



August 09, 2024

The BSE Ltd. 1 st 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, 5 th Floor, C – 1, Block G Bandra – Kurla Complex, Bandra (E) Mumbai – 400051 Symbol: REFEX
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Dear Sir(s)/ Madam,

Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- Transcript of the Earnings Conference Call held on August 06, 2024 for the quarter ended June 30, 2024

In continuation to our intimations dated July 31, 2024 & August 06, 2024 and pursuant to Regulation 30 read with Schedule III of Part A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Earnings Conference Call held on Tuesday, August 06, 2024 at 11:30 A.M. (IST) for discussing the Company's Financial Results for the quarter ended June 30, 2024. The same has also been made available on the Company's website at <https://refex.co.in/pdf/Refex-Industries-Q1-FY25-Earnings-Call-Transcript-06-08-2024.pdf>.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For **Refex Industries Limited**

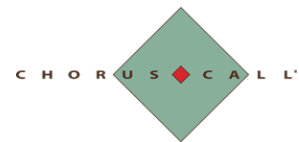
Ankit Poddar
Company Secretary
ACS-25443

Refex Industries Limited
A Refex Group Company

CIN: L45200TN2002PLC049601



“Reflex Industries Limited
Q1 FY'25 Earnings Conference Call”
August 06, 2024



MANAGEMENT: **MR. ANIL JAIN – CHAIRMAN AND MANAGING
DIRECTOR - REFEX INDUSTRIES LIMITED
MR. DINESH KUMAR AGARWAL – WHOLE-TIME
DIRECTOR AND CHIEF FINANCIAL OFFICER – REFEX
INDUSTRIES LIMITED**

MODERATOR: **MS. CHANDNI CHANDE – KIRIN ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to Refex Industry Limited Q1 FY'25 Conference Call hosted by Kirin Advisors. 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 has been recorded.

I now hand the conference over to Ms. Chandni Chande from Kirin Advisors. Thank you, and over to you.

Chandni Chande: Thank you. 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; 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 very much. Good morning, everyone. I'm delighted to welcome you all to the Q1 FY'25 Earnings Conference Call for Refex Industries Limited. We appreciate your interest and participation as we review our performance over the recent quarter, provide insights into our strategic initiatives and outline our future outlook.

Before we dive into the financial details, I would like to take a moment to highlight our core business areas and recent developments that have been pivotal to our growth and success. Refex has grown into a multi-faceted company with a diverse portfolio, spanning ash and coal handling, refrigerant gases, green mobility, and power trading.

Our journey began with a strong focus on *[inaudible 0:01:38]* refrigerant gases that serve as replacements for harmful CFC and HCFC. Over the years, we have become one of the leading suppliers of environment-friendly hydrofluorocarbon refrigerant gases in India, playing a crucial role in application across residential, commercial and automobile sectors. In 2018, we expanded into ash and coal handling, establishing ourselves as a major organized player in ash disposal, traditionally managed by the unorganized sector.

Utilizing advanced technologies, we ensure safe ash collection, transportation and disposal in the right places. In 2022, we diversified by venturing into power trading with a Category I power trading license. Our subsidiary, Refex Green Mobility, commenced operations in employee transportation using electric vehicles, offering bundled services to corporate customers under the brand name Refex eVeelz, and are also operating airport taxis at Bengaluru Airport.

Now let's turn our attention to the financial highlights of Q1 FY'25. We are happy to report a robust performance for the quarter. Our total income on a stand-alone basis reached INR592.05 crores, reflecting a remarkable 54.46% increase from the same quarter previous year. Our EBITDA stood at INR52.24 crores, showcasing a 42.85% growth, while our PAT showed 63.39% to INR35.97 crores.

The EPS for Q1 FY'25 was INR3.11, marking a significant rise of 56.28% from the same quarter last year. Our consolidated results also depict a strong performance. The total income for Q1 FY'25 was INR597.21 crores, up by 55.44% for the same period last year. The consolidated

EBITDA grew by 33.04% to INR48.42 crores, while PAT increased by 37.96% to INR29.35 crores.

