March 2020 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 foreseeable losses, if any long-term contracts including derivate contracts .
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the holding Company.

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



M. Krishna Kumar
Proprietor
Membership No.: 203929
Firm Registration No. with ICAI: 006853S

UDIN: 20203929AAAAACL4080
Place: Chennai
Date:30-06-2020

M. Krishnakumar & Associates
Chartered Accountants

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

“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 2020 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 material weakness exist 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

M. Krishnakumar & Associates

Chartered Accountants

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

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.

M. Krishnakumar & Associates

Chartered Accountants

(O) 2461 4932
(R) 2491 3521
(M) 93821 26465**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 effectively as at 31 March 2020, 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.

For M. Krishnakumar & Associates,
Chartered Accountants

ICAI Firm Registration Number: 006853S

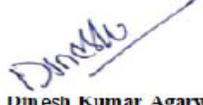
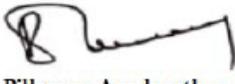
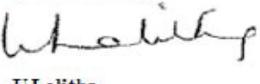
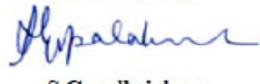
**M. Krishna Kumar**

Proprietor

Membership No.: 203929

Firm Registration No. with ICAI: 006853S

UDIN: 20203929AAAACL4080**Place: Chennai****Date:30-06-2020**

REFEX INDUSTRIES LIMITED			
Consolidated Balance Sheet as at March 31, 2020			
(Rs. In Lakhs)			
Particulars	Note No	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	1	1,491.75	1,485.57
(b) Right of use assets	2	701.99	
(c) Intangible		-	2.21
(d) Capital Work in Progress		-	26.68
(e) Non-current financial assets			
(i) Investments	3	-	-
(ii) Trade receivables			
(iii) Other non current financial assets	4	59.54	61.03
(f) Deferred Tax Assets	5	183.57	905.43
(g) Other Non current assets	6	432.57	251.26
Current assets			
(a) Inventories	7	318.25	758.69
(b) Financial Assets			
(i) Trade receivables	8	7,227.27	8,749.67
(ii) Cash and cash equivalents	9	2,095.60	387.40
(iii) Bank Balances other than (ii) above		-	-
(iv) Other current financial assets	10	910.75	798.56
(c) Current Tax Assets (Net)	11	-	109.75
(d) Other current assets	12	370.47	2,314.67
Total Assets		13,791.77	15,850.92
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	1,547.52	1,547.52
(b) Other Equity	14	6,032.79	2,725.37
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Long term Borrowings	15	-	17.92
(ii) Lease Liability	2	613.96	-
(b) Deferred Tax Liabilities		-	-
(c) Long Term provisions	16	726.46	15.65
Current liabilities			
(a) Financial Liabilities			
(i) Short term Borrowings	15	171.90	-
(ii) Lease Liability	2	116.22	
(ii) Trade payables	17	4,120.23	10,118.07
(iii) Other financial liabilities	18	55.48	45.79
(b) Other current liabilities	19	407.20	1,380.60
Total Equity and Liabilities		13,791.77	15,850.92
The accompanying notes form an integral part of these financial statements	28-38		
Notes 1 to 38 forms part of the Financials As per our report of even date attached			
For and On behalf of the Board of Directors			
For M. Krishnakumar & Associates, Chartered Accountants ICAI Firm Registration Number: 0068535   M. Krishna Kumar Proprietor Membership No.: 203929 Firm Registration No. with ICAI: 0068535		 T. Anil Jain Managing Director (DIN: 00181960)	 Dimesh Kumar Agarwal Director (DIN: 07544757)
 Refex Industries Limited CHENNAI - 600 017		 Pillappan Amalanathan Director (DIN: 08730795)	 Jamuna Ravikumar Director (DIN: 08009308)
Place: Chennai Date: 30th June 2020		 U. Lalitha Chief Financial Officer	 S. Gopalkrishnan Company Secretary

REFEX INDUSTRIES LIMITED			
Statement of Consolidated Profit or Loss for the Year ended March 31, 2020			
Particulars	Note No	For Year Ended March 31, 2020	For Year Ended March 31, 2019
		Audited	Audited
Income			
I Revenue from operations	20	66,074.43	46,105.11
II Other income	21	479.09	185.38
III Total Income (I+II)		66,553.52	46,290.48
IV Expenses			
Cost of material consumed	22	43,451.31	16,740.29
Purchase of stock in trade	23	12,293.90	23,570.98
Excise duty on sale of goods		-	-
Employee benefits expenses	24	312.95	243.94
Finance costs	25	90.58	29.68
Depreciation and Amortisation	26	139.32	96.23
Other Expenses	27	4,881.98	2,722.86
Total expenses (IV)		61,170.04	43,403.97
V Profit/(loss) before exceptional items and tax		5,383.48	2,886.51
VI Exceptional items		(581.46)	-
VII Profit/(loss) before tax		4,802.03	2,886.51
VIII Tax expense			
- Current Tax		767.56	646.44
Less: MAT Entitlement Credit		646.44	-646.44
- Deferred Tax		75.42	-276.44
IX Profit/(loss) for the period		3,312.61	3,162.95
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan actuarial gains/(losses)		(5.19)	(0.07)
Income tax expense on above		(5.19)	(0.07)
XI Total Comprehensive Income for the period (Comprising)		3,307.42	3,162.88
XII Earnings per equity share			
(1) Basic		21.37	20.44
(2) Diluted		21.37	20.44
The accompanying notes form an integral part of these financial statements	28-38		
Notes 1 to 38 forms part of the Financials As per our report of even date attached			
For and On behalf of the Board of Directors			
For M. Krishnakumar & Associates, Chartered Accountants ICAI Firm Registration Number: 0068535   M. Krishna Kumar Proprietor Membership No.: 203929 Firm Registration No. with ICAI: 0068535 		 T. Anil Jain Managing Director (DIN:00181960)	
		 Dinesh Kumar Agarwal Director (DIN:07544757)	
		 Pillappan Amalanathan Director (DIN:08730795)	
		 Jamuna Ravikumar Director (DIN:08009308)	
Place: Chennai Date: 30th June 2019		 U. Lalitha Chief Financial Officer	
		 S. Gopalkrishnan Company Secretary	

REFEX INDUSTRIES LIMITED		
Consolidated Statement of Cash Flow for the year ended 31st March 2020		
Particulars	For Year Ended March 31, 2020	For Year Ended March 31, 2019
	Audited	Audited
Cash flows from operating activities		
Profit Before Taxes	4,802.03	2,886.51
Adjustments:		
Interest Income	(479.09)	(185.38)
Loss/ (Profit) on sale of fixed assets	(19.27)	0.14
Bad Debts	2,657.93	-
Interest expense	90.58	29.67
Remeasurement of Defined benefit Plan under OCI	-	(0.07)
Provisions For ECL	129.11	-
Provisions For Contingent liability	581.46	-
Foreign Gain or loss Difference	(21.67)	-
Difference due to Ind As 116 leases	(28.19)	-
Depreciation and amortization	139.32	96.23
Operating cash flow before working capital changes	7,852.19	2,827.11
Changes in		
Decrease/(Increase) In Trade Receivables	(1,264.63)	(5,098.30)
Decrease/(Increase) In Other current Financial Asset(s)	(112.19)	2,739.36
Decrease/(Increase) In Other current Asset(s)	1,944.20	(2,287.47)
Decrease/(Increase) In Other non-current financial assets	1.49	44.45
Decrease/(Increase) In Inventories	440.44	(236.09)
Decrease/(Increase) In Other non-current assets	(181.31)	51.95
(Decrease)/Increase In Long term Provisions	710.81	(15.62)
(Decrease)/Increase In non-current liabilities	-	-
(Decrease)/Increase In Trade Payables current	(5,997.84)	5,977.42
(Decrease)/Increase In other current liabilities	(973.39)	1,078.79
(Decrease)/Increase in Non Current Investments	-	-
(Decrease)/Increase In Other financial liabilities	9.69	-5.44
Income taxes paid	(1,241.03)	(657.51)
Cash generated from / (used in) operations	1,188.43	4,418.63
Cash flows from investing activities		
Purchase of fixed assets	(22.71)	(180.00)
Proceeds from sale of fixed assets	-	0.05
Interest received	479.09	185.38
Net cash generated from/(used in) investing activities [B]	456.38	5.42
Cash flows from financing activities		
Proceeds from / (repayment of) long term and short term borrowings	153.97	(4,076.64)
Dividend paid (including dividend distribution tax)	-	-
Interest paid	(90.58)	-29.67
Net cash used in financing activities	63.40	(4,106.31)
Increase in cash and cash equivalents	1,708.21	317.75
Cash and cash equivalents at the beginning of the year	387.40	69.65
Cash and cash equivalents at the end of the year	2,095.60	387.40
Components of cash and cash equivalents (refer note 21)		
Cash on hand	10.06	12.95
Balances with banks	2,085.55	374.45
Total cash and cash equivalents	2,095.60	387.40

