



April 25, 2025

<b>The BSE Ltd.</b> 1 <sup>st</sup> Floor, New Trading Wing, Rotunda Building Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai – 400001 <b><u>Scrip Code: 532884</u></b>	<b>The National Stock Exchange of India Ltd.</b> Exchange Plaza, 5 <sup>th</sup> Floor, C – 1, Block G Bandra – Kurla Complex, Bandra (E) Mumbai – 400051 <b><u>Symbol: REFEX</u></b>
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**Ref.: Regulation 30 and 47 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).**

**Subject: Publication of Extracts of the Audited Financial Results, both standalone & consolidated basis, for the 4<sup>th</sup> Quarter and Financial Year ended March 31, 2025, in Newspapers.**

Dear Sir(s)/ Madam,

This is further to our earlier announcement dated April 23, 2025, we hereby submit the copies of the extracts of the audited Financial Results, both standalone & consolidated basis, for the 4<sup>th</sup> quarter and Financial Year ended March 31, 2025, published in the following newspapers, as per the requirements of Regulation 47 of the SEBI Listing Regulations:

1. Business Standard (All Editions dated April 25, 2025) – English
2. Dinamani (All Editions dated April 25, 2025) – Tamil.

It may be noted that the Audited Financial Results for 4<sup>th</sup> Quarter and Financial Year ended March 31, 2025, have been considered and approved by the Board of Directors of the Company, at its meeting held on April 23, 2025 and were submitted to the stock exchanges, i.e., the BSE Limited and National Stock Exchange of India Limited, on the same day.

Kindly take the above information on your records

Thanking you,

Yours faithfully,

For **Refex Industries Limited**

**Ankit Poddar**  
**Company Secretary**  
**ACS-25443**  
**Place: Chennai**

**Refex Industries Limited**  
A Refex Group Company

**CIN: L45200TN2002PLC049601**

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# DIVERSIONARY TACTICS

The Gensol saga is the latest in a list of corporate cases where promoters redirected funds at will and whim. It's yet another wakeup call

KHUSHROO TIWARI & SAMIE MODAK  
Mumbai, 24 April

Earlier this month, the Securities and Exchange Board of India (Sebi) dropped a bombshell on Gensol Engineering. It barred promoters Anmol Singh Jaggi and Puneet Singh Jaggi from both the securities markets and directorial roles. The charge was that they had allegedly diverted a loan of over ₹262 crore meant for procuring 6,400 electric vehicles (EVs) to buy luxury real estate, including a 43 crore apartment in The Camellias, DLF's uber-luxury project at Gurugram, and for personal expenses such as international travel and credit card bills.

Sebi's interim order painted a damning picture: The Jaggi brothers had treated the listed company as their "personal piggy bank," routing funds through shell entities and submitting forged documents to mask loan defaults. The stock plummeted, hitting lower circuits and leaving 100,000 retail investors stranded.

This is not an isolated incident. In 2019, Religare Enterprises faced a similar scandal when the Enforcement Director uncovered a \$400 million diversion by former promoters, Malvinder and Shivinder Singh. Funds from Religare's subsidiary were allegedly funnelled through a Mauritius-based entity to a company based in tax haven Jersey, allegedly for the promoters' benefit. The Singh brothers' stake dwindled to 0.88 per cent by 2020, yet legal battles continue,

**Shriram Subramanian, founder of InGovern Research, said there may be other cases similar to Gensol's, which have yet to be uncovered**

with Sebi demanding fines and disgorgement. Zee Entertainment Enterprises, too, has been embroiled in a fund diversion case since 2023. Sebi accused promoters Subhash Chandra and Punit Goenka of siphoning off ₹200 crore through layered transactions involving 13 entities, some linked to the earlier Shirpur Gold Refinery fraud. The case drags on, with no resolution in sight.

Other high-profile cases mirror this pattern. DHFL's (formerly Dewan Housing Finance Corporation Ltd) promoters allegedly diverted ₹29,000 crore through 66 entities with minimal assets, triggering one of India's biggest financial frauds. Infrastructure Leasing & Financial Services Ltd's (IL&FS) collapse in 2018 exposed a ₹91,000 crore debt pile, where funds were misused to prop up group companies, leaving investors and lenders in the lurch.