Now let's delve into the performance of our individual business segments. Ash and coal handling -- first, I'll take the ash and coal handling. This segment remains the backbone of our operations, contributing to close to about INR552.62 crores in revenue this quarter. Our daily ash handling capacity is currently 50,000 metric tons, and we continue to provide comprehensive solutions for responsible ash disposal and coal procurement.

We generated INR20.92 crores revenue from our refrigerant gas business, from our eco-friendly refrigerant gas business. Green mobility. Our subsidiary Refex Green Mobility contributed about INR5.47 crores in revenue this quarter. The electric vehicle segment serves an impressive 470% growth on a year-on-year basis. With a fleet of 539 electric vehicles, we are committed to reducing carbon emissions and promoting green transportation solutions.

Our partnering business with the Category 1 license achieved INR4.18 crores in revenue. These remarkable achievements reflect our unwavering commitment to sustainability and innovation. Looking ahead, we remain focused on leveraging our expertise to drive long-term growth and contribute to a sustainable future.

We will continue to expand our diverse portfolio, enhance operational efficiency, and deliver value to our customers. We've been continuously working on our ESG policy and trying to ensure that we are compliant on ESG from all sides. Thank you all for your continued support.

I would now like to open the floor for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question is from the line of Jairaj Jain, an individual investor. Please go ahead.

Jairaj Jain: Thank you for the opportunity. My first question is, can you explain transportation arrangement for ash handling? Who pays us for power-generating companies or end users like cement manufacturers or road construction contractors?

Anil Jain: Our ash business, we work with both cement manufacturers, we work with road construction companies, we work with brick manufacturers. We also work on mine filling for ash handling.

Jairaj Jain: Okay. And for how many years, it seems this ash was done but now increasing importance in users' industry as well as government regulation. There is a requirement for any kind of treatment for such ash produced and already done?

Anil Jain: Ash is straightaway picked up from thermal power plant and disposed of without any treatment or any change of form. We currently for the cement industries, it is the fly ash which gets transported. And for road construction, we use pond ash which is more containing moisture so that it is good for formation on the road.

Jairaj Jain: Okay. And, sir, can you explain what is your fees for handling and any subsidies or carbon credits do we attract for handling ash?

- Anil Jain:** Currently, no, we are not working on any carbon credits, or we are not sure if there are any carbon credits applicable for handling of ash.
- Jairaj Jain:** Okay. So can you say me what is the industry potential for ash handling? How much ash is generated every year and what is the demand every year and how it will be growing like on a year-on-year basis?
- Anil Jain:** Currently, we have close to about 375 -- currently, India has about 175 thermal power plants with a capacity of roughly about 300 gigawatt of capacity. The total coal used is about 500 million tons and roughly about 185 million tons of fly ash is being generated on year-on-year basis. And similarly, there is a 30% of ash which is a bottom ash which goes into pond. Over the years, there is close to about 1.7 billion metric ton of legacy pond ash available across the country, sir.
- Jayraj Jain:** Okay. Great. So, sir, what is the perception on time requirement to clear the dump ash till date?
- Management:** The legacy pond ash has to be cleared within the next three years. There is already a fine and penalty being imposed by Ministry of Environment. But looking at the volume, I think it might go up to five to six years to remove the legacy ash. On the fly ash, they are removed on a daily basis. At least 70% of it is removed on a daily basis based on generation and the requirement of the cement plants.
- Jayraj Jain:** Okay. Thank you, sir, for answering my questions.
- Management:** You're welcome, sir.
- Moderator:** Thank you. Our next question is from the line of Yashwanti from Kojin Finvest. Please go ahead.
- Yashwanti:** Yes, thank you, sir, for the great set of numbers. Congratulations. Great start for the year. We almost achieved more than 45% of FY23 revenues in the first quarter itself. So, what is the revenue and the profit outlook you would like to give going forward for the rest of the year?
- Management:** So, I think the year is looking quite good for us. We have continuously been getting orders from various companies. So, this year looks quite good to us.
- Yashwanti:** If the growth momentum can be continued, what is your idea?
- Management:** Sorry, we can't hear you. Can you be a bit louder?
- Yashwanti:** The growth momentum will be continued. What is your outlook? We can see the similar kind of growth even quarter on quarter going forward?
- Management:** Yes, we can see a similar growth quarter on quarter. Yes.
- Yashwanti:** So, my second question is, though we grew in the top line, we grew a good number in the EBITDA level, that is an operating level also, but then our operating margins are comparatively down if we compare to the corresponding curve. It is 8% plus, which is down by around 9% plus. So, why we are facing this pressure on the margin and what is the outlook going forward?