For M. Krishnakumar & Associates,
Chartered Accountants
ICAI Firm Registration Number: 0068535

M. Krishna Kumar
Proprietor
Membership No.: 203929
Firm Registration No. with ICAI: 0068535



Place: Chennai
Date: 30th June 2020

For and On behalf of the Board of Directors

Anil

T. Anil Jain
Managing Director
(DIN:00181960)

Pillappan

Pillappan Amalanathan
Director
(DIN:08730795)

U.Lalitha

U.Lalitha
Chief Financial Officer

Dinesh

Dinesh Kumar Agarwal
Director
(DIN:07544757)

Jamuna

Jamuna Ravikumar
Director
(DIN:08009308)

S.Gopal

S.Gopalkrishnan
Company Secretary

REFEX INDUSTRIES LIMITED									
Consolidated notes forming part of Financial statements as at and for the year ended March 31, 2020									
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 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
Additions during the year	-	56.10	31.42	7.19	11.84	2.23	1.91	8.32	119.00
Deletions during the year	-	-	-	-	-	(19.95)	(8.99)	-	(28.95)
As at 31 March 2020 (At Cost)	900.52	260.04	178.00	206.40	103.46	11.60	11.84	82.54	1,754.41
Depreciation and amortization									
As at 31 March 2018	-	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
Charge for the year	-	10.14	26.01	23.33	13.07	0.38	1.41	9.53	83.87
Deletions during the year	-	-	-	-	-	-	-	-	-
As at 31 March 2019	-	37.57	85.47	41.31	48.13	9.09	8.13	32.95	262.65
Net Book Value									
As at 31 March 2020	900.52	222.47	92.53	165.09	55.33	2.51	3.72	49.59	1,491.75
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

Regrouping of asset has been made by the Management depending on the nature of the particular assets and appropriate treatment for the same.



REFEX INDUSTRIES LIMITED													
Consolidated notes forming part of Financial statements as at and for the year ended March 31, 2020													
Note 2 - Right of Use (ROU) Asset			(Rs. In Lakhs)										
Description	Land*	Building/ Renting of Space	Total										
Balance as at April 1, 2019	-	-	-										
Additions during the year	694.32	63.12	757.45										
Deletions during the year	-	-	-										
Depreciation	39.68	15.78	55.46										
Balance as at 31 March 2020	654.65	47.34	701.99										
The movement in lease liabilities during the year ended March 31, 2020 is as follows :													
Description	Land*	Building/ Renting of Space	Total										
Balance as at April 1, 2019	-	-	-										
Additions during the year	694.32	63.12	757.45										
Finance Cost accrued during the Year	72.54	10.29	82.83										
Deletions during the year	-	-	-										
Repayment of Lease Liability	89.84	20.25	110.09										
Balance as at 31 March 2020	677.02	53.16	730.18										
<p>*The Company has only capitalized the land on the basis of immovable lease agreement and has not considered to capitalize the solar asset since the power plant shall be transferred to the 100% subsidiary in a short period of time.</p> <p>The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">31-Mar-20</th> </tr> </thead> <tbody> <tr> <td>Not Later than one year</td> <td style="text-align: right;">116.22</td> </tr> <tr> <td>Later than one year and not later than Five Years</td> <td style="text-align: right;">384.27</td> </tr> <tr> <td>Later Than Five Years</td> <td style="text-align: right;">950.47</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">1,450.96</td> </tr> </tbody> </table>				Particulars	31-Mar-20	Not Later than one year	116.22	Later than one year and not later than Five Years	384.27	Later Than Five Years	950.47	Total	1,450.96
Particulars	31-Mar-20												
Not Later than one year	116.22												
Later than one year and not later than Five Years	384.27												
Later Than Five Years	950.47												
Total	1,450.96												
													

REFEX INDUSTRIES LIMITED

Consolidated Notes forming part of Financial statements as at and for the year ended March 31, 2020

Note 3 - Non Current Investments

Particulars	As at March 31, 2020	As at March 31, 2019
Investments in Subsidiary		
Unquoted carried at cost		
50,000 Equity Shares of Vituza Solar Energy Ltd of Rs.10/- each.	-	-
Total Aggregate Book Value of unquoted Investments	-	-

Note 4 - Other Non Current Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured		
Advances and Deposits	59.54	61.03
Less: Provision for expected credit loss under Ind AS 109		
Total	59.54	61.03

Note 6 - Other Non Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Government Authorities	432.57	251.26
Total	432.57	251.26

The above refunds are adjusted by IT Authority against the disputed demands of Income Tax. Hence, Provision is made for Contingent Liability towards the disputed Income Tax demand.

Note 7 - Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials and Spares		
Stock of Refrigerant Gases	300.26	331.18
Solar Modules	-	427.51
Coal	17.98	-
Total	318.25	758.69

Note 8 - Trade Receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables		
Unsecured - Considered good	7,463.04	8,856.34
Less:		
Impairment for Trade receivable under Expected Credit Loss model	-235.78	-106.67
Total	7,227.27	8,749.67

Note:

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



REFEX INDUSTRIES LIMITED

Consolidated Notes forming part of Financial statements as at and for the year ended March 31, 2020

Note 5 - Deferred Tax Asset(s)/ (Liabilities)
Tax recognised in Statement of profit and loss

Particulars	For the year Ended March 31, 2020	For the year Ended March 31, 2019
Current income tax		
Current year	767.56	646.44
Less: MAT Entitlement Credit	646.44	-646.44
Sub Total (A)	1,413.99	-
Deferred tax expense		
Origination and reversal of temporary differences	75.42	-276.44
Sub Total (B)	75.42	-276.44
Total (A+B)	1,489.41	-276.44

Reconciliation of effective tax rates

Particulars	For the year Ended March 31, 2020	For the year Ended March 31, 2019
Profit before tax	4,802.03	2,886.97
Enacted tax Rate (under Normal Provisions)*	29.12%	26.00%
Computed Expected Tax Expenses - Normal Provision	1,398.35	750.61

*The Company has not opted for Section 115BAA in the current year.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at March 31, 2020	As at March 31, 2019
Property Plant and Equipment	(31.30)	48.90
Carry Forward Losses	-	180.73
Leave Encashment Provision	0.97	0.54
Grat. Provision	6.99	1.10
Provision for Bad and Doubtful debts under ECL	37.60	27.73
MAT Entitlement Credit	-	646.44
Provision for ascertained Contingent Liability	169.32	-
Net Deferred Tax Assets/ (Liabilities)	183.57	905.43

Movement in deferred tax balances during the year ended March 31, 2020

Particulars	Balance As at March 31, 2019	Recognised in profit & loss	Recognised in OCI	Balance As at March 31, 2020
Property, Plant & Equipment	48.90	(80.20)	-	(31.30)
Carry Forward Losses	180.73	(180.73)	-	-
Leave Encashment	0.54	0.43	-	0.97
Grat. Provision	1.10	5.89	-	6.99
MAT Credit	646.44	(646.44)	-	-
ECL Provision	27.73	9.86	-	37.60
Provision for ascertained Contingent Liability	-	169.32	-	169.32
Total	905.43	(721.85)	-	183.57



Consolidated Notes forming part of Financial statements as at and for the year ended March 31, 2020
Note 9 - Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
i) Balances with banks		
* Current Accounts	1,580.09	373.19
* EEFC accounts	-	-
* Deposit Accounts	505.46	1.26
ii) Cash on hand	10.06	12.95
Total	2,095.60	387.40

Note 10 - Other Current Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019
i) Unsecured, considered good;		
- Loans and advances to Employees	1.18	0.51
- Loans and advances to Related Parties measured at Amortized Cost	909.57	798.05
Total	910.75	798.56

Note 11 - Current Tax Asset

Particulars	As at March 31, 2020	As at March 31, 2019
Withholding Taxes	1,296.32	756.18
Less: Provision for Taxes	(1,296.32)	-646.44
Total	-	109.74

Note 12 - Other Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured considered good		
Prepaid Expenses	6.27	7.12
Advance to Suppliers	364.20	2,307.55
Total	370.47	2,314.67



REFEX INDUSTRIES LIMITED

Consolidated Notes forming part of Financial statements as at and for the year ended March 31, 2020

