



May 14, 2024

The BSE Ltd.

1st Floor, New Trading Wing, Rotunda Building
Phiroze Jeejeebhoy Towers, Dalal Street, Fort
Mumbai – 400001

Scrip Code: 532884

The National Stock Exchange of India Ltd.

Exchange Plaza, 5th Floor, C – 1, Block G
Bandra – Kurla Complex, Bandra (E)
Mumbai – 400051

Symbol: REFEX

Sub.: Monitoring Agency Report for the Quarter ended March 31, 2024

Ref.: Regulation 32(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 162A (4) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

Dear Sir(s)/Madam,

Pursuant to Regulation 162A (4) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with Regulation 32(6) of SEBI (Listing Obligations and Disclosure Requirements), 2015, we are enclosing herewith Monitoring Agency Report issued by CARE Ratings Limited, Monitoring Agency, for the quarter ended March 31, 2024 in respect of utilisation of funds raised pursuant to the issue of shares on preferential basis.

The report is also placed on the Company's website at www.refex.co.in.

Kindly take the same on records.

Thanking you.

Yours faithfully,

For **Refex Industries Limited**

G. Divya

Company Secretary

ACS-37320

Chennai

Refex Industries Limited

A Refex Group Company

CIN: L45200TN2002PLC049601

No. CARE/CRO/RL/2024-25/1036

**The Board of Directors
Reflex Industries Limited**

2nd Floor, No.313, Reflex Towers, Sterling Road,
Valluvar Kottam High Road, Nungambakkam,
Chennai, Tamil Nadu- 600 034

May 14,2024

Dear Sir,

Monitoring Agency Report for the quarter ended March 31,2024 - in relation to the Preferential Issue of Reflex Industries Limited ("the Company")

We write in our capacity of Monitoring Agency for the Preferential Issue of 50,00,000 equity shares and preferential issue of 1,25,75,000 warrants which are convertible into equivalent number of equity shares of face value of Rs. 2/- each for the amount aggregating to Rs.63 crore and Rs. 157 crore respectively, of the Company and refer to our duties cast under 162A of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended March 31,2024 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated March 26,2024.

Request you to kindly take the same on records.

Thanking you,
Yours faithfully,



Ratheesh Kumar
Associate Director
Ratheesh.Kumar@careedge.in

Report of the Monitoring Agency

Name of the issuer: Refex Industries Limited

For quarter ended: March 31,2024

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

(b) Range of Deviation: Not applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The Monitoring Agency ('**MA**') does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an 'expert' as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature:



Name and designation of the Authorized Signatory: Ratheesh Kumar

Designation of Authorized person/Signing Authority: Associate Director

1) Issuer Details:

Name of the issuer : Refex Industries Limited
Name of the promoter : Sherisha Technologies Private Ltd
Industry/sector to which it belongs : Industrial Gases

2) Issue Details

Issue Period : March 27,2024 to April 11,2024
Type of issue (public/rights) : Preferential issue
Type of specified securities : Equity Shares and Warrants
IPO Grading, if any : Not applicable
Issue size (in Rs. crore) : Rs. 220 crore (Note 1)

Note 1:
The Company had offered 50,00,000 Equity Shares, at Rs. 125/- per share (including share premium of Rs. 123/- per share) aggregating to Rs 63 crore.
The Company had also offered 1,25,75,000 Warrants under the preferential issue at Rs. 125/- per warrant (including premium of Rs. 123/- per warrant) aggregating to Rs 157 crores.

(Figures are rounded-off to nearest crore)

Particulars	Remarks
Total Number of shares/warrants issued as part of preferential issue	
- Equity Shares (Nos)	50,00,000
- Share warrants (Nos)	1,25,75,000
- Total (Nos)	1,75,75,000
Total proceeds under preferential issue (in Rs. crore)	
- Equity Shares (Rs Cr.)	63
- Share warrants (Rs Cr.)	157
- Total (Rs Cr.)	220
Actual proceeds received under preferential issue of equity shares (Rs Cr) ^ (up to March 31, 2024)	63
Actual proceeds received under preferential issue of warrants* (up to March 31, 2024)	Nil
Details of expenses incurred related to issue (in Rs.)	<i>Nil</i>
Net Proceeds available for utilization (in Rs. Cr.)	63

^ The company has received 100% of the amount under preferential issue of 50,00,000 equity shares aggregating to Rs.63 crores.

*Preferential issue of 1,25,75,00 warrants aggregating to Rs.157 crores were not allotted till March 31,2024.

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Notice of EGM?	Yes	Chartered Accountant certificate# Bank statements	Not Applicable	No comments
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Notice of EGM?	Not Applicable	Not Applicable	Not Applicable	No comments
Whether the means of finance for the disclosed objects of the issue have changed?	No	Not applicable	Not applicable	No comments
Is there any major deviation observed over the earlier monitoring agency reports?	Not applicable	Not applicable	Not applicable	No comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not applicable	Not applicable	Not applicable	No comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	No comments
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Not applicable	Not applicable	No comments
Is there any other relevant information that may materially affect the decision making of the investors?	No	Not applicable	Not applicable	No comments

#Chartered Accountant certificate from A B C D & Co., Chartered Accountant dated April 24, 2024.