Management: The major reason in the first instance being the coal and ash handling business because there are new opportunities, new businesses coming up. We are taking time to learn and understand the actual cost involved in every tender. Going forward, this margin will get better and also the mix of coal and ash also will get better with ash taking over majority where we will have a larger margin. The margin will get better going forward.

Yashwanti: Okay. You mentioned your daily capacity around 50,000?

Management: Can you be a bit louder, please?

Yashwanti: Yes, you mentioned your daily capacity of ash and coal handling around 50,000 tons, if I am not mistaken. Is it correct?

Management: Yes, 50,000 tons per day we are handling as of today.

Management: That is not the capacity. We can do much more. Currently, we are doing 50,000 tons.

Yashwanti: 50,000, okay.

Management: Yes, we can do much more. It is purely a sector of engaging more fleet and bringing more people on the ground depending on the work we are doing.

Yashwanti: Okay. Are we planning to increase our fleet for the coal and ash handling?

Management: It is all purely depending on the orders. As we get more orders, we will put more fleet on the ground.

Yashwanti: That will be on a contract basis?

Management: Yes, it will be both contractual and also some fleet of our own depending on the requirement going forward.

Yashwanti: Okay. So, can you give me some ballpark numbers for capex for both the business like the cash handling fleet and also as we are focusing more on our mobility business? So, what is a capex or what kind of an add-through you wanted to do to your fleet in both the segments?

Management: Currently, I think we immediately have current capex which is close to about INR100 odd crores for both the fleet, both EV and just put together. But going forward, yes, as the business goes, this might grow also. This might increase also.

Yashwanti: Okay. And what are our funding arrangements for this proposed capex of about INR100 crores?

Management: Currently, we are looking at internal funding, both working capital [inaudible 0:12:43]. We are also trying to work on our working capital limits with lenders.

Yashwanti: So, if I continue with two more questions, just wanted to understand what is our current working capital cycle and have we...

Management: Can you speak a bit louder please, ma'am? We are losing out on you.

- Yashwanti:** Sorry for my bad throat. I just wanted to understand what is our current working capital cycle and have we seen any improvement in the working capital cycle? Am I audible? What is our current working capital cycle?
- Management:** Currently, working capital cycle is between 60 to 90 days. Where our supplier, we pay on a 15-day basis. But from the customer, we get between 60 to 90 days.
- Yashwanti:** Okay. And we see the same structure to continue even for the rest of the year. We don't see any improvement happening.
- Management:** Yes, yes.
- Yashwanti:** Okay. And for my last question, we have made some substantial allotment of warrants to Sherisha Technologies. So, can you just throw some more light on this, our arrangement with them?
- Management:** This is majorly to meet the working capital requirements. And also, there was a requirement for the Refex e-Veelz procurement. For that, we have done a preferential allotment to Sherisha Technologies.
- Yashwanti:** And what is the business of the Sherisha Technologies?
- Management:** Sherisha Technologies is actually the holding company of the Refex group. They are the promoter, actually.
- Yashwanti:** And, sir, any budget positive for your coal and handling business, as well as your green mobility business? Anything coming from the budget positive?
- Management:** No, nothing. Only, just to put you in another way, directly or indirectly, the power sector demand is there. And we will help everybody in this.
- Yashwanti:** Okay. Thank you so much, sir, for answering all my questions. And I wish you all the best for your next call.
- Management:** Thank you so much.
- Moderator:** Thank you. Our next question is from the line of Vidyashankar, an individual investor. Please go ahead.
- Vidyashankar:** Good morning, Anil sir and Dinesh ji. Hearty congratulations on the excellent set of numbers and the motivation levels that you are showing to take the company to the next level. A question that I had from my last call, which could not be answered.
- If you remember in the last AGM, one senior shareholder had asked the loan repayment status for promoter holding company Sherisha, which was supposed to be cleared in FY24 or FY25. Although the net interest margin in that was profitable for Refex Industries because the bank was lending at a lower rate and Refex was lending at a higher rate. But still, looking at the expansion policy and the funds requirement that we are discussing now, wouldn't it be better

that the promoter holding company retires the loan and money comes back to Refex for further expenses?