Note 13 - Equity Share Capital

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised Share Capital		
(i) Equity Shares (2,50,00,000 Nos of Rs. 10 each)	25,00,00,000	25,00,00,000
(ii) Preference Shares (5,00,000 Nos of Rs. 100 each)	5,00,00,000	5,00,00,000
Total	30,00,00,000	30,00,00,000
Issued		
(i) Equity Shares (1,54,75,176 Nos of Rs. 10 each)	15,47,51,760	15,47,51,760
Subscribed And Paid Up		
(i) Equity Shares (1,54,75,176 Nos of Rs. 10 each)	15,47,51,760	15,47,51,760
Total	15,47,51,760	15,47,51,760

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, 2020		As at March 31, 2019	
	Nos	% of Holding	Nos	% of Holding
Shezisha Technologies Private Limited	20,83,411	13.46%	20,83,411	13.46%
T.Anil Jain	25,13,533	16.24%	25,13,533	16.24%
Total	45,96,944	29.71%	45,96,944.00	29.71%



REFEX INDUSTRIES LIMITED

Consolidated Notes forming part of Financial statements as at and for the year ended March 31, 2020

Note 14 Other Equity

For the year ended March 31, 2020

Particulars	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, 2019	422.10	2,324.12	-	(20.77)	(0.07)	2,725.37
Movement to Reserves	-	-	-	3,312.61	-	3,312.61
Total Comprehensive Income for the Year	-	-	-	-	-	-
Other Comprehensive Income for the Year	-	-	-	-	(5.19)	(5.19)
Balance as at March 31, 2020	422.10	2,324.12	-	3,291.84	(5.27)	6,032.79

For the year ended March 31, 2019

Particulars	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



REFEX INDUSTRIES LIMITED

Consolidated Notes forming part of Financial statements as at and for the year ended March 31, 2020

Note 15 - Borrowings - Short Term/ Long Term

Borrowings	Short Term		Long Term	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
(i) Secured				
- Vehicle Loan	12.96	-	-	8.99
- others	-	-	-	-
(ii) Unsecured				
- Inter Corporate Deposits at Amortized Cost	150.00	-	-	-
- Term Loan	8.94	-	-	8.94
Total	171.90	-	-	17.93

Terms

- i. Term loan from banks are repayable in 11 Months, rate of interest at 16% and Unsecured
- ii. Vehicle loans include Bolero Loan repayable in 6 Months at RoI of 10.5% and loan for CAR, repayable in 11 months, rate of interest at 8.40% secured with the car.

Note 16 - Long Term Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits:-		
- Gratuity	24.01	13.57
- Leave Encashment	3.33	2.08
Provision for Contingent Liability	581.46	-
Provision for Taxation	117.67	-
Total	726.46	15.65

Provision for contingent Liability is towards disputed Income Tax Demand. Also refer Note 6.

Note 17 - Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables (Refer Note 30)		
- Dues to Micro and Small Enterprises	301.59	149.80
- Others Trade Payables	3,818.65	9,968.27
Total	4,120.23	10,118.07

Note:

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

Note 18 - Other Financial Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current Maturities of long term debt	-	20.62
Unclaimed Dividends	-	-
Payable to Employees	8.33	-
Other financial Liabilities	47.16	25.17
Total	55.48	45.79

Note 19 - Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Liabilities	395.13	424.23
Advance from customers	-	919.21
Other current liabilities	12.07	37.16
Total	407.20	1,380.60



REFEX INDUSTRIES LIMITED

Consolidated Notes forming part of Financial statements as at and for the year ended March 31, 2020

Note 20 - Revenue From Operations

Particulars	For Year Ended March 31, 2020	Year ended March 31, 2019
Revenue from Refrigerant Gases	2,010.81	1,325.57
Revenue from Ash and Coal Handling	58,905.59	33,520.17
Revenue from Solar Segment	1,485.27	7,470.81
Revenue from Service Segment	3,672.77	3,206.51
Revenue from Mineral Segment	-	582.06
Total	66,074.43	46,105.11

Note 21 - Other Income

Particulars	For Year Ended March 31, 2020	Year ended March 31, 2019
Interest from Inter-Company Deposits	432.43	2.23
Interest from Fixed Deposits	4.49	166.33
Foreign Exchange Fluctuation - Gain	21.67	2.79
Miscellaneous income	1.22	14.02
Profit/Loss on Sale of Fixed Assets	19.27	-
Total	479.09	185.37

Note 22 - Cost of materials Consumed*

Particulars	For Year Ended March 31, 2020	Year ended March 31, 2019
Opening Balance		
Opening Raw Materials and Components	758.69	-522.60
Add:		
Cost of materials Consumed	42,995.39	16,499.30
Freight Inward	3.92	2.01
Consumption of Stores and Spares	11.56	2.88
Less: Closing Stock		
Closing Raw Materials and Components	-318.25	758.69
Total	43,451.31	16,740.29

The Cost of Material consumed represents cost of services & products

Note 23 - Purchase of Stock in Trade

Particulars	For Year Ended March 31, 2020	Year ended March 31, 2019
Solar Accessories	-	7,090.59
Service Purchase	12,293.90	16,480.40
Total	12,293.90	23,570.98

*The above amount includes services bought for all the Business Segments.



Consolidated Notes forming part of Financial statements as at and for the year ended March 31, 2020

Note 24 - Employee benefits expense

Particulars	For Year Ended March 31, 2020	Year ended March 31, 2019
Salaries, and Bonus etc.*	241.19	144.34
Contribution to Provident and Other Funds	13.38	15.55
Staff Welfare Expenses	22.38	66.05
Remuneration to Key Management personnel	36.00	18.00
Total	312.95	243.94

*The above amount also include the payment to contractors

Note 25 - Finance Cost

Particulars	For Year Ended March 31, 2020	Year ended March 31, 2019
Interest cost on financial liabilities measured at amortized cost	86.81	24.83
Other Charges	3.77	4.84
Total	90.58	29.67

The above includes Interest on Lease Liability of Rs.72.53 Lakhs.

Note 26 - Depreciation and Amortisation

Particulars	For Year Ended March 31, 2020	Year ended March 31, 2019
Depreciation / Amortisation for the year - Tangible Assets & Intangible assets	139.32	96.23
Total	139.32	96.23

The above includes Depreciation on account of IND AS - Leases Application to the tune of Rs.39.67 Lakhs.

Note 27 - Other expenses

Particulars	For Year Ended March 31, 2020	Year ended March 31, 2019
Advertisement	2.38	424.05
Annual General Meeting Expenses	0.11	0.07
Audit fees	6.35	4.56
Bad Debts	2,657.93	69.84
Business promotion & Marketing Expenses	31.01	45.78
Communication	5.31	6.58
Director Sitting Fees (Refer note 21.B.6)	0.90	0.70
CSR Expenses	190.79	59.61
Food , Accommodation & Travelling Expenses	212.49	183.90
General Expenses	3.10	9.32
Insurance	10.89	9.84
Legal , Professional & Expert Engagement Fees	93.61	324.61
Power and fuel	51.53	32.40
Printing and stationery	7.84	11.44
Loss on Sale of Fixed Assets	-	0.14
Rates and taxes	65.14	24.24
Rent including lease rentals	1,200.48	1,298.96
Repairs and maintenances	67.46	16.31
Security Charges	5.49	2.92
Selling and Distribution Expenses	93.90	21.46
Provision for Bad and Doubtful Debts as per ECL	129.11	106.67
Transportation, Handling and Carriage expenses	46.14	69.45
Total	4,881.98	2,722.86

Payment made to Auditors

Particulars	For Year Ended March 31, 2020	Year ended March 31, 2019
Payment made to statutory auditors :		
i. As auditors	6.00	3.62
ii. For taxation matters	-	-
iii. For other services	-	-
iv. For reimbursement of expenses	-	-
Total	6.00	3.62



28. Contingent Liabilities :

Particulars	(Rs. In lakhs)	
	As at March 31,2020	As at March 31,2019
Corporate Guarantee to Group Co.	3,748.00	3,748.00
Other Guarantees	7,800.00	7,800.00

Our Company is involved in certain legal proceedings, which are pending at varying levels of adjudication at different forum. 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 (Rs. in Lakhs)
Cases filed against our Company			
1.	Civil	2	302.67
Cases filed by our Company			
1.	Civil	6	1901.32
2.	Criminal (<i>under section 138 of the Negotiable Instruments Act</i>)	1	4.75

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 Fluoro Carbon 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 Branch 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 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.

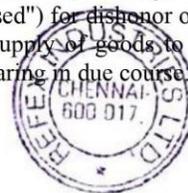


2. FILED BY OUR COMPANY
(a) Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company:

- 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.