#Where material deviation may be defined to mean:

- a) Deviation in the objects or purposes for which the funds have been raised
- b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

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4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of - firm arrangements made
1	Working capital	Notice of EGM	96	Nil	Nil	No comments	No comments	No comments
2	Capital expenditure	Notice of EGM	20	Nil	Nil	No comments	No comments	No comments
3	Investment in subsidiaries	Notice of EGM	50	Nil	Nil	No comments	No comments	No comments
4	General corporate purpose	Notice of EGM, Chartered Accountant certificate#, Bank statements	54	Nil	Nil	No comments	No comments	No comments
Total			220					

Chartered Accountant certificate from A B C D & Co., Chartered Accountant dated April 24, 2024.

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(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Unutilised amount in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Working capital	Notice of EGM	96	-	-	-	35	-	No comments	No comments
2	Capital expenditure	Notice of EGM	20	-	-	-		-	No comments	No comments
3	Investment in subsidiaries	Notice of EGM	50	-	-	-		-	No comments	No comments
4	General corporate purpose	Notice of EGM, Chartered Accountant certificate#, Bank statements	54	-	28	28		There is no separate monitoring agency account for the preferential issue. Amount of ₹30.00 crores was transferred from the share subscription account to CC Account of the company with HDFC Bank. Of these, expenses amounting to Rs.28 cr relating to GST and TDS payments were made. Balance Rs.2 cr is represented by the company as being available in the CC account. However, it may be noted that the CC account has other inflows and outflows and as on March 31,2024 the outstanding liability on this account was Rs.18.21 cr. Furthermore,	The Company processes all its working capital expenses through CC account maintained with the HDFC Bank and accordingly, the Company has not opened any separate monitoring agency account for spending the allotment money. Further, with respect to parking the funds (unutilized amount of 2 cr.) in the current	No comments

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Unutilised amount in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
								maintaining the unutilized amount in CC account did not align with the defined interim use of unutilized issue proceeds.	account, the Company had issued cheques to its vendors before March 31, 2024, however the same was subsequently cleared in the first week of April, 2024. Therefore, the debit amount w.r.t. clearing of the cheque is reflecting in the bank statement post March 31, 2024.	
Total			220		28	28	35			

Chartered Accountant certificate from A B C D & Co., Chartered Accountant dated April 24, 2024.

The company has received 100% of the amount under preferential issue of 50,00,000 equity shares of face value of Rs. 2/- aggregating to Rs.63 crores.

(iii) Deployment of unutilized public issue proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
1	Share subscription account	33	NA	NA	NA	NA
2	Bank Account*	2	NA	NA	NA	NA

As of 31st March 2024, unutilized amount of Rs 33 crores remains in the share subscription account.

*Amount of ₹30.00 crores was transferred from the share subscription account to CC Account of the Company with HDFC Bank. Of this, expenses amounting to Rs.28 cr relating to GST and TDS payments were made. Balance Rs.2 cr is represented by the company as being available in the CC account. However, it may be noted that the CC account has other inflows and outflows and as on March 31,2024 the outstanding liability on this account was Rs.18.21 cr. Furthermore, maintaining the unutilized amount in CC account did not align with the defined interim use of unutilized issue

proceeds.

(iv) Delay in implementation of the object(s) –

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Working capital	Within two years from the date of receipt of funds	Ongoing	No delay	No comments	No comments
Capital expenditure	Within two years from the date of receipt of funds	Ongoing	No delay	No comments	No comments
Investment in subsidiaries	Within two years from the date of receipt of funds	Ongoing	No delay	No comments	No comments
General corporate purpose	Within two years from the date of receipt of funds	Ongoing	No delay	No comments	No comments

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5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Utilization of proceeds

Sr. No	Item Head	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	Income Tax	23.67	Notice of EGM, Chartered Accountant#, certificate, Bank statements	There is no separate monitoring agency account for the preferential issue. Amount of ₹30.00 crores was transferred from the share subscription account to CC Account of the company with HDFC Bank. Of this expenses amounting to Rs.28 cr relating to GST and TDS payments were made. Balance Rs.2 cr is represented by the company as being available in the CC account. However, it may be noted that the CC account has other inflows and outflows and as on March 31,2024 the outstanding liability on this account was Rs.18.21 cr. Furthermore, maintaining the unutilized amount in CC account did not align with the defined interim use of unutilized issue proceeds.	No comments
2	Statutory remittances (GST, TDS)	3.93	Notice of EGM, Chartered Accountant certificate, Bank statements		
Total		28			

#Chartered Accountant certificate from A B C D & Co., Chartered Accountant dated April 24, 2024

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Disclaimers to MA report:

a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as “**Monitoring Agency/MA**”). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.

b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.

c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.

d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.

e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

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