Management: This loan out of the total INR46 crore loan, INR27 crore of the loan has been repaid as on day and balance also will get repaid by 15th of September. And this will all be utilized, as you rightly said, for the working capital rather than borrowing from the banker. This will all be utilized for the working capital.

Vidyashankar: So, it is in line. So, first off, we are...

Management: It is in line. It is committed in the previous call and the AGM decision.

Vidyashankar: True, true. Now, one thing because Mr. Dinesh Agarwal is now the Whole-Time Director and CFO. The last time we had a call, the CFO had moved out to the position of Head Refrigeration Gases. So, the current load on Dineshji is double because Whole-Time Director and CFO dual responsibility. So, are we looking to hire a CFO to streamline the operation from a financial perspective?

Management: No, not looking for. I have a strong accounts team who manages the current day-to-day affairs completely and I guide my accounts team on the strategic and the fundraising perspective. Whereas, I have a strong team of chartered accountants who manages the day-to-day accounting.

Vidyashankar: And the last question that I have is last time Anil sir had told me about his vision 2030 to be published. If that can be done by this AGM because we were discussing it in May and we have time for AGM by September 30th. So, if the vision 2030 and the mission 2030 both together can come by the AGM, it would be really great for us to have a clear roadmap as to where all we are heading in which direction.

Management: We will try sir.

Vidyashankar: Operational efficiency, financial leverage, etcetera.

Management: We will try our best.

Vidyashankar: Goals and objectives, if it is clear, then the second half becomes much more easier to surpass the objectives that we have in mind.

Management: Sure sir, we will try to.

Vidyashankar: Hearty congratulations to you sir and thanks for taking this opportunity.

Moderator: Thank you. Our next question is from the line of Pritesh Chedda from Lucky Investments. Please go ahead.

Pritesh Chedda: Sir, I am new to your company. So, you said you do both ash and coal handling, and ash handling is a much larger portion of your business. So, let's say in coal handling, do you do MDO, or you just handle the coal?

- Management:** No, no. We just handle the coal inside the thermal power plants, and we do trading of the coal also for the same thermal power plants.
- Pritesh Chedda:** And this 50,000 ton capacity that we have put up, is it a new capacity? Income from last 2-3 years?
- Management:** No, no. So, this is not a capacity. This is the total of coal and ash handling we do. So, we are not manufacturers.
- Pritesh Chedda:** That I understand Sir. But you would have put up some plant or you would have put a handling plant, or you would have...
- Management:** No, no, no. So, we are only doing logistics. That's what I am trying to explain. We transport about 50,000 tons of coal and ash on a daily basis.
- Pritesh Chedda:** Okay. And how much capital have you invested here so far?
- Management:** So, our capital is gone mainly in preparing the vehicles, etcetera. And total capital deployed for this business will be roughly about INR400 crores capital.
- Pritesh Chedda:** INR400 crores. In your balance sheet of INR600 crores to INR650 crores. INR700 crores of INR400 crores is yours. And so, your scope of work basically involves picking up the ash from the site and...
- Management:** Yes, picking up from the site and disposing it off sir.
- Pritesh Chedda:** Disposing where?
- Management:** Various avenues. Cement plants, mines refilling, road constructions, bricks manufacturing, multiple things.
- Pritesh Chedda:** Multiple. And this INR400 crores of capital that you have put, in this, how much is the – this will obviously include the working capital also. If we exclude the working capital, what is the number in the assets?
- Management:** One minute, we'll tell you. Roughly INR100 crores, INR130 crores is in the capex. Balance INR270 crores could be working capital, sir.
- Pritesh Chedda:** And this, in quarter one that we are seeing at INR500 crores revenue, you are utilizing that asset, that block fully or how it is?
- Management:** Yes, sir, we are utilizing full.
- Pritesh Chedda:** Fully? So, this INR500 crores revenue that we see is a full utilization of block.
- Management:** Correct.
- Pritesh Chedda:** Okay, and the INR400 crores capital number that you mentioned is current capital, last year's capital you referred?