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

(Rs. In lakhs)

S. No	Particulars	As at March 31,2020	As at March 31,2019
A	Expenditure in Foreign currency on:		
	(i) Salary and allowance	-	-
	(ii) Tours and Travels	0.38	4.24
	(iii) Import of Materials/ Equipment (CIF Value)		
	a. Refrigerant Gases	991.43	873.71
	b. Capital goods	-	113.98
	c. Components and spares	2.46	-
	d. Finished goods/Semi Finished goods	-	-
	e. Raw Materials	-	1.27
	f. Others	13.81	-
B	Earnings in Foreign Exchange	283.35	123.46

30 Information in respect of Micro, Small and Medium Enterprises as at 31st March 2020:

(Rs. In lakhs)

S. No	Particulars	As at March 31,2020	As at March 31,2019
1	Amount remaining unpaid to any supplier:		
	a) Principal Amount	301.59	149.80
	b) Interest due thereon	-	-
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
a. Financial Instruments by Categories

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

(Amount as of March 31, 2020)

(Rs. In lakhs)

Particulars	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	59.54	-	-
Current Trade Receivables	7,227.27	-	-
Cash & Cash Equivalents	2,095.60	-	-
Other Bank Balances	-	-	-
Other Financial Assets	910.75	-	-
Liabilities:			
Long term Borrowings	-	-	-
Lease Liability	730.18	-	-
Other Non- Current financial liabilities	-	-	-
Short term Borrowings	171.90	-	-
Trade Payables	4,120.23	-	-
Other Current financial liabilities	55.48	-	-

(Amount as of March 31, 2019)

(Rs. In lakhs)

Particulars	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	387.40	-	-
Other Bank Balances	-	-	-
Other Financial Assets	798.56	-	-
Liabilities:			
Long term Borrowings	17.92	-	-
Other Non- Current financial liabilities	-	-	-
Short term Borrowings	-	-	-
Trade Payables	10118.07	-	-
Other Current financial liabilities	45.79	-	-



b. 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).

c. 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. 72,27,26,787 as at March 31, 2020 & Rs.87,49,67,181 as at March 31, 2019 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							
	0-30days	30-60days	60-90 days	90-120 days	150-180 days	180-360 days	360 days-3 Years	> 3 Years
Trade Receivables	3.00%	3.00%	3.00%	5.67%	5.67%	14.00%	31.33%	100.00%

The above% has been arrived by taking a simple average of 3 Variants as prescribed by the standard. The 3 variants are arrived on by the management on the basis of Conservative, Moderate and aggressive estimates.



Credit risk exposure:

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

(Rs. In lakhs)

Particulars	March 31, 2020	
	Net outstanding	Impairment
0 to 30 days	5,940.92	178.23
30 to 60 days	662.55	19.88
60 to 90 Days	252.23	7.57
90 to 120 days	119.59	6.78
150 to 180 days	151.28	8.57
180 to 360 days	96.92	13.57
More than 1 year but less than 3 years	3.79	1.19
More than 3 Years	-	-
Total	7,227.27	235.78

Movement in Provision for Doubtful Debts	Amount
As at March 31, 2019	106.67
Charge for the year ended March 31, 2020	129.11
Utilized for the year March 31, 2020	-
Reversal of Excess Provision	-
As at March 31, 2020	235.78

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, 2020)					(Rs. In lakhs)
Particulars	1 year	1-3 years	3-5 years	More than 5 years	Total
Term Loan from Banks	8.94	-	-	-	8.94
Vehicle Loans	12.96	-	-	-	12.96
Inter corporate Deposits	150.00				150.00

(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

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates does not have material 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. The company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks and the impact of which is found to be immaterial.

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, 2020	As at March 31, 2019
Financial Liabilities		
- Term Loan from Bank – Unsecured	16.5%	16.5%
- Vehicle Loan from Bank - Secured	9.50%	9.50%
- Vehicle Loan from Bank	10.50%	-
- Vehicle Loan 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, 2020 is Rs.15,47,51,760 (Previous Year: Rs.15,47,51,760).

(Rs. In lakhs)		
Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Total Debt	117.80	38.54
Less : Cash and cash equivalent	(2,095.60)	(387.40)
Net Debt	-	-
Total Equity	7,580.31	4,272.89
Net debt to equity ratio	NA	NA

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

a. 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.

b. 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	31.03.2020	31.03.2019
Defined benefit obligation -Beginning of the year	16.68	12.54
Current service cost	3.95	3.24
Interest Cost	1.30	0.98
Benefits Paid	-	-
Re-measurements - actuarial loss/(gain)	(5.19)	(0.07)
Past service cost/ others	7.26	-
Defined benefit obligation – End of the year	24.00	16.68

Amount Recognized in Statement of Profit and Loss

(Rs. In lakhs)		
Particulars	31.03.2020	31.03.2019
Current service cost	3.95	3.24
Past service cost	-	-
Loss/Gain on settlement	-	-



Particulars	31.03.2020	31.03.2019
Net Interest cost/(income) on Net Defined Benefit Liability/(assets) (B)	1.30	0.98
Cost Recognized in P&L	5.25	4.22

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

Particulars	31.03.2020	31.03.2019
Actuarial (gain)/loss due to assumption changes	-	-
-change in financial assumptions	(3.94)	0.46
-experience variance(i.e. Actual experience Vs assumptions)	(1.27)	(0.53)
Actuarial (gain)/loss recognized in OCI	(5.19)	(0.07)

Sensitivity Analysis
(Rs. In lakhs)

Particulars	31.03.2020	31.03.2019
Defined benefit obligation (base)	24.00	16.68

(Rs. In lakhs)

Assumption	Change in Assumption	31.03.2020	31.03.2019
Discount Rate	+1.0%	20.80	14.56
	-1.0%	-27.92	-19.28
Salary growth Rate	+1.0%	-27.84	-19.25
	-1.0%	20.81	14.54
Attrition Rate	+50%	-23.70	-16.63
	-50%	24.33	16.73
Mortality Rate	+10%	-24.00	-16.68
	-10%	24.01	16.68

Actuarial Assumption

Particulars	31.03.2020	31.03.2019
Discount rate	6.85%	7.75%
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	18.43



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

Particulars	31.03.2020	31.03.2019
Present value of obligation	3.33	2.08
Fair value of plan assets	-	-
Surplus/ (Deficit)	(3.33)	(2.08)
Effects of asset ceiling, if any	-	-
Net asset/(liability)	(3.33)	(2.08)

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

Particulars	31.03.2020	31.03.2019
Present value of obligation as at the beginning	2.08	1.83
Present value of obligation as the end	3.33	2.08
Benefit payment	0.39	-
Actual return on plan assets	-	-
Acquisition adjustment	-	-
Cost Recognized in P&L	1.63	0.25

Sensitivity analysis
(Rs. In lakhs)

Particulars	31.03.2020	31.03.2019
Defined benefit obligation (base)	(3.32)	(2.08)

(Rs. In lakhs)

Assumption	Change in Assumption	31.03.2020	31.03.2019
Discount Rate	+1.0%	2.90	1.85
	-1.0%	-3.84	-2.35
Salary growth Rate	+1.0%	-3.83	-2.34
	-1.0%	2.90	1.85
Attrition Rate	+50%	-3.30	-2.08
	-50%	3.35	2.08
Mortality Rate	+10%	-3.32	-2.08
	-10%	3.32	2.08



Actuarial Assumption

Particulars	31.03.2020	31.03.2019
Discount rate	6.85%	7.75%
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	18.43

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

KSK Mahanadi Power Company Ltd & M.S Fuels contributes 42.61% and 21.07% respectively of the total revenue of the Company. These are the only Customers having revenue exceeding 10% of the total revenue.

Particulars	March 31,2020	March 31,2019
Segment Revenue (Net Sales/Income)		
Coal & Ash Handling Business	58,905.59	33,520.17
Solar Power - Generation and Related Activities	1,485.27	7,470.81
Refrigerant Gas- Manufacturing(Refilling) and Sales	2,010.81	1,325.57
Sale Of Service	3,672.77	3,206.51
Minerals Trading	-	582.06
Total	66,074.43	46,105.11
Segment Results		
(Profit /Loss before Interest and Tax)		
Coal & Ash Handling Business	4,013.31	1,710.76
Solar Power - Generation and Related Activities	-212.53	12.06
Refrigerant Gas- Manufacturing-Refilling &Sales	-141.00	31.60
Sale Of Service	1,825.93	1,070.92
Minerals Trading	-	30.32
Corporate	-1,135.69	-129.72
Total	4,350.02	2725.96
Finance Cost	7.45	24.83
Other Income	459.46	185.38
Profit /Loss before Tax	4,802.03	2,886.51
Particulars	March 31,2020	March 31,2019
Segment Assets		
Coal & Ash Handling Business	1,378.89	11,222.18
Solar Power - Generation and Related Activities	833.17	928.37
Minerals Trading	-	-



