



**REPORT OF THE AUDIT COMMITTEE OF REFEX INDUSTRIES LIMITED RECOMMENDING THE DRAFT COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT AMONGST REFEX GREEN MOBILITY LIMITED AND REFEX INDUSTRIES LIMITED AND REFEX MOBILITY LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS AT ITS MEETING HELD ON SEPTEMBER 22, 2025 AT 04:00 PM AT REFEX GROUP, 1<sup>ST</sup> FLOOR, 67, BAZULLAH ROAD, PARTHASARATHIPURAM, T. NAGAR, CHENNAI - 600017, TAMIL NADU, INDIA.**

The following Audit Committee Members were present:

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|-----------------------------------|---|
| 1. Mr. Ramesh Dugar               | : Chairman, Independent Director              |
| 2. Mr. Sivaramakrishnan Vasudevan | : Member, Non -Executive-Independent Director |
| 3. Mr. Dinesh Kumar Agarwal       | : Member, Executive Director                  |

**In attendance:**

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| 4. Ankit Poddar | : Company Secretary and Compliance Officer |
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**1. Background**

- 1.1. A meeting of the Audit Committee of Refex Industries Limited ("**Transferee Company**" or "**Demerged Company**" or "**RIL**") was held on September 22, 2025 to inter alia consider and recommend the draft composite Scheme of Amalgamation and Arrangement amongst Refex Green Mobility Limited ("**Transferor Company**" or "**RGML**") and Refex Industries Limited ("**Transferee Company**" or "**Demerged Company**" or "**RIL**") and Refex Mobility Limited ("**Resulting Company**") and their respective shareholders and creditors under Sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 ("**Act**") ("**the Scheme**").
- 1.2. The said proposal would involve:
  - Amalgamation of Refex Green Mobility Limited ("**Transferor Company**" or "**RGML**") with Refex Industries Limited ("**Transferee Company**" or "**RIL**"); and
  - Demerger of the Green Mobility Business of RIL (vested in RIL pursuant to amalgamation of RMGL with RIL) into Refex Mobility Limited ("**Resulting Company**")
  - Various other matters consequential or otherwise integrally connected therewith, with effect from the Appointed date or such other date as may be approved by the National Company Law Tribunal ("**NCLT**") or any other competent authority, in accordance with terms of the composite Scheme. The said proposal is to be implemented in accordance with Section 230 to 232 of the Companies Act, 2013 as may be applicable.
- 1.3. Refex Industries Limited ("**Transferee Company**" / "**Demerged Company**" or "**RIL**"), a company incorporated under the Companies Act, 1956 and existing under Companies Act, 2013 having CIN L45200TN2002PLC049601 with its registered office at 2nd Floor Refex Towers, 313, Valluvar Kottam High Road, Nungambakkam, Chennai – 600034. The equity shares of RIL are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**").
- 1.4. Refex Green Mobility Limited ("**Transferor Company**" or "**RGML**"), a company incorporated under the Companies Act, 2013 having CIN U74909TN2023PLC158849 with its registered office at 2<sup>nd</sup> Floor Refex Towers, 313, Valluvar Kottam High Road, Nungambakkam, Chennai – 600034. Refex Green Mobility Limited is a wholly owned subsidiary of Refex Industries Limited.

