



Press Release
REFEX INDUSTRIES LIMITED
July 07, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	50.00	ACUITE A- Stable Assigned	-
Bank Loan Ratings	115.00	ACUITE A- Stable Reaffirmed	-
Bank Loan Ratings	135.00	-	ACUITE A2+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	300.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of 'ACUITE A-' (read as ACUITE A minus) on the Rs.115.00 Cr. bank facilities and short-term rating of 'ACUITE A2+' (read as ACUITE A two plus) on the Rs. 135.00 Cr. bank facilities of Refex Industries Limited (RIL). The outlook is 'Stable'.

Acuite has assigned its long-term rating of 'ACUITE A-' (read as ACUITE A minus) on the Rs.50.00 Cr. bank facilities of Refex Industries Limited (RIL). The outlook is 'Stable'.

Rationale for rating

The rating reaffirmation reflects Refex group's improved operating performance with diversified revenue streams and healthy financial risk profile couple with adequate financial flexibility to avail loans from Banks & Financial Institutions. The rating further draws strength from Promoters' extensive experience in industry and long track record of operations. However, the rating is constrained by working capital intensive operations and Refex group's exposure to subsidiaries, associates and JVs in the form of corporate guarantees which are ~ 46 per cent of its net worth as of March 2024.

About the Company

Refex Industries Limited (RIL) was incorporated in 2002 in Chennai, Tamil Nadu. RIL is primarily into coal trading, ash handling for power plants and refilling of refrigerant gases in India. RIL has also forayed into the logistic services to power plants, such as handling and disposal of fly ash and crushing of uncrushed coal. Besides, RIL also operates a 5.18 megawatt (MW) solar power plant at Vituza village, Barmer, Rajasthan. RIL is a publicly listed company and is promoted by Mr. Anil Jain and Refex Holding Private Limited (RHPL). The current directors of the company are Mr. Anil Jain, Mr. Dinesh Kumar Agarwal, Mr. Siripurapu Susmitha, Mr. Sivaramakrishnan Vasudevan, and Ms. Latha Venkatesh.

About the Group

The Refex Group, commenced its journey in 2002 with incorporation of Refex Industries Limited (RIL), the group currently comprises of 14 Subsidiaries and 18 step- down subsidiaries, engaged across a diversified range of businesses including industrial gases, coal trading, ash handling, renewable energy, power trading, pharmaceuticals, airport Management, Edible oil, among others.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has considered the consolidated business and financial risk profile of RIL, which forms part of its parent RHPLs consolidate financials along with other subsidiaries and step-down subsidiaries (hereinafter called as the 'Reflex Group') to arrive at the rating. The list of subsidiaries consolidated has been added below, separately in the Annexures-2. Since the Reflex Group is diversified into various business segments where RIL contributes significantly to the Group's turnover and profitability, thus the approach for consolidation with RHPL and other group entities has been considered for RIL's rating.

Key Rating Drivers

Strengths

Promoters' extensive experience in industry and long track record of operations

Reflex group is managed by Mr. Anil Jain and Mr. Tarachand Jain, supported by a team of experienced professionals. Mr. Anil Jain has been associated with the group since its inception; this has helped the group to establish strong market presence. He has over 23 years of experience in heading various business operations and is actively involved with various trade bodies such as The Associated Chambers of Commerce and Industry in India (ASSOCHAM) and the National Solar Energy Federation of India (NSEFI). Mr. Jain oversees the day-to-day operations of the companies under the group. The directors' long-standing experience and the group's established track record have enabled it to build strong relationships with key suppliers and customers. Acuité believes that the promoter's extensive industry experience will support the group's business risk profile over the medium term.

Improvement in scale of operations and diversified revenue streams

Reflex group recorded revenue of ~ Rs. 899.17 Cr. in FY24 as compared to Rs. 1155.15 Cr. in FY23. Although revenues declined, the group's operating margins improved to 38.44 per cent in FY24 from 37.59 per cent in FY23. However, the PAT margins deteriorated to 17.74 per cent in FY24 as against 28.00 per cent in FY23. In FY25, the group's scale of operations estimated to improve significantly with revenue rising to ~ Rs. 3371.80 Cr. (Est) as compared to Rs. 899.17 Cr. in the previous year. The substantial growth was primarily driven by Reflex Industries Limited (RIL) becoming a subsidiary of RHPL (53.37 per cent stake) effective from March 28, 2024. Reflex Industries Limited (RIL) reported at consolidated level a substantial increase in revenues which stood at Rs. 2,467.66 Cr. in FY25, compared to Rs. 1,383.43 Cr. in FY24 on account of higher contribution from the ash handling and coal trading segments. Further, the operating margin moderated to 8.54 per cent in FY25 as compared to 10.61 per cent in FY24, while the profit after tax (PAT) margin declined marginally to 6.42 per cent in FY24 from 6.72 per cent in FY23 over the same period.