Refrigerant Gas- Manufacturing-Refilling & Sales	2,836.26	2,106.68
Sale Of Service	-	-
Corporate	8743.45	1593.68
Total- Segment Assets	13791.77	15850.92
Segment Liabilities		
Coal & Ash Handling Business	2,495.59	11,150.03
Solar Power - Generation and Related Activities	994.71	153.98
Minerals Trading	-	-
Refrigerant Gas- Manufacturing-Refilling & Sales	215.10	241.15
Sale Of Service	1,107.91	-
Unallocated		3,533.07
Corporate	8978.45	772.68
Total-Segment Liabilities	13791.77	15850.92

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 (Net)	646.44	117.67	-	646.44	117.67
Provision for ECL	106.67	129.11	-	-	235.78
Provision for Contingent Liability	-	581.46	-	-	581.46

36 Disclosure in respect of Indian Accounting Standard 24 “Related Parties Disclosures”

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

(i) Key Managerial Personnels (KMPs)

Mr. Aniljain - Managing Director
S.GopalKrishnan- Company Secretary
U.Lalitha - Chief Financial Officer

(ii) 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
Ishaan Solar Power Pvt Ltd
SEI Tejas Pvt Ltd
SunEdison Infrastructure Ltd
SunEdison Energy India Pvt Ltd



b) Transactions during the Year ended 31st March 2020			
Name of Related Party	Nature of Transaction	2019-20	2018-19
Aniljain - Managing Director	Director Remuneration	36.00	18.00
	Rental Expenses	19.95	-
U.Lalitha - Chief Financial Officer	Salary & Allowances	13.88	-
S.GopalKrishnan- Company Secretary	Salary & Allowances	3.96	-
Entities in which Key Management personnel are interested			
Broil Solar Energy Pvt Ltd	Reimbursement	2.32	-
Ishaan Solar Power Pvt Ltd	Sales	16.68	-
Refex Energy Limited	Reimbursement	0.35	11.60
	Sales	226.82	724.21
	Purchase	1,622.43	-
Refex Solar Power Pvt Ltd	Interest Income	50.78	-
	Purchase	305.51	460.46
	Reimbursement	3.72	-
	Loan Paid	-	515.60
SEI CleanTech Pvt Ltd	Reimbursement	0.13	-
Sei Tejas Pvt Ltd	Sales	33.71	-
SunEdison Energy India Pvt Ltd	Sales	0.20	-
SunEdison Infrastructure Ltd	Reimbursement	0.55	-
	Sales	48.12	-
Sherisha Technologies Pvt Ltd	Interest Income on Advance	391.82	-
	Rental Income	10.33	-
	Purchase& Reimbursement income	1,177.30	2,675.57
	Net Average Advance paid	3,265.14	4,321.48

C) Cumulative Balances Outstanding during the Year ended 31st March, 2020			
Name of Related Party	Group Classification	2019-20	2018-19
Entities in which Key Management personnel are interested			
Refex Energy Limited	Reimbursement Payable	0.27	-4.14
Refex Solar Power Pvt Ltd	Other Current Financial Assets	-	618.02
	Interest Receivable	45.70	-
SEI Cleantech Pvt Ltd	Reimbursement Outstanding	0.14	-
Ishan Solar Power Pvt Ltd	Trade Receivable	10.01	-
Broil Solar Energy Pvt Ltd	Trade Receivable	-	289.83
SEI Tejas Pvt Ltd	Trade Receivable	6.42	-
SunEdison Infrastructure Ltd	Trade Receivable	21.44	-
Sherisha Technologies Pvt Ltd	Advances	700.00	180.03
	Rental Deposit	7.00	7.00
	Interest Receivable	162.87	-



37 COVID-19 has caused significant disruptions to businesses across India. The management has considered the possible effects, if any, that may impact the carrying amounts of inventories, receivables and intangibles (including goodwill). In making the assumptions and estimates relating to the uncertainties as at the balance sheet date in relation to the recoverable amounts, the management has considered subsequent events, internal and external information and evaluated economic conditions prevailing as at the date of approval of these financials results. The management expects no impairment to the carrying amounts of these assets. The management will continue to closely monitor any changes to future economic conditions and assess its impact on the operations.

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 forms part of the Financials
As per our report of even date attached

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


M. Krishna Kumar
Proprietor
Membership No.: 203929
Firm Registration No. with ICAI: 006853S



Place: Chennai
Date: 30-06-2020

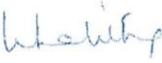
For and On behalf of the Board of Directors


T. Anil Jain
Managing Director
(DIN:00181960)


Dinesh Kumar Agarwal
Director
(DIN:07544757)


Pillappan Amalanathan
Director
(DIN:08730795)


Jamuna Ravikumar
Director
(DIN:08009308)


U. Lalitha
Chief Financial Officer


S. Gopalkrishnan
Company Secretary

ACCOUNTING RATIOS AND CAPITALISATION STATEMENT
ACCOUNTING RATIOS

The following table presents certain accounting and other ratios derived from our Audited Consolidated Financial Statement included in “Financial Statements” beginning on page 55.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Earnings Per Share (EPS) (Basic and Diluted) (₹)	21.37	20.44
Return on Net Worth (excluding revaluation reserve) (in %)	43.63	74.02
Net Asset Value per share (₹)	48.99	27.61
EBITDA (₹ in Lakhs)	4552.82	2827.49
EBITDA (%)	6.89	6.13

These ratios have been computed as under:

- 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.
- 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.
- Net Asset Value Per Share (₹):** Net worth as at the end of the year /divided by total number of equity shares outstanding at the end of the period.
- EBITDA (₹ in lakhs):** Profit before tax plus finance costs plus depreciation and amortisation expense less interest income.
- EBITDA (%):** [EBITDA/ (Revenue-Interest Income)] * 100

CAPITALIZATION STATEMENT

The following tables present the capitalization statement as per the Financial Information as March 31, 2020 and as adjusted for the Issue of our Company:

Particulars	Amount (₹ in lakhs)	
	Pre-Issue as at March 31, 2020	As Adjusted Post Issue*
Total Borrowings:		
Current Borrowings (A)	-	-
Non-Current borrowings (including current maturities) (B)	177.90	177.90
Total Borrowings (C) = (A) + (B)	177.90	177.90
Total Equity:		
Share Capital (D)	1547.52	2100.20
Reserve & Surplus (E)	6033.01	7967.41
Total Equity (F) = (D) + (E):	7580.53	10,067.61
Ratio: Non-current Borrowings (including current maturity/ Total Equity (G) = (C) / (F)	0.022	0.017

*Assuming full subscription in the Rights Issue

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							
June 2020	June 30, 2020	68.25	104543	June 17, 2020	47.00	28531	737492
May 2020	May 04, 2020	58.70	6619	May 20, 2020	44.35	9498	468462
April 2020	April 30, 2020	61.75	51651	April 01, 2020	33.55	10826	709367
March 2020	March 02, 2020	63.70	26147	March 25, 2020	29.40	18489	584919
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

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
NSE							
June 2020	June 30, 2020	68.00	90350	June 16, 2020	47.00	200601	3285690
May 2020	May 04, 2020	58.60	62423	May 20, 2020	44.30	87314	2753665
April 2020	April 30, 2020	61.45	51651	April 01, 2020	33.55	76391	2095771
March 2020	March 02, 2020	63.70	134531	March 25, 2020	29.40	113605	2110627
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

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

Weekend 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					
July 10, 2020	49.65	55.70	July 06, 2020	47.85	July 09, 2020
July 03, 2020	58.60	68.25	June 30, 2020	58.60	July 03, 2020
June 26, 2020	56.45	56.45	June 26, 2020	51.40	June 26, 2020
June 19, 2020	51.10	53.90	June 16, 2020	47.00	June 17, 2020
NSE					
July 10, 2020	49.55	55.45	July 06, 2020	49.15	July 10, 2020
July 03, 2020	58.40	68.00	June 30, 2020	58.40	July 03, 2020
June 26, 2020	56.25	56.25	June 26, 2020	50.50	June 24, 2020
June 19, 2020	51.00	52.40	June 15, 2020	46.50	June 16, 2020

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

The closing market price of the Equity Shares of our Company was ₹55.30 and ₹ 55.15 on BSE and NSE respectively as on June 09, 2020, the trading day immediately prior to the date of the Board Meeting wherein Issue Price, Record date and other terms of the issue were decided.

The Issue Price of ₹45/- 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 Fluoro Carbon 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 Branch 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. INVESTIGATION AGAINST OUR PROMOTER/DIRECTOR

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.

D. 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.

E. MATERIAL CHANGES AND COMMITMENTS

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

F. 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, 2020, 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 except as mentioned below.