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- 1.5. Refex Mobility Limited ("**Resulting Company**" or "**RML**"), a company incorporated on September 12, 2025 under the Companies Act, 2013 having CIN U79110TN2025PLC184411 with its registered office at 2<sup>nd</sup> Floor Refex Towers, 313, Valluvar Kottam High Road, Nungambakkam, Chennai – 600034. Refex Mobility Limited is a wholly owned subsidiary of Refex Industries Limited. The Scheme provides for the following:
- Merger of RGML into RIL;
  - Demerger, transfer and vesting of the Demerged Undertaking from RIL into the Resulting Company on a going concern basis and issue of equity shares by the Resulting Company to the shareholders of RIL, in consideration thereof; and
  - Various other matters consequential or otherwise integrally connected therewith, including, *inter alia*, reduction and cancellation of all the equity shares held by the Demerged Company in the equity share capital of the Resulting Company as on the Effective Date (*as defined in the Scheme*).
- 1.6. This report of the Audit Committee is made in order to comply with the requirements of the Securities and Exchange Board of India ("**SEBI**") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and SEBI Master Circular number SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("**SEBI Master Circular**"), including amendments thereto.
- 1.7. The following documents were, *inter alia*, placed before the Audit committee of the Company:
- Draft of the Scheme of amalgamation and arrangement.
  - Share entitlement ratio report dated September 22, 2025 issued by **SSPA & Co.**, Chartered Accountants (Registration No. IBBI/RV-E/06/2020/126), Registered Valuer ("**Share Entitlement Ratio Report**"), describing the methodology adopted in arriving at the share entitlement ratio and warrant entitlement ratio in connection with the Scheme;
  - Fairness opinion report dated September 22, 2025 issued by **M/S. Kroll Advisory Private Limited**, an Independent SEBI registered Merchant Banker ("**Fairness Opinion**"), providing its opinion on the share entitlement ratio and warrant entitlement ratio specified in the Share Entitlement Ratio Report in connection with the Scheme;
  - Draft undertaking by the Company as prescribed under Paragraph A(10)(c) of Part-I of SEBI Master Circular stating the reasons for non-applicability of Paragraph A(10)(b) read with Paragraph A(10)(a) of Part-I of SEBI Master Circular, to the requirement of obtaining approval of majority of public shareholders, along with the draft certificate from M/S. A B C D & Co. LLP (ICAI Firm Registration No. 016415S/S000188), the Statutory Auditors of the Company,, certifying the said undertaking ("**Auditor's Certificate under Paragraph A(10)(c) of Part-I of SEBI Master Circular**"); and
  - Draft certificate dated September 22, 2025 obtained from M/S. A B C D & Co. LLP (ICAI Firm Registration No. 016415S/S000188), the Statutory Auditors of the Company, confirming the accounting treatment prescribed in the Scheme is in compliance with the applicable Accounting Standards specified by the Central Government under section 133 of

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the Act and rules made thereunder and specified in Paragraph (A) (5) of Part I of the SEBI Master Circular.

## 2. Proposed Scheme of Amalgamation and Arrangement

The Audit Committee of the Company noted the rationale and the benefits of the Scheme which, inter-alia, are as follows:

### 2.1. Background of operations:

- The Transferor Company/RGML is inter alia, engaged in the business activities and operations pertaining to Green Mobility Business which offers a technology integrated fleet management service to ensure transparency to the service recipients including centralised vehicle command and control centre ('**Green Mobility Business**').
- The Resulting Company/RML is a newly incorporated company and shall carry on the business activities and operations offering a technology integrated fleet management service to ensure transparency to the service recipients including centralised vehicle command and control centre ('**Green Mobility Business**') (as defined in the Scheme) pursuant to the Scheme.
- The Transferee Company/Demerged Company/RIL is primarily engaged in the business of Ash & Coal handling amongst other activities. RIL through its subsidiaries is also engaged in Green mobility business and has recently started Wind power business.

### 2.2. Rationale and synergies of the Scheme:

- Each of the varied businesses carried on by RIL either by itself or through strategic investments in subsidiaries have significant potential for growth and profitability.
- The nature of risk and competition, financial profiles and return ratios involved in the Ash & Coal handling business of RIL are distinct from Green Mobility Business presently undertaken through its wholly owned subsidiary RGML.
- The Green Mobility Business is capable of attracting a different set of investors, lenders, strategic partners and other stakeholders and have significant potential for growth and profitability. In order to unlock value for all stakeholders, the group plans to have the Green Mobility Business Undertaking as a separate listed entity parallel to RIL which is proposed to be undertaken as follows:
  - i) Merger RGML into RIL;
  - ii) Demerger of the Green Mobility Business Undertaking (merged with RIL) into RML and independently list RML.
- The following benefits shall accrue on the Scheme;
  - i) Creation of an independent global scale company focusing exclusively on Green Mobility Business Undertaking and taking advantage of the growth potential in the said respective sector;