Instances of fund misuse are more pronounced among small and medium enterprises (SMEs), where rules are less stringent than for mainboard companies, but they don't get as much attention.

Some recent cases include Varanium Cloud, where funds raised through its IPO were allegedly diverted to other entities; SecUR Credentials, where funds were diverted to promoters and directors, including independent directors; and Add Shop E-Retail, where financials were manipulated to present a rosier picture.

These cases not only erode investor wealth but also undermine confidence in India's \$5 trillion market ecosystem.

## Unmasking corporate greed

Akshat Pande, managing partner at law firm Alpha Partners, argues that the issue lies not in the absence of regulations but in their delayed enforcement and lax due diligence by lenders.

"Questions should be asked about what due diligence was done by Indian Renewable Energy Development Agency (Ireda) and Power Finance Corporation (PFC) while granting loans to Gensol," he says. "Gensol had availed of a ₹978 crore term loan from state-owned lenders Ireda and PFC. Of this, ₹664 crore was for buying 6,400 EVs, which were to be subsequently leased to BluSmart. However, the company had bought only 4,700 EVs for ₹567 crore.

Pande calls for concerted legal action by lending agencies and suo motu intervention by the Reserve Bank of India (RBI) to probe lending irregularities.

He, however, warns against overly intrusive regulations that could stifle genuine businesses, advocating instead for strict punishment for the guilty. "The system is robust if followed in letter and spirit," he says.

Parag Srivastava, partner at Bombay Law Chambers, highlights the complexity of detecting fund diversions. "Sebi's action in Gensol followed a complaint in June 2024 and a detailed investigation involving multiple entities and physical verifications," he explains. The delay, he argues, stems from the intricate nature of these schemes, not regulatory loopholes.

To prevent such cases, Srivastava suggests mandatory disclosures of fund utilisation, stronger whistleblower mechanisms, and artificial intelligence (AI)-driven data analysis to flag suspicious transactions. He also proposes strengthening the Investor Protection Fund (IPF) to compensate affected shareholders, and limiting prolonged litigation by streamlining appeals.

Shiju PV, senior partner at Indialaw, New Delhi, takes a broader view, attributing fund diversions to systemic failures across audits, lending practices, corporate governance, and regulatory oversight.

"Auditors lack forensic expertise, lenders disburse loans without robust monitoring, and boards fail in their fiduciary duties," he says. He points to dual-regulated entities like Religare, which slip through cracks due to fragmented oversight by Sebi and RBI. To address this, Shiju advocates mandatory forensic audits, real-time loan monitoring, stricter accountability for

auditors and directors, and enhanced inter-regulatory coordination. "Swift enforcement and deterrent penalties are essential to break the culture of impunity," he asserts.

**Investors' plight**  
For investors, these scandals are a nightmare. After Sebi's crackdown, stocks, such



ANMOL SINGH JAGGI



PUNEET SINGH JAGGI

## VALUE MELTDOWN

Companies facing allegations of promoter misconduct have seen significant destruction of shareholder wealth

	Mcap (₹ cr)		Change (%)
	Peak	Trough*	
Gensol	5,041	364	-93
Zee Entertainment	58,914	8,661	-85
DHFL	21,315	271	-99
Varanium Cloud	1,534	32	-98
SecUR Credentials	143	6	-96
Add-Shop E-Retail	325	22	-93

\*After hitting peak valuations  
Compiled by BS Research Bureau

Source: Bloomberg

as Gensol's, crash and often hit lower circuits for days, leaving shareholders trapped. In Zee's case, too, its stock came crashing down, hurting several retail and institutional investors such as mutual funds.

"There may be other cases similar to Gensol's, which have yet to be uncovered," says Shriram Subramanian, founder of InGovern Research, a Bengaluru-headquartered voting recommendation and governance firm. "Investors, both institutional and venture capital firms, need to be vigilant. They should actively look for indicators that raise concerns, and conduct thorough research. This due diligence can help build confidence among retail investors."