The peak season for our refrigerant gases business is generally during the month of February to May in any year. Due to the COVID-19 pandemic, we were not able to conduct our business operations smoothly which in turn adversely affected our revenues and profitability during the period of April 01, 2020 till June 30, 2020. During the same period, our coal trading business was also adversely impacted due to certain restrictions on transportation, non-availability of vehicles, etc.

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 no. DCS/RIGHT/SD/FIP/633/2020-21 dated May 26, 2020 and NSE/LIST/23593 April 13, 2020, respectively.

Our Board in their meeting held on June 10, 2020 have determined the Issue Price as ₹45/- per Rights Equity Share and the Rights Entitlement as 5 Rights Equity Share(s) for every 14 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 this Letter of Offer;
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 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 no. DCS/RIGHT/SD/FIP/633/2020-21 dated May 26, 2020 and NSE/LIST/23593 April 13, 2020, respectively. We will apply to the BSE and NSE for final approval for the listing and trading of the Rights Equity Shares. BSE Ltd is the Designated Stock Exchange for the Issue.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER WAS 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 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 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, HAD 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 THE 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) THE 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 THE 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

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

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. - **COMPLIED TO THE EXTENT APPLICABLE**
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 THE 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 – **NOTED FOR COMPLIANCE**.
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.- **COMPLIED WITH**
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.- **COMPLIED WITH**

THE FILING OF THE 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 THE 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 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 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 Letter of Offer. You must not rely on any unauthorised information or representations.

The 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 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 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

BSE Limited (the “Exchange”) has given, vide its letter dated May 26, 2020 permission to this Company to use the Exchange’s name in this Letter of Offer as one of the stock exchanges on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- (i) Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- (ii) Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- (iii) Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer clause of NSE

As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/23593 dated April 13, 2020 permission to the Issuer to use the Exchange's name in this letter of offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

The Draft Letter of Offer was 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. Subsequently, SEBI vide email dated April 27, 2020 communicated that in terms of Clause 2 (C) of SEBI circular no. SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, the minimum threshold limit of Rights Issue for filing draft letter of offer with SEBI as specified in SEBI (ICDR) Regulations has been increased from ₹10 Crore to ₹25 Crore. These relaxations are applicable for Right Issues that open on or before March 31, 2021. In light of the above, it is advised that the company may open the Rights Issue if the size is less than ₹25 Crores subject to the following conditions:

1. The issuer shall prepare the final letter of offer in accordance with requirements as specified in SEBI ICDR Regulations, 2018 and file the same with the Stock Exchange and SEBI
2. The eligibility and general conditions as specified in Regulation 61 & 62 SEBI ICDR Regulations, 2018 respectively shall be complied with.
3. All other provisions in SEBI LODR Regulations, 2015 and SEBI Circulars shall continue to apply
4. Abridged letter of offer and the common application form shall be sent to all the shareholders on record date as specified in SEBI ICDR Regulations, 2018 and Circulars issued thereunder

Further, this Letter of Offer is being filed with the Designated Stock Exchange i.e. BSE, NSE and with SEBI.

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 Application Form 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 Application Form 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 through email the Letter of Offer/ Abridged Letter of Offer and Application Form 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 Application Form 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 Letter of Offer has been filed with Stock Exchanges and SEBI

Accordingly, none of this Letter of Offer, the Abridged Letter of Offer and Application Form 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 Letter of Offer, the Abridged Letter of Offer and Application Form 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, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchanges. Our Company will need approximately ₹ 60.00 lakhs towards these expenses, a break-up of the same is as follows:

<i>(₹ in lakhs)</i>			
Activity	Estimated Expense	% of Total Expenses	As a % of Issue size
Fees payable to the intermediaries (including Lead Manager fees, Legal Counsel fees, registrar fees and expenses)	40.00	66.67	1.61
Fees payable to regulators, including depositories, Stock Exchanges and SEBI	10.00	16.67	0.40
Advertisement and other Miscellaneous Expenses	10.00	16.67	0.40
Total*	60.00	100.00	2.41

*Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.

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 three directors viz. Mr. Pillappan Amalanathan, Ms. 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 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	Compliance Officer
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	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

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.

OVERVIEW

The Rights Equity Shares proposed to be issued in the Issue, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice.

Important:

1) Dispatch and availability of Issue materials:

In accordance with the SEBI ICDR Regulations, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and the MCA Circular, our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at www.refex.co.in
- b) the Registrar to the Issue at <https://rights.cameoindia.com/Refex>
- c) the Lead Manager at www.keynoteindia.net
- d) the Stock Exchanges at www.bseindia.com and www.nseindia.com; and
- e) the Registrar's web-based application platform at <https://rights.cameoindia.com/Refex> ("R-WAP").

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. <https://rights.cameoindia.com/Refex>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.refex.co.in).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However,

our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

2) Facilities for Application in this Issue:

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 (Collectively hereafter referred to as “**SEBI Rights Issue Circulars**”) and SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (Collectively hereafter referred to as “**ASBA Circulars**”), all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP. For details, see “- Procedure for Application through the ASBA Process” and “- Procedure for Application through the R-WAP” on page 120 and 120 respectively.

- a) ASBA facility:** Investors can submit either the Application Form in physical mode to the Designated Branch of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility. Investors should note that the ASBA process involves procedures that are different from the procedure under the R-WAP process. Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, see “- *Procedure for Application through the ASBA Process*” on page 120.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

- b) Registrar’s Web-based Application Platform (R-WAP):** In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, a separate web based application platform, i.e., the R-WAP facility (accessible at <https://rights.cameoindia.com/Refex>), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE “RISK FACTORS - THE R-WAP PAYMENT MECHANISM FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS” ON PAGE 28.

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/electronic dedicated investor helpdesk (<https://rights.cameoindia.com/Refex>) or call helpline number (7338808559). For details, see “- *Procedure for Application through the R-WAP*” on page 120.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, our Company will make use of advertisements in television channels, radio, internet *etc.*, including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India.

- 3) **Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:** In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “REFEX INDUSTIRES LIMITED”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account *etc.*, details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by Wednesday, August 05, 2020 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

- 4) **Application by Eligible Equity Shareholders holding Equity Shares in physical form:** In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares **may also apply** in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:
- (i) the Eligible Equity Shareholders apply only through R-WAP;
 - (ii) the Eligible Equity Shareholders are residents;
 - (iii) the Eligible Equity Shareholders are not making payment from non-resident account;
 - (iv) the Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
 - (v) the Eligible Equity Shareholders shall receive Rights Equity Shares, in respect of their Application, only in demat mode.

Accordingly, such resident Eligible Equity Shareholders are required to, within 6 (six) months from the Allotment Date, send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-

attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery, to enable process of credit of Rights Equity Shares in such demat account.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner” on pages 125 and 136, respectively.

5) **Other important links and helpline:**

The Investors can visit following links for the below-mentioned purposes:

- a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: <https://rights.cameoindia.com/Refex>
- b) Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: <https://rights.cameoindia.com/Refex>
- c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: <https://rights.cameoindia.com/Refex>
- d) Submission of self-attested PAN, client master sheet and demat account details by non resident Eligible Equity Shareholders: <https://rights.cameoindia.com/Refex>

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications pertaining to the Issue shall apply to Renounee(s) as well.

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. **Wednesday, June 17, 2020**, 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 ₹45/- (including a premium of ₹ 35/- 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 ₹45/- 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. **Wednesday, June 17, 2020**, you are entitled to the number of Rights Equity Shares in the ratio of **5** Rights Equity Shares for every **14** Equity Shares held on the Record Date. Details of your rights entitlement will be set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (<https://rights.cameoindia.com/Refex>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (www.refex.co.in).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two working days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (<https://rights.cameoindia.com/Refex>). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying through R-WAP (an additional optional facility).

For details of Application through R-WAP by the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, see “- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner” on pages 125 and 136, respectively.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form only to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. This Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. This Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, R-WAP, our

Company and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange websites. The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 5 Rights Equity Shares for every 14 Equity Shares held on the Record Date.

Fractional Entitlements

As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Further, the Rights Equity Shares are being offered on a Rights Basis to the existing Eligible Equity Shareholders in the ratio of 5 (Five) Rights Equity Shares for every 14 (Fourteen) fully paid-up Equity Shares held as on the Record Date. Accordingly, while calculating the entitlement, the fractional part of such entitlements of Eligible Equity Shareholders shall be ignored by rounding down their Entitlements figure.

Those Equity Shareholders holding less than 3 (Three) Equity Shares and therefore entitled to 'Zero' Rights Equity Shares under this Issue shall be send an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (One) Additional Rights Equity Share if, such Equity Shareholders have applied for the Additional Rights Equity Shares, subject to availability of Rights Equity shares post allocation towards Rights Entitlement applied for.

However, they cannot renounce the same to third parties. Application Forms with zero entitlement will be non-negotiable/ non-renounceable.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. For details, see “- *Procedure for Renunciation of Rights Entitlements*” on page 122.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Process of credit of Rights Entitlements

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “REFEX INDUSTRIES LIMITED”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is **INE056I20017**. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date. Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e. by Wednesday, August 05, 2020, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details.

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 - INE056I20017** subject to necessary approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. The ISIN of REs shall be kept frozen (for debit) in the depository system till the date of the opening of the issue.

Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On- Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements. The On- Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from Monday, July 27, 2020 to Thursday, August 06, 2020 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see “- *Procedure for Renunciation of Rights Entitlements – On Market Renunciation*” and “- *Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*” on pages 122 and 123, respectively.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

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. INE056I20017 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. DCS/RIGHT/SD/FIP/633/2020-21 dated May 26, 2020 and from NSE pursuant to their letter no. NSE/LIST/23593 dated April 13, 2020. 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

Pursuant to the SEBI Circular dated April 21, 2020, bearing reference no. SEBI/HO/CFD/CIR/CFD/DIL/67/2020 granting relaxations from certain provisions of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of 75% of the Issue Size, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. However, if our Company receives subscription between 75% to 90%, of the Issue Size, at least 75% of the Issue Size shall be utilized for the objects of this Issue other than general corporate purpose. In the event that there is a delay in making refund of the subscription amount by more than eight days after our Company becomes liable to pay subscription amount (*i.e.*, 15 days after the Issue Closing Date), or such other period as prescribed by applicable law, our Company shall pay interest for the delayed period, at rates prescribed under applicable law. Further, our Promoter and Promoter Group have confirmed that they will, subscribe to all of the unsubscribed portion in this Issue

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 Application Form 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 Depository 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

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. This Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Further, our Company along with the Lead Manager will undertake all adequate steps to dispatch the physical copies of the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable

for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one (1) Tamil daily newspaper with wide circulation at the place where our Registered Office is situated

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, our Company will make use of advertisements in television channels, radio, internet *etc.*, including in the form of crawlers/tickers, to disseminate information relating to the Application process in India. This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

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, the Rights Entitlement Letter and Application Form shall be sent to the email address of non-resident Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. 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. 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

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see “- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” on page 125.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, the Lead Manager, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email at least three days before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit <https://rights.cameoindia.com/Refex>. Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at www.refex.co.in
- b) the Registrar to the Issue at <https://rights.cameoindia.com/Refex>
- c) the Lead Manager at www.keynoteindia.net
- d) the Stock Exchanges at www.bseindia.com and www.nseindia.com; and
- e) the Registrar's web-based application platform at <https://rights.cameoindia.com/Refex> ("R-WAP").

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, <https://rights.cameoindia.com/Refex>) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.refex.co.in).

The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident

Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on R-WAP and make online payment using the internet banking or UPI facility from their own bank account thereat. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Investors).

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected, except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Rights Issue Circulars through R-WAP.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Incorrect depository account details or PAN number could lead to rejection of the Application.

For details see “- Grounds for Technical Rejection” on page 131. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- Application on Plain Paper under ASBA process” on page 123.

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 Application Form and would also be available on the website of the Registrar to the Issue at <https://rights.cameoindia.com/Refex> and link of the same would also be available 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.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner” on pages 125 and 136, respectively.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

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 the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Procedure for Application through the R-WAP

Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Our Company, the Registrar and the Lead Manager shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same. R-WAP facility will be operational from the Issue Opening Date. For risks associated with the R-WAP process, see “*Risk Factors - The R-WAP payment mechanism facility proposed to be used for this issue may be exposed to risks, including risks associated with payment gateways*” on page 28.

Set out below is the procedure followed using the R-WAP:

- (a) Resident Investors should visit R-WAP (accessible at <https://rights.cameoindia.com/Refex>) and fill the online Application Form available on R-WAP in electronic mode. Please ensure to provide correct DP ID, Client ID, Folio number (only for resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date), PAN details and all other details sought for while submitting the online Application Form.
- (b) Non-resident Investors are not eligible to apply in this Issue through R-WAP.

- (c) The Investors should ensure that Application process is verified through the email / mobile number. Post due verification, the Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Rights Equity Shares to be applied for. Please note that the Application Money will be determined based on number of Rights Equity Shares applied for.
- (d) The Investors who are Renounees should select the category of ‘Renounee’ at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renounees shall also be required to provide the required Application details, such as total number of Rights Equity Shares to be applied for.
- (e) Prior to making an Application, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the bank account are less than total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash mode mechanism in accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020.
- (f) The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.
- (g) Verification in respect of Application through Investors’ own bank account, shall be done through the latest beneficial position data of our Company containing Investor’s bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.
- (h) The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account, opened by our Company with the Escrow Collection Bank.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB or using R-WAP are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section “- *Application on Plain Paper under ASBA process*” on page 123

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. 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 107. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section “- *Basis of Allotment*” on page 135.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

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 Application Form.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied 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), and such costs will be incurred solely by the Investors.

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on 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.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN INE056I20017 subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges 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 Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, Monday, July 27, 2020 to Thursday, August 06, 2020 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the **ISIN INE056I20017** 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 On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE 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 Exchanges and the SEBI.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements 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 INE056I20017**, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their 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.

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.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who has neither received the Application Form nor is in a position to obtain the Application Form 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 “**Refex Industries Limited – Rights Issue**” 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:

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Refex Industries Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialised form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for;
10. Total amount paid at the rate of ₹45/- per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, 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;
13. 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 this Issue;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
16. In addition, all such Eligible Equity Shareholders are deemed to have accepted 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.”

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://rights.cameoindia.com/Refex>.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

Mode of payment

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor’s ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar’s instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The Investors 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 Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

For details of mode of payment in case of Application through R-WAP, see “- Procedure for Application through the R-WAP” on page 120.

Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in

dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares **may also apply** in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” and “- *Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*” on pages 125 and 136, respectively.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit <https://rights.cameoindia.com/Refex>

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date. The Eligible Equity Shareholders are encouraged to send the details by email due to lockdown and restrictions imposed due to current pandemic COVID-19;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The Eligible Equity Shareholders can access the Application Form from:
 - R-WAP, the website of the Registrar at (<https://rights.cameoindia.com/Refex>);
 - our Company at (www.refex.co.in);
 - the Lead Manager at (www.keynoteindia.net); and
 - the Stock Exchanges at (www.bseindia.com and www.nseindia.com).

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, <https://rights.cameoindia.com/Refex>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.refex.co.in);

The Eligible Equity Shareholders shall, who are, (a) Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, **may also apply** in

this Issue during the Issue Period by filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat, on or before the Issue Closing Date. Such resident Eligible Equity Shareholders may be required to submit address, email address, contact details, copy of PAN, for verification of their Application. Further, such resident Eligible Equity Shareholder can:

- (a) apply for its Rights Equity Shares to the full extent of its Rights Entitlements;
- (b) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); and
- (c) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

For details of credit of the Rights Equity Shares to such resident Eligible Equity Shareholders, see “- *Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*” on page 136.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE.

FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 136.

General instructions for Investors

- (a) Please read this Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- (b) In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares **may also apply** in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” and “- *Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*” on pages 125 and 136, respectively.
- (c) Please read the instructions on the Application Form sent to you.
- (d) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- (e) Application should be made only through the ASBA facility or using R-WAP.

- (f) Application should be complete in all respects. The Application Form 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 this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
- (g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “- *Application on Plain Paper under ASBA process*” on page 123.
- (h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, *i.e.*, R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.
- (i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (j) In case of Application through R-WAP, the Investors should enable the internet banking or UPI facility of their respective bank accounts.
- (k) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on the R-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- (l) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar and the Lead Manager.
- (m) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- (n) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **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 pursuant to this Issue shall be made into the accounts of such Investors.**
- (o) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore, in case of Applications submitted using the R-WAP facility, payments shall be made using internet banking or UPI facility. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (p) For physical Applications through ASBA at Designated Branches of SCSB, 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 any such language or thumb impression must be attested by a Notary Public or

a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

- (q) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (r) 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 prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (s) 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.
- (t) 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, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (u) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

Do's:

- (a) Ensure that the Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.
- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- (a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application 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 Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form 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 Application Form and the Rights Entitlement Letter.

