"Refex Industries Limited

Q4 and FY '25 Results Conference Call"

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**MODERATOR:** **MS. SAKHI PANJIYARA – KIRIN ADVISORS**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q4 and FY '25 Results Conference Call of Refex Industries Limited hosted by Kirin Advisors Private Limited. Please note that this call will be for 1 hour. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Sakhi Panjiyara from Kirin Advisors. Thank you, and over to you, ma'am.

**Sakhi Panjiyara:** Thank you, and very good morning to everyone. On behalf of Kirin Advisors, I welcome you all to the conference call of Refex Industries Limited. From management team we have Mr. Anil Jain, Chairman and Managing Director, and Mr. Dinesh Kumar Agarwal, Whole-Time Director and CFO. Now I hand over the call to Mr. Anil Jain. Over to you, sir.

**Anil Jain:** Thank you, Sakhi. Good morning, everyone. A very warm welcome to Refex Industries' earnings conference call for the fourth quarter and financial year ended 31st March 2025. I truly appreciate your time and continued interest in our journey. It's always encouraging to engage with those who shared our belief in the power of sustainable business transformation.

FY '25 has been a year of dynamic execution and strategic progress for Refex. We have strengthened our market position across each of our core verticals while continuing to embed sustainability, digitalization and operational excellence at the heart of our business. At the macro level, India's thrust on infrastructure, energy security, renewable transition and green mobility has created a fertile ground for companies like us to lead with purpose. At Refex, we have capitalized on this momentum by remaining agile in our strategy, customer-centric in our execution and committed to scalable and future-ready operations.

Before diving into the numbers, I'd like to briefly reflect some key highlights from the year gone by. Our Ash & Coal Handling sector remains the backbone of our business, delivering efficient logistics services across more than 40 power plants across the country. With the handling capacity touching close to 70,000 metric tons per day and a 2,000-plus fleet strength this vertical continues to grow with our operational expertise and some strong policy tailwinds. We are actively expanding our presence to newer geographies within India and deepening existing partnerships.

Our green mobility platform operating under Refex Green Mobility Limited is fast becoming a symbol of our vision for decarbonized urban transport. With over 1,300 EVs deployed across key cities such as Bengaluru, Chennai, Hyderabad and Mumbai and with the tailpipe $CO_2$ abated to the tune of 21 lakh kgs of $CO_2$ already this vertical has not only been gaining scale but is also now evolving into a full stack mobility as a service offering with enterprise clients at the center.

Recently we have made a strategic realignment to our operations at Bangalore by phasing out the EV airport taxi services at Bangalore International Airport, which will help us sharpen our focus on the scalable B2B and B2B2C model transportation that will be anchored in long-term partnership and stable demand. The withdrawal of service from Bangalore Airport will help us save an annual fixed cost of INR6.82 crores and other variable expenses pertaining to the operation over there. The EV fleet has grown from 24 vehicles in March 2023 to over 1,300 vehicles today.

Now turning to the financial performance for the quarter and year ended March 31, 2025. On the stand-alone performance, total income for Q4 FY '25 stood at INR629.07 crores, reflecting a growth of 81.97% year-on-year. The EBITDA for Q4 stood at INR63.21 crores, up 45.3%. And net profit came in at INR57.09 crores, up 59.68% compared to the same period last year.

For the full year, total income stood at INR2,482.52 crores, representing a growth of 78.75% over FY '24. EBITDA for the full year stood at INR216.42 crores, up 45.48%. The net profit for FY '25 was INR189.41 crores, up 87.6% on a year-on-year basis.

On the consolidated performance, the consolidated income for Q4 FY '25 stood at INR643.88 crores and EBITDA for Q4 stood at INR63.82 crores, while net profit was at INR47.92 crores. FY '25 consolidated income for the year reached INR2,518 crores and EBITDA at INR209.81 crores, while net profit came to INR158.38 crores.

Across all metrics we have delivered strong year-over-year growth while maintaining healthy margins and efficient capital allocation. Our robust balance sheet, disciplined cost structure and data-driven governance mechanisms continue to serve as a key enabler of this performance. Looking ahead, we are entering FY '26 with a renewed optimism. With sustainability and stakeholder value creation at our dual North Star, Refex is poised to lead India's clean tech and infrastructure transformation.

Once again, thank you for your trust, belief and support. Your encouragement fuels our ambition to do better each day. I look forward to your questions and the rich discussion ahead. Thank you. Over to the questions, please.

**Moderator:** Thank you, sir. We will now begin with the question and answer session. The first question comes from the line of Vimox Shah from GoyamLabdhi Fintech Private Limited. Please go ahead.

**Vimox Shah:** Thank you for the opportunity. Sir, I have a question that, what are the e-technology advancements we are implementing for the further enhancement on the operational efficiency, so beyond the green mobility and increasing green mobility?