Prolonged litigation, as seen in Zee and Religare, further erodes investor confidence, with settlements often leaving shareholders shortchanged. Srivastava suggests temporary trading halts or class-action lawsuits to empower investors, while Pande

stresses that post-facto litigation yields little. He instead urges preventive due diligence by lenders.

The experts agree on one thing: Prevention is better than cure. Strengthening forensic audits, enhancing whistleblower protections, and using AI for real-time transaction monitoring could catch diversions early. Lenders must prioritise due diligence and end-use monitoring, while regulators like Sebi and RBI need to collaborate to plug oversight gaps.

Swift enforcement, as Shiju emphasises, is critical to deter future frauds. For investors, an empowered Investor Protection Fund and streamlined legal recourse could mitigate losses.

India is the world's fifth-largest stock market, so restoring trust in it is paramount. Scandals such as these serve as a wakeup call. Without systemic reforms, the cycle of corporate greed will continue, leaving investors to suffer the consequences of promoter excesses.

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## Opinion, Insight Out

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### Extract of Audited Financial Results for the Quarter and Year ended 31<sup>st</sup> March 2025

(₹ in lakhs)

S.No.	Particulars	Standalone					Consolidated				
		Quarter Ended		Year Ended			Quarter Ended		Year Ended		
		Mar 31, 2025	Dec 31, 2024	Mar 31, 2024	Mar 31, 2025	Mar 31, 2024	Mar 31, 2025	Dec 31, 2024	Mar 31, 2024	Mar 31, 2025	Mar 31, 2024
1	Total Income from Operations	62,907.48	73,347.63	34,569.90	2,48,251.51	1,38,870.46	64,388.39	74,192.18	35,031.02	2,51,802.12	1,40,099.65
2	Profit/(Loss) before exceptional and extraordinary items and taxes	7173.86	7,097.17	4,250.58	24,068.69	13,170.46	5,951.73	5,931.41	3,656.16	19,991.36	12,133.19
3	Profit/(Loss) before taxes (after exceptional and extraordinary items)	7173.86	7,097.17	4,252.37	24,068.69	13,170.46	5,951.73	5,931.41	3,657.95	19,991.36	12,133.19
4	Profit/(Loss) after taxes (after exceptional, extraordinary items, and associates share)	5,709.11	5,903.61	3,575.44	18,941.10	10,094.72	4,792.17	5,005.33	3,337.37	16,838.35	9,297.87
5	Total Comprehensive Profit/(Loss) for the period	5,644.93	5,904.17	3,578.11	18,876.37	10,076.63	4,647.02	5,004.77	3,340.61	16,693.01	9,280.08
6	Paid-up Equity Share Capital (face value of Rs.2/- each)	2,583.65	2,577.75	2,313.63	2,583.65	2,313.63	2,583.65	2,577.75	2,313.63	2,583.65	2,313.63
7	Reserve (excluding revaluation reserve)	NA	NA	NA	1,22,439.28	44,951.92	NA	NA	NA	1,18,695.76	44,244.19
8	Basic Earnings per share (in Rs.)	4.42	4.70	3.23	15.46	9.12	3.71	3.99	3.02	12.93	8.40
9	Diluted Earning per share (in Rs.)	4.19	4.55	3.21	14.80	9.08	3.52	3.66	3.00	12.38	8.36

### Notes:

- The above is an extract of the detailed format of quarterly and year ended financial results as on 31<sup>st</sup> March, 2025 filed with the Stock Exchange under Regulation 33 of the SEBI (LODR) Regulations, 2015. The full format of the Financial Results are available on the Stock Exchange websites (www.bseindia.com & www.nseindia.com) and on the Company website (www.reflex.co.in).
- The financial results of the company have been prepared in accordance with the Indian Accounting Standards (IND-AS) notified under Sec.133 of the Companies Act, 2013.
- Figures have been re-grouped/re-classified/restated to make them comparable to the figures wherever necessary.
- The above audited results were reviewed by the Audit Committee and approved by the Board of Directors in the meetings held on 23<sup>rd</sup> April 2025.



By Order of the Board  
For Reflex Industries Limited  
T. Anil Jain  
Chairman & Managing Director  
DIN: 00181960

Place: Chennai  
Date: April 23, 2025