Management: We're talking about March 24th, sir.

Pritesh Chedda: March 24 capital. Can you, lastly, sir, this particular business, which is obviously the biggest piece, what kind of opportunities do you see? What kind of contracts do you envisage to get? What size of business you can achieve? And who are usually the competitors sir?

Management: Currently, there's a company by the name [Ashtech 0:21:47], which is an organized player and competitor. They are an unorganized player. And this business is growing continuously. I think we can see similar kind of growth quarter on quarter for the next few quarters.

Pritesh Chedda: And what kind of size of this business can you see over the next two, three years in terms of handling capacity, size in terms of?

Management: As I told you, the total available ash, legacy ash is about 1.7 billion tons across the country. And on a daily basis, on a yearly basis, roughly about 135, sorry, 185 million tons of fly ash is being generated on a yearly basis. This could be a potential opportunity, sir.

Pritesh Chedda: So there's 185 million tons of fly ash, in any case, is being used somewhere or the other, right?

Management: Yes.

Pritesh Chedda: So there are players there in that 185 million tons, out of which you are doing whatever, you're doing about 6 million tons, right? And what was that last year's number?

Management: 16 lakh.

Pritesh Chedda: 6 million.

Management: You know, there'll be much more this year. We're currently doing roughly about 50,000 tons run rate today. Last year, we were saying, right, 6 million was last year's number.

Pritesh Chedda: Yes, 6 million tons was last year's number. Now, from current quarter, you're doing 50,000.

Management: Yes. Now, from almost last week, it is 50,000 tons run rate.

Pritesh Chedda: So basically, 6 million tons goes to 18 million tons this year, 3x rise.

Management: Roughly about, yes.

Pritesh Chedda: And what is the realization per ton of handling?

Management: It depends from location to location, usage to usage. It's multiple values of realization.

Pritesh Chedda: And lastly, you mentioned the working capital that was for this business, right? 60 to 90 days net working capital, right?

Management: Yes, correct, sir.

- Moderator:** Thank you. Our next question is from the line of Vignesh Iyer from Sequent Investment. Please go ahead.
- Vignesh Iyer:** Thank you for the opportunity, sir. So I was going through a presentation where I found out this as dispose that we have increased from 34 lakhs to 60 lakhs in FY24. Can I get an exact number for quarter 1 that ash dispose in metric tons and is it possible from the next quarter presentation we can have a quarterly data when it comes to ash disposed?
- Management:** The only reason why we have still not been able to split the ash handling is the same vehicle gets used for coal and ash both the ways. So like we told on the last call, maybe by end of this year where once the coal handling reduces or coal trading reduces we'll be able to put in this more accurate number of the exact ash handling itself.
- Vignesh Iyer:** Okay. Thank you. So just to understand does because I'm new to this company entirely. So quarter 2 is there a slowdown when it comes to ash disposal when it comes to handling out during monsoon?
- Management:** We can't hear you. Can you repeat your question, please?
- Vignesh Iyer:** Yes. Am I audible now?
- Management:** Yes.
- Vignesh Iyer:** So I am new to this company so just getting to understand this in quarter 2 during monsoon is there a slowdown when it comes to ash disposal as compared to other quarters?
- Management:** Yes. Due to monsoon there'll be a slowdown sir.
- Vignesh Iyer:** Okay. So basically quarter 1, quarter 3 and quarter 4 are a better quarter to look at as compared to quarter 2?
- Management:** It depends also like example if it is in South India, state Tamil Nadu quarter 3 could be a little slow because monsoon is during that time, but majority of the country quarter 2 is the monsoon. So that quarter will be a little slow quarter.
- Vignesh Iyer:** Right. Got it. So if I understand it right 50,000 tons per day in the run rate that has started in last week is more or less possible for the rest of the year?
- Management:** Yes.
- Vignesh Iyer:** Okay sir. That's all from my side and all the best.
- Moderator:** Thank you. Our next question is from the line of Jinesh Joshi from Prabhudas Lilladher Private Limited. Please go ahead.
- Jinesh Joshi:** Yes. Thanks for the opportunity. Sir, my question is on the fundraise of about INR1000 crores that we have put out in the press release. Can you highlight where are we going to deploy this money?