**Anil Jain:** On the green mobility, we are actually -- we are using as much as technology as possible for completely monitoring the operations of every vehicle. Even all the rostering of the people for using our vehicles is being done digitally now. The usage of the vehicle, the battery usage, the battery availability, the route taken by driver, everything is digitalized and everything is being monitored from a central control system center in our Chennai office.

**Vimox Shah:** Thank you.

**Moderator:** Thank you. The next question comes from the line of Narayan from Equitywise Research. Please go ahead.

**Narayan:** Congratulations on a good set of results, sir. If I go through your accounts deeply, sir, I have got something to observe. There is a negative cash flow of INR264 crores, while your net profit is INR158 crores, sir. Negative cash flow means that net profits are not converting into cash. That is slightly disturbing, sir.

**Dinesh Agarwal:** I'll take up this question. This is Dinesh Agarwal. See, if you have seen last quarter, our debtor days was 81 days and which has increased to 101 days. Everything, all receivable, all profit is converting into cash. Since the business has drastically gone up, the number of the debtor days has increased. While the business has drastically improved, we have from last year INR1,300 crores, we have crossed INR2,400 crores this year.

**Narayan:** Can I ask one more question, sir?

**Dinesh Agarwal:** Yes, please.

**Narayan:** You have infused preferential equity of INR 900 crores, sir. But at the same time, from the equity, you could have brought down your borrowings. But now it shows both your short-term borrowings are also increasing, sir. Why, sir, it is?

**Dinesh Agarwal:** Sir, out of INR 905 crores rate, INR 512 crores we have received. Whatever the borrowings are there, that is only the LC, sir. And whereas if you see the bank balance, which is there, plus there is a vehicle loan because of that, that vehicle loan which is payable within less than 12 months being classified under the short-term borrowing.

**Narayan:** Can I ask one more point, sir, if you, sir, allow me?

**Dinesh Agarwal:** Multiple people are in the queue, sir. I request if you can join back again the queue, you can ask again.

**Narayan:** Just one question, sir, just only one question, just one question.

**Dinesh Agarwal:** Yes sir, please.

**Narayan:** There is a GST demand from your notes, whether provision has been made or it has been treated as a contingent liability?

**Dinesh Agarwal:** It has been treated as a contingent liability.

**Moderator:** The next question comes from the line of Sumit Jain from Flawless Family Office.

**Sumit Jain:** Yes. So I had just one question. If I remember correctly, in your Q3 con-call, we had mentioned that Q4 is the best quarter for the company. So I just wanted to understand from a sequential basis, like what faltered because of which the revenue growth on a sequential basis we weren't able to grow, because we were supposed to handle the highest tonnage as well and the quarter was supposed to be the best for the company, so just wanted to understand from that perspective.

**Anil Jain:** So I think the major shift, I would say, was that the ash handling business has grown in this quarter, which is our key focus going forward also. The volumes have increased. And there has been a little bit of the margin pressure mostly because we have started many new sites currently because of that the margins have been a little lower. But I think currently with the number of power plants we have been able to get into and capture, we are on a fast growth trend, sir.

**Sumit Jain:** And will we be able to double down on the run rate or like the Q1, Q2 is going to be slightly on the slower side and the latter half of the year is going to be better?

**Anil Jain:** The Q1 will be a little because the rains will start by June, July in many of the states. So generally, the Q1 and the beginning of Q2 are always a little lag. They will be a little slow. Yes, after July-August they will start picking up.

**Dinesh Agarwal:** I'd like to point one more thing. Though the turnover is less, the profitability has been maintained and it is more. So our focus on efficiency is continuously it is going on. And where we are increasing the ash business where the margin is very high.

**Moderator:** The next question comes from the line of Rajesh Kumar from ACE Capital.

**Rajesh Kumar:** Yes. Out of your green mobility revenue this year, how much comes from the long-term contracts?

**Anil Jain:** Most of our business in B2B is long-term contracts only, sir.

**Moderator:** The next question comes from the line of Shaurya Punyani from Arjav Partners.

**Shaurya Punyani:** Sir, given that we have grown so much in FY '25, so what kind of growth momentum are we expecting in the next like, probably to the next, '27, the next 2 years?

**Anil Jain:** I think the growth is now -- we're already on a growth trajectory and the growth is continuously going to happen. And though we don't have any number indication being shared in the past and currently, but we definitely are going to grow multiples from here.

**Shaurya Punyani:** Okay. And from where -- which businesses will we see…

**Anil Jain:** The ash handling will be the core for our businesses. Most of our revenues next year and following years are going to come from ash handling, sir.