Acuite believes, the operating performance of the Reflex group would continue to improve in the medium to long-term owing to diversified revenue streams and strategic acquisitions.

Healthy financial risk profile

The financial risk profile of the RIL is healthy marked by strong net worth, low gearing, and comfortable debt protection metrics. The tangible net worth of the company has increased significantly and stood at Rs.1192.43 Cr. in FY25 as compared to Rs 462.86 Cr. in FY2024 on account of additional equity shares & warrants allotment through Preferential issue during November 2024 for Rs. 905 Cr. Out of this allotment, company has been able to realize Rs. 513.38 Cr. during FY25. Similarly, the tangible net worth of the Reflex group stood at Rs.1166.81 Cr. in FY24 as compared to Rs 1107.15 Cr. in FY23. The group's total outstanding debt of Rs. 1137.71 Cr, comprises of Rs. 484.23 Cr. long-term debt, Rs. 441.37 Cr. short-term debt (Includes ICDs of Rs. 160.08 Cr.), Rs. 62.93 Cr. unsecured loans from promoters and Rs. 149.18 Cr. CPLTD as of March 31, 2024. The gearing stood at 0.98 times in FY24 as compared to 0.77 times in FY23.

Further, debt protection metrics of Reflex Group stood comfortable with Interest coverage ratio (ICR) of 3.13 times in FY2024 as against 5.24 times in FY23. The Debt Service Coverage Ratio (DSCR) of the group stood at 1.72 times in FY24, compared to 3.70 times in the previous year. The net cash accruals to total debt (NCA/TD) stood at 0.18 times as on 31st March 2024 as compared to 0.42 times in the previous year.

Acuite believes, the financial risk profile of the Reflex group would remain healthy on the back of augmentation of healthy net cash accruals against the debt obligations.

Weaknesses

Working capital intensive operations

The Reflex group's operations are working capital intensive in nature, as reflected by GCA of 492 days in FY2024 against 232 days in FY2023. The Debtors' collection period elongated to 192 days in FY2024 from 93 days in FY2023. Inventory days rose to 80 days in FY2024 from 56 days in FY2023. Additionally, the creditors' days increased to 333 days in FY2024 from 190 days in FY2023. The GCA days are estimated to be in the range of 380 to 400 days in FY2025. Furthermore, the Reflex group's fund-based working capital limit utilization remained moderate at ~56 per cent over the last 12 months ending December 2024. Further, RIL has raised working capital limit of Rs. 50 Cr. in May 2025, which would further ease up the working capital requirements of the group. Acuité believes that the operations of the company will continue to remain working capital intensive due to its nature of its business.

Presence of intense competition in the sectors; impact of change in regulations

With Refex Industries Limited (RIL) becoming a subsidiary of RHPL, the business risks associated with Refex are now directly linked to the Refex group. As Refex is the major contributor to RHPL's revenue from FY25 onwards, its operational and market vulnerabilities inherently impact the group's overall risk profile. Under the current import policy, coal can be freely imported under the Open General License by the consumers themselves, considering their needs based on their commercial prudence, thus enabling the entry of many players into the sector and leading to intense competition, as evident from the low profitability margins. Acuité believes that any change in regulations and policies could have an impact on the business risk profile of the Refex group.

ESG Factors Relevant for Rating

Refex Group has established a robust ESG governance framework with a fully autonomous ESG team reporting directly to the CEO and MD, leads the implementation and oversight of key governance practices. The group has established comprehensive policies such as QHSE, ABAC, Code of Conduct, and CSR are in place, supported by an effective grievance redressal mechanism. ESG performance is reviewed quarterly by the board, and sustainability disclosures are made annually in the public domain, the group aims to achieve Net zero emissions by 2040 and become water positive by 2035. In FY 2023-24, over 100,000 tons of carbon emissions were abated, and 50 million+ metric tons of coal ash were recycled. RHPL group has restored 71 hectares of degraded land and rehabilitated multiple water bodies, including a 1 km project in Odisha. A dedicated centre for ecosystem restoration was launched in partnership with UNGCNI, alongside coastal mangrove restoration efforts. CSR efforts have exceeded 350 per cent of the mandated spend, focusing on child education, water conservation, biodiversity, and humanitarian support. The refrigerant gas plant operates as a carbon-negative facility and contributes power back to the grid.

Rating Sensitivities

Sustain improvement in the scale of operations and profitability

Improvement in working capital cycle

Deterioration in the overall financial risk profile of the group owing to higher-than-expected debt funded capex or acquisitions.

Any invocation or significant increase of corporate guarantee having adverse bearing on the financial or liquidity risk profile of the group.

Significant changes in the operating and credit risk profile of the subsidiaries.

Liquidity Position

Adequate

The company's liquidity position is adequate. It has generated sufficient net cash accruals of Rs. 204.45 Cr. in FY2024 as against its maturity debt obligations of Rs. 77.19 Cr. during the same tenor. Further, it is expected to generate cash flows of ~ Rs. 367.99 – Rs.495.92 Cr. as against maturing repayment obligations of around ~Rs.125.00 – Rs. 149.18 Cr. over the medium term. Further, reliance on fund-based working capital limits remained moderate with utilisation stood at ~56 per cent over the past 12 months ending December 2024. The cash and bank balance for FY24 stood at Rs. 98.99 Cr. The current ratio for FY24 stood at 1.01 times.

Acuite believes that company's liquidity position would remain adequate over the medium term on account of expected steady cash accruals

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	899.17	1155.15
PAT	Rs. Cr.	159.51	323.48
PAT Margin	(%)	17.74	28.00
Total Debt/Tangible Net Worth	Times	0.98	0.77
PBDIT/Interest	Times	3.13	5.24

Key Financials (Standalone)

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	2467.66	1383.43
PAT	Rs. Cr.	158.38	92.98
PAT Margin	(%)	6.42	6.72
Total Debt/Tangible Net Worth	Times	0.24	0.46
PBDIT/Interest	Times	9.39	5.59

* The key financials above are of RIL (Consolidated) which became wholly owned subsidiary of RHPL w.e.f. 28th March 2024.

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
24 Oct 2024	Cash Credit	Long Term	25.00	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Term Loan	Long Term	38.39	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Cash Credit	Long Term	4.91	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Term Loan	Long Term	9.91	ACUITE A- Stable (Assigned)
	Cash Credit	Long Term	10.09	ACUITE A- Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	25.00	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Proposed Long Term Loan	Long Term	1.70	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Letter of Credit	Short Term	50.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Letter of Credit	Short Term	85.00	ACUITE A2+ (Assigned)
17 Jan 2024	Letter of Credit	Short Term	50.00	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	25.00	ACUITE BBB+ Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	25.00	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	41.70	ACUITE BBB+ Stable (Assigned)
	Proposed Long Term Loan	Long Term	3.30	ACUITE BBB+ Stable (Assigned)
04 Apr 2023	Letter of Credit	Short Term	25.00	ACUITE A2 (Reaffirmed)
	Letter of Credit	Short Term	25.00	ACUITE A2 (Assigned)
	Cash Credit	Long Term	15.00	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE BBB+ Stable (Assigned)
	Proposed Long Term Loan	Long Term	5.00	ACUITE BBB+ Stable (Assigned)
19 Jan 2022	Letter of Credit	Short Term	25.00	ACUITE A2 (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BBB+ Stable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A- Stable Reaffirmed
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A- Stable Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A- Stable Assigned
Union Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	85.00	Simple	ACUITE A2+ Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A2+ Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.44	Simple	ACUITE A- Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	11 Dec 2023	Not avl. / Not appl.	31 Dec 2028	8.26	Simple	ACUITE A- Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	22 Oct 2022	Not avl. / Not appl.	02 Mar 2030	33.30	Simple	ACUITE A- Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A- Stable Reaffirmed

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. No.	Company name
1	Sherisha Powertech Private Limited
2	Sherisha Agriculture Private Limited
3	Blister Solar Power Private Limited,
4	Refex Airports And Transportation Private Limited
5	Cura Healthcare Private Limited
6	Anam Fine Chemicals Private Limited,
7	KSK Trust Private Limited
8	STPL Power Services LLP
9	STPL Solutions LLP
10	Grey to Green Transition Private Limited
11	Refex Beverages Private Limited
12	Cauvery Power Generation Chennai Private Limited
13	Refex Industries Ltd
14	Soy Sar Edible Private Limited
15	Refex Holding Private Limited (Erstwhile Sherisha Technologies Private Limited)
16	Refex Green Mobility Limited
17	Refex EV Fleet Services Private Limited
18	Venwind Refex Power Limited

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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