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- ii) Enabling greater focus of management in the relevant businesses (in RIL and RML) thereby allowing new opportunities to be explored for each business efficiently and allowing a focused strategy in operations;
- iii) Both RIL and RML can attract different sets of investors, strategic partners, lenders, and other stakeholders enabling independent collaboration and expansion at their end; .
- iv) Enabling investors to separately hold investments in respective businesses (either in RIL or RML) with different investment characteristics thereby enabling them to select investments which best suit their investment strategies and risk profiles;
- v) Enabling focused and sharper capital market access (debt and equity) and thereby unlocking the value of the Green Mobility Business Undertaking and creating enhanced value for shareholders.

The Scheme will neither impose any additional burden on the shareholders of the Transferor Company, Transferee/Demerged Company, and Resulting Company nor will it adversely affect the interest of any of the shareholders or creditors the companies involved in the Scheme.

### 2.3. Impact of the Scheme on the company and its shareholders:

- a) Pursuant to the Scheme, RGML is proposed to be merged with RIL and subsequently demerge its "**Green Mobility Business**" (vested into RIL pursuant to merger) into the Resulting Company, on a going concern basis and the Scheme will result in benefits and/or synergies to the Company as listed in Paragraph 2.1 and 2.2 of this report;
- b) Further, in consideration for the transfer and vesting of the Demerged Undertaking of the Company to the Resulting Company, all the equity shareholders (promoter and non-promoter) of the Company, as on the Record Date (as defined in the Scheme) shall receive equity shares of the Resulting Company in the same proportion as their holding in the Company. There will be no change in the economic interest of the shareholders of the Company, before and after Scheme. Further, once the Scheme is effective, the Resulting Company will have replica/ mirror shareholding of the Company; and
- c) Further, the outstanding share warrants if any, shall be exercised and converted into equity shares at the option of the warrant holders prior to the Record Date. However, if any share warrants convertible into equity shares of the Demerged Company are outstanding on the Record Date, upon the Scheme becoming effective 1 (One) Warrant of the Resulting Company shall be issued and allotted for every 1 (One) Warrant in the Demerged Company. The adjustments to the issue price of warrants would be based on the net assets (post factoring the impact of merger under Part B of the Scheme), that are transferred to the Resulting Company.
- d) Upon the effectiveness of the Scheme and subject to receipt of regulatory approvals, the equity shares of the Resulting Company issued as consideration to the shareholders of the Company in terms of the Scheme, will be listed on the Stock Exchanges.

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## 2.4. Cost benefit analysis of the Scheme:

Although the Scheme involves certain costs such as transaction costs, implementation cost, regulatory fees, stamp duties, etc. however, the benefits of the Scheme over a longer period would far outweigh such costs for the stakeholders of the Company entailing benefits specified in Paragraph 2.1 and 2.2 above.

## 3. Recommendation of the Audit Committee

- (i) The Audit Committee after due deliberations and detailed discussions, and inter alia taking into consideration the Draft Scheme, Share Entitlement Ratio Report, Warrant Entitlement Ratio, Fairness Opinion and Draft certificates issued by the Statutory Auditor of the Company, have noted the need and rationale of the Scheme, synergies of the business of the companies, impact of the Scheme on the Company and its shareholders, cost benefit analysis of the Scheme and other documents.
- (ii) Based on the foregoing, the Audit Committee is of the view that the Scheme is in the interest of the Company and all the stakeholders and hereby recommends the Scheme to the Board of Directors of the Company for its consideration and approval.

By Order of the Audit Committee

For and on Behalf of  
**Refex Industries Limited**

  
**Ramesh Dugar**  
Chairman - Audit Committee  
DIN: 01686047

Place: Chennai  
Date: September 22, 2025



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