**Shaurya Punyani:** So our revenue mix will not change, you're saying?

**Anil Jain:** Revenue mix, if you see currently also power trading is reducing, all the low-margin revenues are reducing and high-margin businesses are growing, sir.

**Shaurya Punyani:** Okay, sir. And is it possible to share the margins of each business, like roughly?

**Anil Jain:** We don't have currently. Maybe we can -- again, on a separate call we can pull out the data and share with you, sir.

**Moderator:** The next question comes from the line of Vidyashankar an Individual Investor.

**Vidyashankar:** Pleased to be back after a short break. I was into multiple engagements and was not able to join your call. Hearty congratulations on the numbers, and our joy knows no bounds because we have been performing as per your commitment. Also, I want to congratulate the team for the timely decision to not get into the lending arrangement with Gensol which has saved the lives of millions of people.

Coming to my question, receivables and operating cash flow has got addressed. There is also a concern on the dipping margin in terms of percentage, Y-o-Y and Q-on-Q in terms of operating margins. That is one. And what about the -- is there any way like Kairosoft did a filing of a case on DSE for GSM.

Can Refex think on those lines because this ASM thing has been a long-drawn-out affair, I think more than 1 year this time again. Last time after a year we came out, but this time it's taking long.

**Anil Jain:** Thank you, sir. Thank you so much for your good words and appreciation and standing by us for many years. So to answer your first question, sir, the reason for dipping of margin is mostly because we have -- the PAT percentage is almost same if you look at the last year and this year, we have -- maybe this year we might be at 7.62%. But we will be growing from here because it is only a form where we are -- when we start the site, there are initial expenses, which are then amortized over the period of time, so most of these sites will start generating

And now when our revenues are more focused on ash handling, this year you will see a better margin on the total turnover.

**Vidyashankar:** PAT is not a concern, operating margin is the concern, correct.

**Anil Jain:** Sorry, sir. Yes, operating margin will also get better, sir, now this year going forward because the focus will be on ash. Second, yes, we are also not sure why we are in ASM stage, multiple stages. I think that's something which SEBI only can answer.

**Vidyashankar:** No. Actually, last time I fought with SEBI and NSE and I managed to get it out. But this time, my fight is falling on deaf years. And this time it is moving back and forth, 4, 3, 2, 1, like nobody's business. So this time I'm unable to fight with them. Last time I had a huge fight with them and I managed to get it within 3 months. But this time, even my fight is failing and I fail to understand.

I'm just suggesting like Kairosoft did once, did something out of the blue, they are a microcap. We are close to large cap. So can we think in terms -- it's a management call, sir. I can only suggest because that will only add to the comfort level of people to stay longer with you, to have the faith in you and the system also. We can't challenge the system, but we can question it.

**Anil Jain:** We'll legally check the viability and come back, sir. And we'll try and do the best for our shareholders, sir.

**Vidyashankar:** Sure, sir. We don't want to challenge it, but we can question it, yes.

**Anil Jain:** Sure. We'll work on that, sir. Thank you for the question.

**Moderator:** The next question comes from the line of Krishna Choudhary, an individual investor.

**Krishna Choudhary:** Yes. So first of all I want to know about the Ash & Coal Handling business. So sir, in Q4 we had mentioned that our daily capacity was increased from 60,000 tons to 70,000 tons from Q3. That was a 10,000 metric ton a day increase from Q3. But sir, in terms of revenues of this segment, the revenues dipped about INR100 crores in Q4 as compared to Q3. So just I wanted to know, sir, if the handling tonnage is rising. So is there a direct correlation between the revenues also? Or is there some other mix due to which the revenues got decreased?

**Anil Jain:** So if you see, the trading of coal has reduced in this quarter and ash handling has increased. Because the coal is a low-margin business, we have gradually reduced that business and increased the ash handling business. So while the total revenue by numbers would have reduced but the margins, if you see, have almost been getting better only, sir.

**Krishna Choudhary:** Yes, sir, the margins have definitely improved. And sir, regarding the total tonnage, if you could provide some for the FY '26, like if I'm correct, sir, we had mentioned 18 million tons for FY '25. We have been able to achieve around 10 million tons, if you could correct me. And why is it, sir, that there has been lesser tonnage done? And what is the tentative projection for FY '26, if you can give?

**Anil Jain:** So approximately, I think we'll be able to -- the current year's tonnage have not reduced drastically, I would say. But some of the -- I mean the future projection I think it will be a very confidential information to give the tonnage because the tonnage will be handled. But the market size, I can give you is very large, sir. And the number of plants we are operating has increased from 18 to 40, sir.

So you can definitely see the number of -- we have onboarded totally 20 new power plants in this quarter. So you can see that increase in tonnage happening next -- increase in value happening next year, sir.

