

refex
INDUSTRIES LIMITED

ANNUAL REPORT

2021-22



CELEBRATING

20 | YEARS
OF
EXCELLENCE!

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Disclaimer

This document contains statements about expected future events and financials of Refex Industries Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Celebrating 20 Years of Excellence!



It has been a 20-year long journey of learning, resilience and agility, which Refex has traversed on the path of excellence. From the modest beginning as a refrigerant gas company, it has flourished and diversified in areas like coal & ash handling and power trading. Built on the strong founding principles of integrity, diversity, dedication, commitment and competitiveness, the Company is striving to achieve excellence in all endeavours. A 'Growth Mindset' is Refex's most powerful asset, which has allowed to seize emerging opportunities. It is this spirit of leading by example, customer centricity, constant improvement, integrity and transparency, which has provided the company as a competitive edge that has enabled it to meet the high expectations of all stakeholders.

As Refex is celebrating 20 years of completion of its business, the Company would like to look beyond stakeholders' value creation and commitment towards safety, protection of health, environment and sustainable development. As a company-wide goal, the Company has been deploying the resources sustainably. Refex's continuous improvement approach and adaptability to the ever-changing market needs has enabled it to grow as a global player. The core of the Company's business remains the commitment towards excellence in serving the clients

and aspire to practice cleaner and greener solutions in the industries in which it functions.

Acknowledging the fact that IT is a key business enabler in the current business environment, Refex has accelerated the digitisation of its business processes. This will enable the Company to further unlock value and ensure smart, connected and seamless engagement with the stakeholders. Furthermore, as a part of the Company's long-term diversification strategy, Refex has forayed into the power trading space.

Looking back, *Refex@20* is an inspiring and successful business story that effortlessly blends well with Refex's visionary ideology of growth and commitment. At this juncture, the Company strives to optimise the contribution to a sustainable future while meeting the business goals. Future-focused, Refex has been steadily resolving to become an ESG-compliant company across businesses. The Company is also determined to continue its search for innovative ways to serve the clients more efficiently and take Refex to the next level.

Refex Industries Limited

Celebrating 20 years of Excellence!

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

Refex owns a 5 MW ground-mounted solar power project since 2011 in Barmer District, Rajasthan. In 2013, the Company acquired its current name, Refex Industries Limited. Refex also diversified its business into coal handling and fly ash disposal in 2018. By the year 2022, the Company also received a license from the regulators for power trading.

Refex strives to have a conducive and sustainable work environment, grow its business' footprint and increase the value it provides to its stakeholders. Its leadership team, under the headship of Mr. Anil Jain, adheres to industry best practices and believes in them. The Company has also been working on innovative ways to grow its portfolio that will not only propel its growth but also help it to withstand the existing competition



Refrigerant Re-filling Factory

across industries. Its move of using eco-friendly HFCs has also been highly appreciated by the Central as well as the State Government of Tamil Nadu in the past.

Currently, Refex is in the business of refrigerant gases, coal and fly ash handling, solar energy, and power

trading. It firmly believes in the fact that every sustainable organisation must be driven by digitisation of the processes and operations, and introduce innovative solutions, and sound businesses practices. In addition, a strong team is an essential driving force of any sustainable business.



Refex's Goal

- At the core of our business remains our commitment to our clients
- To position Refex as a global player with a clear focus on each business
- To practice cleaner and greener solutions

Our Purpose



To contribute to creating a net carbon free world by accelerating the clean energy transition

Vision



To be the most preferred Company; committed to seeking growth and prosperity by achieving a sustainable competitive global share; using innovative solutions, technology and a team of good people.

It is our intent to develop quality partnerships with our shareholders, employees, suppliers, partners, customers and the community in which we operate. We wish to continually set standards of excellence, both personally and professionally, which exemplify our dedication to our goals.

Mission



We will strive to attain our goals by exceeding the needs & expectations of our customers with continuous improvements in quality, productivity, value creation, new product & service offerings and customer satisfaction. At Refex Group, we are dedicated to offering the highest quality products & services to our customers while achieving acceptable returns on investments.

Core Values



Customer Value:



To exceed customer expectations – consistently & constantly

Leadership by Example:



To set standards in our business and transactions and be a trendsetter for the Industry & ourselves

Integrity & Transparency:



To be ethical, sincere and open in all our transactions

Fairness:



To be objective and transaction-oriented and thereby earn trust and respect

Excellence:



To strive relentlessly, constantly improve ourselves, our teams, our services and products to become the best – by “Repeating Excellence”



Refrigerant Gases

Refex is a well-known brand in the refrigerant gas industry for the past two decades. Capitalising on its brand name, the Company intends to extend its geographical presence and portfolio to include innovative and environmental friendly products. This will help to mitigate risks associated with sourcing and environmental policy changes.