- Management:** No, we have not taken approval for fundraise. We're only taking an in-principle approval enabling provision so that in future if there's a requirement we can get this cleared in the AGM. We don't need to go to a process because we are a very fast-growing company. If there's a potential requirement, this will only be an enabling factor.
- Jinesh Joshi:** I understand that. Maybe I did not put it in the right language, but I mean if I look at the enabling resolution for INR1000 crores, can you highlight potential areas where the deployment can probably come through?
- Management:** No, there's nothing we have planned as of now, sir.
- Jinesh Joshi:** Okay.
- Management:** And my second question is on...
- Jinesh Joshi:** Hello.
- Management:** Yes it will be only for working capital requirements in future. We don't have a - there's no immediate plan on this department.
- Jinesh Joshi:** Sure. And if I look at our coal and ash handling margin I mean in this quarter they were at about 8%, 9% versus say about 30% odd in 1Q of FY24. So we have seen a significant margin deterioration that has come through. So any specific reason you would want to highlight behind this?
- Management:** So there were two reasons because the percentage of coal and ash, the coal trading has been little more than the ash last time. And also on the ash handling side you can see there are a lot of new contracts which are coming in and the beginning of the contract because they're new there is a price discovery mechanism which happens. So that also is a little stress on the margin, but it improves as we move forward with the contract. The efficiency come in after maybe about a month or so.
- Moderator:** Thank you. Our next question is from the line of Rushabh Shah from Anubhuti Advisors. Please go ahead.
- Rushabh Shah:** Thank you for the opportunity. I think most of the questions have been answered. Just one last part. So on the green mobility business which I think which was started last year. So if you can just throw any guidance on that whole segment I think what ultimate I think 2000 fleet you provided, but what level of revenues can actually kick in from the business and when do we actually look to achieve the profitability in the segment as a whole?
- Management:** So current quarter the revenue is about 5.47 crores from electric vehicle where we have deployed about 539 vehicles both for the employee transportation and the airport taxi. This year like we said last time by end of this year it will go up to 2000 vehicles by March next year. And the potential revenue could be roughly about yield per vehicle could be roughly about 7 to 8 lakhs per vehicle on a yearly basis.

- Rushabh Shah:** And in terms of profitability when are we looking to actually take this whole vertical on a positive side?
- Management:** So I think we are on the gross level we are profitable. I think as we increase the fleet and then the corporate expense and the total team expenses get divided, we'll be profitable even at the EBITDA level.
- Rushabh Shah:** So probably I think when the whole fleet increases and even our yield per vehicle goes up, I think which probably by next year we are looking at is then the whole thing could actually turn out profitable for us?
- Management:** Correct. You're right.
- Rushabh Shah:** Perfect. I think that was all from my side. Thank you, sir.
- Moderator:** Thank you. Our next question is from the line of Pritesh Chedda from Lucky Investments. Please go ahead.
- Pritesh Chedda:** Sir you mentioned about a INR100 crores project. So this is basically an addition in terms of your handling in the ash coal? So you're doing you invested 100, is it like doubling your handling capacities?
- Management:** No which INR100 crores projects sir. We didn't understand that.
- Pritesh Chedda:** You mentioned there are INR100 crores projects that we are working on in...
- Management:** I didn't mention anything like that.
- Pritesh Chedda:** Okay. What kind of expansion is due in this piece of the business, coal ash handling?
- Management:** Ash handling it's a continuous growing business. We're looking at more and more customers and trying to get more handling over the period of time.
- Pritesh Chedda:** And in terms of the contracts there is a fixed pricing that you bid for in terms of the ash that you pick up?
- Management:** Different customer, different location has different pricing depending on the number of kilometres you have to dispose the ash for. So it ranges if it's 100 kilometres it is INR400 a ton if it's 200 it's INR800, INR900 a ton and also depending on where it is being disposed it's also priced disbursal.
- Pritesh Chedda:** Okay sir. Thank you.
- Moderator:** Thank you. Our next question is from the line of Yashavanti from Kojin Finvest. Please go ahead.
- Yashavanti:** Thank you once again for the opportunity. Sir, any new client has been added either from the power side or to the end user side?