**Dinesh Kumar Agarwal:** We have entered 15 states now. Previous year we have done 6 million. We have done 10 million this year. Definitely this coming financial year we'll do much better. And our presence in new states -- last quarter we have entered Uttar Pradesh and Jharkhand. And we are continuously capturing new geography so that we achieve more quantity of the work and also the business.

**Moderator:** The next question comes from the line of Dhanraj Tolani an Individual Investor. Please go ahead.

**Dhanraj Tolani:** Okay. So as you plan to grow your EV fleet to 5,000 by FY '27, so what is the investment needed and how will you fund it?

**Anil Jain:** So can you be a little louder, please? We are not able to make up what you say.

**Dhanraj Tolani:** I'm saying you plan to grow your EV fleet to 5,000 by FY '27. So what is the investment needed for that and how will you fund that?

**Anil Jain:** So most of these vehicles, we're going to raise a vehicle loan of about 80%. And the equity requirement is not going to be very high, it will be roughly about INR 50 crores, INR 60 crores. I think we already have raised enough capital. And there's more money, which is going to come from the preferential issue. That will be enough for us to fund this requirements.

**Dhanraj Tolani:** And one more question.

**Moderator:** I am sorry to interrupt Dhanraj. You can rejoin the queue for further question.

**Dhanraj Tolani:** Okay, sure.

**Moderator:** Thank you. The next question comes from the line of Ayushi Jain an Individual Investor. Please go ahead.

**Ayushi Jain:** Hi, good morning. Thanks for the opportunity. So my question is that how much of your refrigerant gas portfolio is now made up of eco-friendly or low-emission products?

**Anil Jain:** 100% of our refrigerant gas is only eco-friendly. From day one, we have been only dealing in HFC-based refrigerant gases.

**Ayushi Jain:** Okay. And are you planning to expand to more states for your ash handling or EV services?

**Anil Jain:** Yes, we are planning to grow across other states also.

**Ayushi Jain:** Okay. So which states?

**Anil Jain:** We are already there in about close to 15 states.

**Dinesh Kumar Agarwal:** 15 states.

**Anil Jain:** And we'll be going to another about 4 or 5 states in the next -- in this coming year.

**Ayushi Jain:** Okay. So which region are you targeting?

**Dinesh Kumar Agarwal:** Specially the Northeast.

**Ayushi Jain:** Northeast. Okay. Thank you.

**Moderator:** Thank you. The next question comes from the line of Mahesh Seth an Individual Investor. Please go ahead.

**Mahesh Seth:** Yes. Good morning. So my first question is that...

**Anil Jain:** Sir, can you be a bit louder we can't hear you.

**Moderator:** Be a little louder Mahesh.

**Mahesh Seth:** Yes. Can you hear me now?

**Anil Jain:** Yes, please.

**Mahesh Seth:** So my first question is that can you share how margins differ across your main businesses, like especially green mobility and power trading?

**Anil Jain:** Power trading the margins are very little. It's only 0.2%. If you look at our – sorry the - - one minute. So power trading is a very low margin business. We make very less margin of 0.2% or 0.3%. And we have slowly reduced that business drastically. The EV fleet currently is -- because it's an operating B2B business, currently we are losing money there, but this year we will become profitable, sir.

**Mahesh Seth:** Okay. Got it. And my next question is that are you facing a price challenges in importing refrigerant gases, especially from China?

**Anil Jain:** No, sir. We don't have any challenges.

**Mahesh Seth:** Thank you. That's it from my side.

**Moderator:** The next question comes from the line of Yashwanti from Kojin Investments. Please go ahead.

**Yashwanti:** So as we are looking to enter more focus on the corporate employee mobility services, so just wanted to understand like normally what is the contract period for whenever you get into for this contract -- sorry, the employee transportation contract and what is the feasible size to get into this contract with any corporate and the margins?

**Anil Jain:** So currently the contract size varies from anywhere between 6 months to 3 years. And for us, we look at minimum 5 vehicles as the minimum number for us to enter the company. But where the companies have very large requirement and if they start with two or three vehicles and we have a visibility of 50, 100 vehicles over the next 1 year, we are going ahead and starting business with all these corporates.

**Yashwanti:** Okay. And sir, how is the mobility, so what is the feasible contract size? I mean what is the contract size normally you enter into it?

**Anil Jain:** Minimum vehicle, we look at five vehicles for a company.

**Yashwanti:** So only in terms of the numbers of vehicles as [inaudible 26:57]

**Anil Jain:** That depends on the distance covered, where to pick up, where to drop. There are various other variable factors for these. For us, number of vehicles is the base for us to enter a company.

**Yashwanti:** And, sir, what will be the margin we enjoy in this business as we have moved from the airport, taxi and focusing on this. So I guess the margins comparatively much better?

**Anil Jain:** Generally, gross margins will be anywhere between 16% to 20%. And I think they will be profitable this year in this business because it's going to be only B2B.

**Yashwanti:** Okay. That's it from my side

**Moderator:** Thank you. The next question comes from the line of Saurabh Singhania an Individual Investor. Please go ahead.

**Saurabh Singhania:** Yes. So my first question is...

**Anil Jain:** Can you be a bit louder your voice is fading.

**Saurabh Singhania:** Now it's audible?

**Anil Jain:** Yes.

**Saurabh Singhania**: So we secured a wind turbine order from Torrent Power. So how much revenue do you expect from it?

**Anil Jain:** Can you repeat, sir, your voice is fading.

**Saurabh Singhania**: Now is it okay?

**Anil Jain:** Yes.

**Saurabh Singhania**: So my question is, so we secured a wind turbine order from Torrent Power. So how much revenue do you expect from it?

**Anil Jain:** You mean the wind turbine order from Torrent Power?

**Saurabh Singhania**: Yes. So how much revenue do you expect from it?

**Dinesh Kumar Agarwal:** It will be approximately about INR 750 crores of revenue, sir.

**Saurabh Singhania**: Okay. And the second is for the 1,000 EVs being added in the next year. So can you please explain the term of your partnership?

**Anil Jain:** So you're actually not very audible. Can you be more clear, please?

**Saurabh Singhania**: Now is it.

**Anil Jain:** Yes, it's better.

**Saurabh Singhania**: Okay. So my question is the 1,000 EVs being added next year. So can you please explain term of your partnership? Is it a fixed rental or is it less?

**Anil Jain:** Which 1,000 vehicles you're talking about?

**Saurabh Singhania**: The 1,000 EVs added in next year?

**Anil Jain:** I don't know where that information, which information you're referring to?

**Saurabh Singhania**: No, I'm talking about the partnership.

**Anil Jain:** Your question is not very clear. Can you repeat your question, sir?

**Saurabh Singhania**: Okay.

**Moderator**: We'll move on to the next participant that would be Krishnan Choudhary an Individual Investor. Please go ahead.

**Krishna Choudhary:** Yes, sir. Sir, my next question was regarding the wind power vertical. So recently, sir, we have planned a huge amount for that particular division. So I just wanted to know it is mostly in the form of corporate guarantees. So have we procured some major orders for which that would be used or how are we progressing on that vertical, if you could highlight that, please?

**Anil Jain:** Yes, like just now I mentioned, that is more for order from Torrent, which we have received for INR 750 crores, which will be executed this year, sir.

**Krishna Choudhary:** Okay. Sir, the whole revenue would be generated this year itself, FY '26?

**Dinesh Agarwal:** Over the period of next…

**Anil Jain:** Next 15 months actually.

**Krishna Choudhary:** Okay, sir. Thank you.

**Moderator:** Thank you. The next question comes from the line of Ridhi Gupta, an Individual Investor. Please go ahead.

**Ridhi Gupta:** Myself Ridhi Gupta. I have three questions to ask. Like one is what is the dividend and bonus plan for this year? And we have recently seen a lot of EV Veelz in the Bangalore and Chennai cities also. So what are your future projects? How much expansion are you planning to go ahead with that? And the third one is like, I've seen that you have come out from the Gensol also. And so what was the learning from the Gensol?

**Anil Jain:** The first answer to your third question, I think this is more an earnings call. So we'll not talk about learnings here. We'll have some other call to our advisers and share those data. Second, yes, we are growing EV business. Our focus is going to be B2B and B2B2C. And we are already there in 4 cities. And we look forward to grow in many more cities. The third question was on bonus and dividend. I think it's a Board's call. So I'll leave for the Board to make a decision on that.

**Ridhi Gupta:** Okay. So how much expansion are you planning for the EV wheels and in what timeline?

**Anil Jain:** Sorry, by -- you mean the number of vehicles or what is the question?

**Ridhi Gupta:** Yes, the number of vehicles and the number of cities?

**Anil Jain:** Yes, we plan to grow too many more cities. We currently are in 4 cities. We look forward to growing at least another 3, 4 cities in this year.

**Ridhi Gupta:** Okay. Thank you.

**Moderator:** Thank you. The next question comes from the line of Yash Kukreja from Equitree Capital. Please go ahead.

**Yash Kukreja:** Sir, I believe ash and coal handling business is the major contributor to our total revenue. And as per your previous comments also, it will be in the similar lines going forward. So sir, could you help me with the market share, our market share and also the guidance and sustainable margins in this segment?

**Anil Jain:** Currently, our market share is less than 2% or I would say less than 1.5% in the country. And the industry is growing very, very sharply. I mean there's a lot of -- see, the coal demand is growing and the thermal power generation will never reduce, because of requirement of the thermal requirement, power requirement of the country.

So, I think the ash is going to be generated and the disposal of that will become very, very important. Because we are the only organized player in the country, we see that the scope of our growth is very, very high. And the increase in the number of power plants from 15 to 40 this year, 25 to 40 this year, I think we'll be growing much faster.

We want to have a substantial market share in the country over the next 5 years. We want to be at least in a 10% plus bracket of market share in the country, sir.

**Yash Kukreja:** Okay. And sir, any guidance on sustainable margins in this segment?

**Anil Jain:** The margins will get better as we grow from the current margins of about 7.62%. I think overall, as a company, we should grow to close to 10% margin over the next 1 or 2 years.

**Yash Kukreja:** Okay. And, sir, top line guidance?

**Anil Jain:** On top line guidance, we don't have a number, but yes, we'll be growing substantially in this year.

**Yash Kukreja:** Okay. So it will be in similar lines as we have done in the past few years?

**Anil Jain:** Yes, the growth will be good.

**Yash Kukreja:** Okay. Thank you so much, sir.

**Moderator:** Thank you. The next question comes from the line of [Raj Sheth from Abans Investment Managers 34:59]. Please go ahead.

**Raj Sheth:** I have a question regarding refrigerant gases. Can you help me understand the price trend of R-32 Gas, [R-134a and R-410a 35:25]?

**Anil Jain:** So these price sensitive are very -- this is a very confidential information for customers. So we would not want to disclose the prices on the call, sir.

**Raj Sheth:** Okay, sir.

**Moderator:** Thank you. The next question comes from the line of Ashish from Kofo.

**Ashish:** So, I just saw a note in the -- about the results saying that there is a demand of around INR29 crores from CGST Act under Section 74. And have you created a relevant and deferred provision for that?

**Dinesh Agarwal:** Only it has been classified as a contingent liability. There is no provisions required. We are confident that we'll win this case in the appeal.

**Ashish:** Okay. Like, is it virtually certain or it is…

**Moderator:** Ashish, I would request you to re-join the queue for any further questions so that the management can address…

**Dinesh Agarwal:** Ashish, just to clarify, we are confident about winning this case. This is happening for all the group across India. And we are confident on -- since we are working on an unorganized business where we engage various local contractors. And there is a challenge for them on certain compliances. Because of their non-compliances, we have got the demand and we are confident to win this case.

**Ashish:** Yes, yes. Thank you very much.

**Moderator:** Thank you. The next question comes from the line of Rahil Shah from Crown Capital. Please go ahead.

**Rahil Shah:** Yes, sir, just one question. So you closed this FY '25 with a PAT margin of 6.4%, okay, on a consolidated level. Now given the kind of multi-fold growth that you are speaking of, can we expect PAT margins to be 10% in the next 1 to 2 years?

**Dinesh Agarwal:** There are 2 things which will add to our PAT margin because we have removed the -- we have withdrawn our services from the Bangalore Airport for a subsidiary company where we were losing money for the Bangalore Airport B2C services. It will add some more -- we will not lose money there. So that will help us to regain our PAT margin.

And apart from that, even in the Ash & Coal Handling business where we are focusing, we will be able to make the margins better. I think in the next 2 years to 3 years we are targeting a 10% margin.

**Rahil Shah:** In the next 2 years to 3 years on a consolidated level, right?

**Dinesh Agarwal:** Yes, PAT margin.

**Rahil Shah:** Okay. That's it. Thank you so much.

**Moderator:** The next question comes from the line of Sumit Jain from Flawless Family Office.

**Sumit Jain:** Yes. So you've already answered that we have won one project on the wind energy front. But I just wanted to understand what plans do we have going forward with regards to this segment, right? Because we've been talking about coal ash handling being the foremost segment that we want to focus on. But are we also going to apply and bid for more tenders in this segment? Or this is not the priority for the company for this financial year?

**Anil Jain:** So, this current year we are working on various other contracts also. Slowly we want to grow this business also. Over the next 2, 3 years we also want to be a leading wind turbine supplier in the country. So this business will also grow gradually. But we want to take one step at a time and with one supply, and then once we are confident we want to grow this business again, sir.

**Sumit Jain:** Okay. Thank you. Is this a trading business or a manufacturing business…

**Moderator:** I'm sorry to interrupt, Sumit. I would request you to rejoin the queue for any further questions.

**Sumit Jain:** Yes.

**Moderator:** Thank you. The next question comes from the line of Rajesh Kumar from ACE Capital. Please go ahead.

**Rajesh Kumar:** Yes. So my question is has your renewable energy O&M subsidiary won any more deals beyond the Torrent Power project?