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

At Refex, HFC gases are procured and filled into different cans. Thereafter, these cans are distributed across India through the established supply and distribution chains. The gases are used in both the domestic and industrial sectors for air cooling, as aerosol propellants, and as blowing agents.

Sales

Particulars	Sales in MT
FY 2020-21	662.80
FY 2021-22	983.04

Key USPs

Use of disposable cans decreases the freight cost of returned empty cylinders and results in the hassle-free refilling of the gases.

Fully Automated Facility

The warehouse in Delhi helps reduce the delivery time to the northern part of the country.

Locations

Re-filling facility

Tamil Nadu

Distribution

PAN India

Commercial Warehouse

Delhi



Coal and Fly Ash Handling

Coal restrictions, the hike in prices of secondary coal and policy changes for imported coal have created a challenging environment. However, the Company is confident of overcoming it and taking this business to the next level in the near future.

Refex forayed in to the trading business of coal by supplying it to the thermal power plants located in Chhattisgarh and Maharashtra. Along with coal trading, the Company also started the ash disposal business. Refex also entered the business of coal crushing and coal yard management services with an aim to provide an uninterrupted supply of coal to run the power plant. The transportation of uncrushed coal happens through trucks and storage of the coal in the coal yard is done in the form of heaps. Then the crushed coal is directly placed in the hopper at the Coal Handling Plant (CHP) and the uncrushed coal is first crushed by passing through a grizzly before being utilised. Furthermore, the un-sized coal is broken into smaller sizes before it goes through this process.

To ensure the smooth functioning of the equipment of CHP, Refex also provides housekeeping services in the conveyor belt surrounding areas, cable trays, trenches, drains and sump pit where the spilled coal is collected and shifted manually with the help of adequate manpower.

The ash which is generated from the burning of coal in a thermal plant is stored in the silo and later transported to the businesses producing PPC cement. The undisposed fly ash is stored in the dyke and as per the requirement and then it is transported to the road contractors and for mine filling. Refex procures ash from the leading thermal power plants in the regions of Rajasthan, Maharashtra and Chhattisgarh. Refex supplies to the major cement manufacturers in Maharashtra, Chhattisgarh, Madhya Pradesh, Rajasthan. Refex is one of the largest ash disposal companies in Chhattisgarh.

Therefore, Refex provides a comprehensive end-to-end solution that involves handling the flow of coal throughout the plant from one location to another, from coal delivery to feeding into boilers. It has the credit of serving power plants with a cumulative capacity of 2,561 MW in the ash disposal across three states.

Till date, Refex has handled the disposal of more than 10 Million Metric Ton (MMT) of fly ash, across various locations utilising a fleet of bulkers, hyvas, and rail rakes.



- Refex has disposed-off nearly 10 MMT of ash since the beginning of its ash handling operations in 2018.
- Further, the Company has also traded about 2.5 MMT of coal since the beginning of its coal trading in 2018.

Key Achievements

- Refex has completely emptied the Ash Dyke of 0.43 MMT of Legacy Ash at its client's thermal power project site in Maharashtra, over a span of 2 years.
- Currently, the Company is disposing-off 12,000 MT of Fly and Bottom Ash on a daily basis.

Procuring ash from power plant

Chhattisgarh,
Maharashtra,
Rajasthan

Supplying ash to cement plants

Chhattisgarh,
Maharashtra,
Madhya Pradesh

Power Trading



In order to expand its business footprint and tap the market potential, Refex has diversified itself into carrying out the business of purchasing and selling all forms of electrical power/energy (which includes both conventional and non-conventional) among power users, producers, state electricity board, generating companies, and all other traders, including import and export of electricity, as well as supply and trading of electrical power in all States and Union Territories in India.

Refex was granted the Category-I Power Trading licence from the Hon'ble Central Electricity Regulatory Commission (CERC) in March 2022. This licence is valid for a time span of 25 years and it

allows the Company to trade in the electrical sector with no upper cap on the total volume of electricity, which it could trade annually.

In addition to this, the Company has opted for the membership of

Power Exchange India Limited.

The business has been operational from the time the license of power trading has been granted (in the month of March 2022).