- Management:** Yes, in the customer side, we've added some more large public sector power plants also.
- Yashavanti:** Okay. And what kind of a business addition can happen from this new client?
- Management:** I think we are looking at another addition of about 7,000, 8,000 to 10,000 tons per day going forward in two to three months to add.
- Yashavanti:** Okay. That's it from my side. Thank you so much.
- Moderator:** Thank you. Our next question is from the line of Kajal Pathak, an individual investor. Please go ahead.
- Kajal Pathak:** Congratulations on the new client. First of all, for your good set of numbers.
- Management:** Thank you so much.
- Kajal Pathak:** So my question was, is it that remarkable growth achieved in revenues? We achieved approximately 43% of FY '24 in Q1 FY '25. So what were the factors that drove the Q1 FY '25 revenues and EBITDA growth? And what is the outlook for the rest of the year?
- Management:** Like we told to various other callers, that the major growth has been from the coal and ash handling business, which almost has grown from last year from same quarter last year, INR68 crores to about INR550 crores. And this growth is expected to go on for the quarter-on-quarter going forward also.
- Kajal Pathak:** Okay, sir. Thank you so much.
- Moderator:** Thank you. Our next question is from the line of Mahesh Seth, an individual investor. Please go ahead.
- Mahesh Seth:** Yes. So, first of all, congrats on this good set of numbers and thanks for the opportunity. So, I just wanted to know what is our capacity of refilling of gas?
- Management:** Sorry, what is the capacity of refilling of gas, you ask?
- Mahesh Seth:** Yes.
- Management:** It is at 3000 tons per annum.
- Mahesh Seth:** Okay, 3000 tons per annum. And do you have any revenue breakup from this segment?
- Management:** Yes, this is the total refrigerant business is about INR20.91 crores, sir.
- Mahesh Seth:** Okay. Yes. And can you also elaborate more on coal trading and power trading business? I mean, what are our arrangements with customers?
- Management:** Sorry, you mean who are the customers for power trading?
- Mahesh Seth:** Yes, coal trading and power trading business.

- Management:** I think it's a very sensitive and price sensitive business. So, we don't want to refrain from naming the customers. But we work with all large power plants both public sector and private sector.
- Mahesh Seth:** Okay. Thank you, sir. Thank you for answering the question.
- Moderator:** Thank you. Our next question is from the line of Abinash from Nafa AMC. Please go ahead.
- Abinash:** Thank you for your opportunity, sir. Congrats on a good set of numbers. I'm actually new to this company. In the investor presentation, you have stated that you'll be doubling the capacity for ash collection. So, right now we have 800 fleet specific for ash. So, if you double it to 800, what would be the amount of capex that you'd be incurring for it? And by when would the capex be used? Thank you.
- Management:** Most of these vehicles are all leased vehicles. We don't own them. So, we are trying to see that we don't own more than 10% of our fleet. So, even if you double the capacity to 1,500 or 1,600 vehicles from the band 800, we'll be about 150, 160 fleet will be owned fleet, which will be about INR75 crores to INR100 crores of capex requirement, if at all we own those fleets.
- Abinash:** Thank you, sir. The next question is, in the presentation, you have given a consolidated value for ash and soda, ash and coal collection. What would be the breakup between it? So 60, 40 or how is it?
- Management:** So, like I said, because we use the same vehicle for coal transportation on the return when we deliver the ash. So, we are not able to exactly split the percentage. But going forward, maybe next year onwards, we will, as the coal requirement, coal business reduces, it will be more easy to give the actual number allocation to the ash.
- Abinash:** Sir, but why would the coal business reduce? Aren't we winning contracts or are we completely focusing on ash going forward? What is the strategic viewpoint?
- Management:** Yes, our focus is more majorly on ash, because that's one area which we think is going to grow a lot in the country. So, major focus will be on ash going forward.
- Abinash:** That's all, sir. Thank you.
- Moderator:** Our next question is from the line of Vidyashankar, an Individual Investor. Please go ahead.
- Vidyashankar:** Good afternoon again, sir, and thank you for the second opportunity. As a devil's advocate, because last time we had discussed diversification, multiple product streams, and reducing on core competency. Now that the way the call is going and we understand ash and coal is going to be, we're going back to core competency and increasing the dependencies.
- Is there anything that we, the management field, might go wrong in the second half, and how far are we geared for that? Just as a devil's advocate, I thought I should reflect on that.
- Management:** No, we're not making any statement that we're going to reduce any business or increase any business. We only said that because the ash handling requirement is growing, our focus is there, but all other businesses will continue, sir. There is no change in that, sir.