**Anil Jain:** Sorry, can you repeat the question?

**Dinesh Agarwal:** Yes. No, I'll take that. Yes, we'll be doing -- we are discussing with top IPPs in India. And we'll be doing more projects. And that is also a focus area. And we'll be doing more projects there as answered in the previous question.

**Rajesh Kumar:** Okay. Thank you. That's it from my side at the moment.

**Moderator:** Thank you. The next question comes from the line of Rohan Vora from Envision Capital. Please go ahead.

**Rohan Vora:** Hello. Thank you for the opportunity. So sir, just wanted to understand what is our wind turbine capacity today? And what is the kind of competitive intensity that you are seeing in the industry? In addition to that, also wanted to know what your margins will be in this business? Thank you.

**Anil Jain:** We are starting off with CKD and going to get into manufacturing. The capacity of our turbine is 5.3 megawatt single turbine, which is currently one of the largest in the country. And we'll be the first to do the CKD and manufacturing. And going forward, we see the potential for this business is going to grow. And this technology definitely is going to be superior to all the existing technologies. Also, this is going to have -- this can generate more energy at a lower wind speed also with higher -- the towers will be about 130 meters.

**Rohan Vora:** And sir, about the...

**Moderator:** I'm sorry to interrupt, Rohan. You may rejoin the queue for any further questions. Thank you.

**Dinesh Agarwal:** Just to clarify, margin will have the -- we have a better margin, but there is a competition. There is a huge competition in this line of business. And since we have a superior technology and superior partner, we are confident that this business will have a better profitability.

**Rohan Vora:** Okay. Thank you.

**Moderator:** Thank you. The next question comes from the line of Shaurya Punyani from Arjav Partners. Please go ahead.

**Shaurya Punyani:** Sir, just a clarification, I missed the earlier part. So that wind turbine orders, so are we manufacturing it or we are sourcing it from somewhere?

**Anil Jain:** Like we said, the first year will be CKD and second year will be manufacturing over there.

**Shaurya Punyani:** Second year...

**Dinesh Agarwal:** We are starting with the CKD import and doing an assembly in India. Over a period of time, we have an 18 months plan to do the localization in India.

**Shaurya Punyani:** Okay. We will start our own manufacturing unit then?

**Dinesh Agarwal:** Yes, yes.

**Shaurya Punyani:** Okay. Thank you.

**Dinesh Agarwal:** We have already taken a factory in Silvassa and we'll be doing the localization in India.

**Moderator:** Thank you. The next question comes from the line of Ashish from Kofo Engineers

**Ashish:** When you were answering my previous question, you said the business is very much unorganized. So why it is unorganized, like why are you telling that it is unorganized? This was I need to understand that.

**Anil Jain:** Sorry, can you repeat your question, sir?

**Dinesh Agarwal:** Ash business is largely it is unorganized today. Every power plant engages the local transporter and they do the business. Why it is unorganized, I will not be able to answer. This is how the currently in India it is operating. And few players like we, we are the India's largest ash handling company. And we are organizing the market, providing the benefit of organized player benefit to the power plant in India with various technology and also with the respect to the compliance.

Where the unorganized players are not able to do the certain compliances - is we are fully compliant being a listed company, both with respect to labor laws and the fiscal laws, we are fully compliant - compliances, we are giving it to the power plants. And also, we are providing the various technology supports, like having the GPS for each of the vehicle, having the tracking, setting up a control center, providing all the data, doing the geo-tagging for the dispatch, complete dashboards we are providing to all the power plants in India. Currently it is 95% of the market is completely unorganized.

**Moderator:** The next question comes from the line of Vidyashankar, an individual investor.

**Vidyashankar:** My next question was the next foray, like we did a very good thing from core competency, we went to EV back to core competency. Now we are kind of diversified. So is green energy and wind turbine related to solar energy, is this a allied business opportunity that Refex can look into?

**Anil Jain:** Sir, it was an opportunity which came to us for manufacturing wind turbine. And looking at the growth and the need in the country for alternate energy and renewable energy, I thought we took up this partnership. And we are developing this business. I think this business will grow in the country over the next few years.

**Dinesh Agarwal:** And also, it is an allied business, since it is again a power industry. Our already association there with the IPP player and we are -- it is a continuous relationship, same thing.

**Vidyashankar:** Yes. That was the thought. EV, power trading, now wind energy, green energy should be the next logical step forward.

**Dinesh Agarwal:** Yes.

**Moderator:** The next question comes from the line of Krishna Choudhary, an individual investor.

**Krishna Choudhary:** Yes, sir. As you mentioned previously that we are planning to increase our market share in Ash & Coal Handling from 1.5% to across 10%. So just I wanted to understand, sir, what benefit does the power plant have that we get the orders and how do they select the vendors? Is it only basis the low-cost bidder gets the project? Or do they look at other parameters like the quality, technological qualification? I'm just asking what do the customer looks when they finalize the vendor?

**Anil Jain:** Sir, we just answered this that what benefit we bring to the customers. We bring digitalization. We bring compliances. This ash which is being generated is an environmentally hazardous product for the power plant. So they need somebody who can really handle this well and ensure that all the compliance with regard to environment is done.

So we bring that strength. And if you look at our growth in the last 2 years from zero to where we are today, that itself should demonstrate that people are looking -- large companies are looking at organized player for disposing this ash. And we are confident to grow in the sector, sir.

**Moderator:** The next question comes from the line of Samarth Shah, an individual investor.

**Samarth Shah:** First of all, I like to congratulate the entire Refex team for a wonderful year. You've breached INR 2,000 crores revenue, so congratulations for that. And thank you for creating shareholders wealth. I have been invested in this company since the last 3, 3.5 years. Congratulations for that.

And my question is regarding the cash flow statement, there is one line item like increase in current and noncurrent assets. It has gone up by INR 269 crores. So I want to know what exactly are the main contributors to this?

**Dinesh Agarwal:** This is more of a vendor advance and another is the unbilled revenue. One is the vendor advance for the business for the first quarter, which we have already booked and will be executing in the April month, majorly in the April month and the May month. And there is another part in that is the unbilled revenue where the business has happened in the March month and February month.

But since the billing could not be done and billing is happening in the April 1st week and the April 2nd week that is reflecting as a noncontract assets. And another part is, in our receivables, the one part is a retention and the retention receivable is also in that, included in that.

**Samarth Shah:** So in the receivables part, sir, I wanted to know whether the debtors, are you getting -- the debtor days is roughly about, what, 90 days? Because in the last to second last call, Anil sir had told that from the billing process till the time you get collections it takes about 90 days. So is that the same benchmark? Or has it increased or decreased I wanted to know.

**Dinesh Agarwal:** It increased, sir. It is 113 days now. It is...

**Anil Jain:** 101 days. 101 days.

**Dinesh Agarwal:** 101 days. It is earlier it was 81 days.

**Samarth Shah:** Okay, sir. So any guidance for that for reduction, anything possible in the next coming year?

**Dinesh Agarwal:** Yes. See, but since we are working with government business, it will be anywhere between 80 to 90 days for some period of time. Once the cycles get established, it will reduce. So I see another 2 quarters to 3 quarters, it will be between 80 to 90 days.

**Moderator:** The next question comes from the line of Prashant from TCL.

**Prashant:** Sir, I just wanted to check, I understand this question might fall under the umbrella of Refex Renewables also which have not declared its results yet. But the segregation of businesses, if you can share broadly how will it be -- what will be under subsidiary of Refex Industries and what will be done by Refex Renewables? That is one.

And a side question is the manufacturing knockdown turbine that we are importing, which is a technology provider with which we will be assembling in Silvassa factory? I missed that if it was shared earlier.

**Anil Jain:** Sir, I'm sorry. We'll only talk about Refex Industries today. Refex Industries like, you know, are 2, 3 sectors, Ash & Coal Handling business currently in the Refex Industries, then we have Power Trading and Refrigerant Gases. We have 2 subsidiaries. One is into employee mobility -- green mobility. Second is into wind turbine manufacturing, sir.

**Prashant:** Okay, sir. And which technology partner will be there for the wind turbine manufacturing eventually or the imported assembly that we are doing right now?

**Anil Jain:** We work -- we have tied up with a company called Vensys, it's a German company.

**Prashant:** Sorry, sir, I couldn't catch that.

**Anil Jain:** Vensys, V-e-n-s-y-s, German manufacturing, German company.

**Moderator:** The next question comes from the line of Ashish from Kofo Engineers.

**Ashish:** So referring to your segment revenues disclosed in consolidated figures. So you have a loss from wind power. May I know like what is the reason for that? Because revenue is absolutely like, there is no revenue from wind power, but is it a burning business of yours?

**Anil Jain:** It is the original -- we are only established the company now. These are all...

**Dinesh Agarwal:** First year of operative.

**Anil Jain:** First year of preoperative expenses and operative expenses. It is not a burning business.

**Moderator:** Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to Ms. Sakhi Panjiyara for the closing comments.

**Sakhi Panjiyara:** Thank you, everyone, for joining the conference call of Refex Industries Limited. If you have any queries, you can write to us at research@kirinadvisors.com. Once again, thank you, everyone, for joining the conference. Have a nice day.

**Anil Jain:** Thank you, everyone.

**Dinesh Agarwal:** Thank you.

**Moderator:** Ladies and gentlemen, on behalf of Kirin Advisors Private Limited, that concludes this conference. You may now disconnect your lines.