Do's for Investors applying through R-WAP:

- (a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.
- (b) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in the bank account through which payment is made using the R-WAP.
- (c) Ensure that you make the payment towards your application through your bank account only and not use any third party bank account for making the payment
- (d) Ensure that you receive a confirmation email on successful transfer of funds.
- (e) Ensure you have filled in correct details of PAN, folio number, DP ID and Client ID, as applicable, and all such other details as may be required.
- (f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

Don'ts for Investors applying through ASBA:

- (a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
- (b) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Don'ts for Investors applying through R-WAP:

- (a) Do not apply from bank account of third parties.
- (b) Do not apply if you are a non-resident Investor.
- (c) Do not apply from non-resident account.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- (b) Sending an Application to the Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- (c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (e) Account holder not signing the Application or declaration mentioned therein.
- (f) Submission of more than one application Form for Rights Entitlements available in a particular demat account.
- (g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- (j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.
- (l) Physical Application Forms not duly signed by the sole or joint Investors.
- (m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (n) If an Investor is (a) debarred by SEBI; 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 Entitlements.
- (o) Applications which have evidence of being executed or made in contravention of applicable securities laws.

Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds):

- (a) Applications by non-resident Investors.
- (b) Payment from third party bank accounts.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS OR THROUGH THE R-WAP PROCESS (AVAILABLE ONLY FOR RESIDENT INVESTORS), TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar 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. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company or the Lead Manager.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. This Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

2. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
4. 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 Application Form to the SCSB. 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.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “- Procedure for Applications by Mutual Funds” on page 140.

In cases where multiple Application Forms are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is Monday, August 10, 2020, *i.e.* Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, “- *Basis of Allotment*” on page 135.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the email withdrawal request to priya@cameoindia.com in case of Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Issue Schedule

Last date for Credit of Rights Entitlement:	Tuesday, July 21, 2020
Issue Opening Date:	Monday, July 27, 2020
Last date for on market renunciation of rights	Thursday, August 06, 2020
Issue Closing Date:	Monday, August 10, 2020
Finalization of Basis of Allotment:	Tuesday, August 18, 2020
Date of Allotment (on or about):	Thursday, August 20, 2020
Date of Credit (on or about):	Friday, August 21, 2020
Date of Listing (on or about):	Tuesday, August 25, 2020

Please note Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, by Wednesday, August 05, 2020 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.

For details, see “*General Information - Issue Schedule*” on page 134.

Our Board may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, 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 Renounees shall be subject to the permissible foreign investment limits applicable to our Company under FEMA.
- (b) As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored, therefore those Equity Shareholders holding less than 3 (Three) Equity Shares would be entitled to 'Zero' Rights Equity Shares under this Issue, Application Form with 'Zero' entitlement will be send to such shareholders. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the allotment of 1 (One) Rights Equity Share if, such Equity Shareholders have applied for the Additional Rights Equity Shares, subject to availability of Rights Equity shares post allocation towards Rights Entitlement applied for. 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 Renounees, 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 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:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank with list of Allottees and corresponding amount to be transferred to the Allotment Account. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank to refund such Applicants.

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will email Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner

In case of Allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:

- (a) the Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be opened by our Company;
- (b) within 6 (six) months from the Allotment Date, such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery;
- (c) Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;
- (d) In case of non-receipt of details of demat account as per (b) above, our Company shall conduct a sale of such Rights Equity Shares lying in the demat suspense account on the floor of the Stock Exchanges at the prevailing market price and remit the proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) to the bank account mentioned by the resident Eligible Equity Shareholders in their respective Application Forms and from which the payment for Application Money was made. In case such bank accounts cannot be identified due to any reason or bounce back from such account, our Company may use payment mechanisms such as cheques, demand drafts, *etc.* to such Eligible Equity Shareholders to remit such proceeds.
Such Rights Equity Shares may be sold over such period of time as may be required, depending on liquidity and other market conditions on the floor of the Stock Exchanges after the expiry of the period mentioned under (b) above. Therefore, such proceeds (net of brokerage, applicable taxes and administrative and incidental charges) by way of sale of such Rights Equity Shares may be higher or lower than the Application Money paid by such Eligible Equity Shareholders;
- (e) Our Company shall send reminder notices seeking the requisite details of demat account prior to expiry of time period under (b) above, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details. After expiry of time period under (b) above, our Company or the

- Registrar shall not accept any requests by such Eligible Equity Shareholders for updation of details of demat account under any circumstances, including in case of failure to sell such Rights Equity Shares;
- (f) After the consummation of the sale of Rights Equity Shares on the floor of the Stock Exchanges, our Company shall send an intimation to the respective Eligible Equity Shareholders, giving details of such sale, including the sale price and break-up of net brokerage, taxes and administrative and incidental charges; and
 - (g) If at the time of transfer of sale proceeds for default cases, the bank account from which Application Money was received is closed or non-operational, such sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law.
 - (h) In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Equity Shares shall be subject to sale process specified under (d) above.

Notes:

1. Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date and have not provided details of their demat accounts to our Company or the Registrar, at least two Working Days prior to the Issue Closing Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.
2. The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.
3. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares in proportion to amount paid-up on the Rights Equity Shares, as permitted under applicable laws.
4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).
5. **The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, etc., in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.**

Payment of Refund
Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (b) to (g) below.

- (a) Unblocking amounts blocked using ASBA facility.
- (b) NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability

of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

- (c) National Electronic Fund Transfer (“NEFT”) – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“IFSC Code”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- (d) Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) RTGS – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING

EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (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 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 Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc.*). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares in this Issue must check the procedure for application by and credit of Rights Equity Shares to such Eligible Equity Shareholders in “- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form” on pages 125 and 136, respectively.

Procedure for Applications 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.

Procedure for Applications 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.

Procedure for Applications 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) network

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.

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 StockInvest

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.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 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.

For further instructions, please read the Application Form carefully.

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 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 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.

Minimum Subscription

Pursuant to the SEBI Circular dated April 21, 2020, bearing reference no. SEBI/HO/CFD/CIR/CFD/DIL/67/2020 granting relaxations from certain provisions of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of 75% of the Issue Size, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. However, if our Company receives subscription between 75% to 90%, of the Issue Size, at least 75% of the Issue Size shall be utilized for the objects of this Issue other than general corporate purpose. In the event that there is a delay in making refund of the subscription amount by more than eight days after our Company becomes liable to pay subscription amount (*i.e.*, 15 days after the Issue Closing Date), or such other period as prescribed by applicable law, our Company shall pay interest for the delayed period, at rates prescribed under applicable law. Further, our Promoter and Promoter Group have confirmed that they will, subscribe to all of the unsubscribed portion in this Issue.

Important

- Please read this Letter of Offer carefully before taking any action. The instructions contained in the accompanying Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are 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 16
- All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “**Refex Industries Limited – Rights Issue**” on the envelope and postmarked in India or in the email) to the Registrar 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 / <https://rights.cameoindia.com/Refex>
SEBI Registration No.: INR000003753
- In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (<https://rights.cameoindia.com/Refex>). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is (**7338808559**)

This Issue will be kept open for a minimum period of 15 (fifteen) days. 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 June 29, 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 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 documents for inspection referred to hereunder, would be available on the website of the Company at www.refex.co.in from the date of this 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 and addendum agreement dated June 01, 2020, between our Company and the Registrar to the Issue.
3. Escrow Agreement dated June 22, 2020 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. Resolution of our Board/ committee of the Board dated June 10, 2020 approving the Issue Price, Rights Entitlement Ratio and determining the Record Date
5. Prospectus dated July 10, 2007 in respect of the initial public offering of Equity Shares by our Company.
6. Consents of the Directors, Company Secretary and Compliance Officer, Lead Manager, Legal advisor to the Issue, Registrar to the Issue and Banker to the Issue, to include their names in this Letter of Offer to act in their respective capacities.
7. Annual Report of our Company for the last five financial years ended March 31 2019, 2018, 2017, 2016, 2015 and audited financial results for financial years ended March 31 2020.
8. Statement of Tax Benefits certificate dated November 30, 2019 from M. Krishnakumar & Associates, Chartered Accountants, the Statutory Auditors of our Company.
9. Tripartite Agreement dated February 22, 2006 between our Company, National Securities Depository Limited and the Registrar to the Issue.
10. Tripartite Agreement dated March 31, 2007 between our Company, Central Depository Services (India) Limited and the Registrar to the Issue.
11. Due Diligence Certificate dated March 30, 2020 addressed to SEBI from the Lead Manager.
12. In-principle listing approvals dated May 26, 2020 and April 13, 2020 received from BSE Limited and from National Stock Exchange of India Limited, respectively

Any of the contracts or documents mentioned in this 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 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 Letter of Offer are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Name	Signature
Anil Jain <i>Chairman and Managing Director</i>	Sd/-
Dinesh Kumar Agarwal <i>Non-Executive Director</i>	Sd/-
Pillappan Amalanathan <i>Additional Director (Independent)</i>	Sd/-
Jamuna Ravikumar <i>Independent Director</i>	Sd/-

Name	Signature
U. Lalitha Chief Financial Officer	Sd/-

Date: July 17, 2020

Place: Chennai