- Vidyashankar:** Not that way, sir. Because if your ash handling is growing at this rate, then obviously the percentage dependency or the percentage contribution on that will increase from the last year. Because last year we were getting diversification, core competency, dependency was -- Now the dependency is increasing. Is there a mitigant for that?
- Management:** No, I'm saying the market size for refrigerant is not so big. The market size for power trading, because it's a very low margin, could not be as big as what ash could be potentially. So when comparatively, if you see 3 years, 4 years down the line, it could be that the numbers while the business will be growing in each sector, one of the sectors could have grown much beyond the percentage growth rate.
- Vidyashankar:** Okay. And the capacities are aligned for the growth in that ash business, right?
- Management:** No issues on capacity increase, whenever it is.
- Management:** We have a good, signed order available.
- Vidyashankar:** Correct. So once the orders come, it won't be an issue to increase the capacity, meet the orders. Because that would be the concern, no? Order book is there, but if suddenly you need capex, then it will not be there. That issue should not be there.
- Management:** Yes, sir. We'll be prepared. When prepared, if at all there is a requirement.
- Vidyashankar:** Preparedness is very important in today's competitive world, that is.
- Management:** Yes, sir. We'll be prepared.
- Vidyashankar:** Thank you, sir. Thank you.
- Moderator:** Our next question is from the line of Tushar from Athena Investments. Please go ahead.
- Tushar:** Yes, thank you for the opportunity. I wanted to understand, the logic of getting to this electric vehicle when your ash handling business has so much opportunity. Why do this kind of diversification?
- Management:** Well, we saw it was a good opportunity and ash and coal handling is also a logistic business. It's also a logistic business. And going forward, I think the whole world would look at electric and EV, etc. So we thought it's a very futuristic business.
- Tushar:** Yes, but that's business is going to be very capital intensive, right? Plus managing so many...
- Management:** I think our strength lies in the operation where we can manage and even in ash handling, the fleet management, we'll have to, if I'm doing 60,000 tons per day, I'll have to actually manage about roughly about 300 vehicles and drivers. So I think that's our skill. That is our skill set, which I think we should apply.
- Tushar:** The difference I see is that ash handling is B2B, and this is also kind of B2C.

- Management:** Most of our customers are B2B in fleet business.
- Tushar:** Okay, but you're putting up some vehicles at Bangalore airport, right?
- Management:** An airport is one of the business, but most of the business is from large corporate where we do B2B. IT companies, banks.
- Management:** Airport also, it is more of a B2B to B2C.
- Management:** Yes, we don't spend any money on customer acquisition.
- Tushar:** So in this business, will you be owning the vehicles, or will you look at?
- Management:** Both, 60, 40, we'll own also, we'll lease also, both.
- Tushar:** Okay, thank you.
- Moderator:** Thank you. As there are no further questions from the participants, I now end the conference over to Ms. Chandini Chande for closing comments.
- Chandini Chande:** Call of Refex Industry Limited, if you have any query you can write to us at research@kirinadvisors.com, once again thank you for joining the conference.
- Moderator:** Thank you. On behalf of Kirin Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines.