



Reflex Refrigerants Limited

REGD.OFFICE : NO.20 MOOKER NALLAMUTHU STREET, CHENNAI - 600001

POSTAL BALLOT

NOTICE PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956

To
The Share Holders

Notice is hereby given that pursuant to Sec 192 A of the Companies Act, 1956 read with Companies (Passing of resolution by Postal Ballot) Rules , 2001, as amended from time to time (Postal Ballot Rule)that the following special resolution is proposed to be passed by postal ballot.

To consider, and if thought fit, to pass with or without modifications if any, the following resolution as a Special Resolution.

1. Issue of Equity Shares on Preferential Allotment basis to Promoters of the Company

"RESOLVED THAT in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, to the Companies Act, 1956, and enabling provisions in the Memorandum and Articles of Association of the company, the listing agreement entered into by the company with the Stock Exchanges where the shares of the company are listed and in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI) including SEBI (Issue of Capital and Disclosure Requirements), Regulations 2009 as amended from time to time and clarifications thereon issued from time to time and subject to the approval of financial institutions, company's bankers, and subject to all other approvals, permissions and sanctions as may be required under applicable laws and regulations and of concerned authorities, bodies and agencies and subject to such modifications as may be imposed by such authorities while granting such approvals and which may be agreed to by the Board of Directors of the Company (Hereinafter referred to as the 'Board', which term shall deem to include any duly authorized committee thereof for the time being exercising the powers conferred on the Board by this resolution), the consent, authority and approval of the Company be and is hereby accorded to the Board to create, issue/offer and allot upto a maximum of 4,00,000 (Four Lakhs Only) Equity Shares of Rs.10 each fully paid at an issue price of Rs.200 per equity share including premium of Rs.190 per Equity Share or at the issue price arrived at as provided in the SEBI (Issue of Capital and Disclosure Requirements), Regulations 2009 based on the relevant date which is 31st December 2010, whichever is higher to the promoter group of the company comprising of individuals and Bodies Corporate, as more described in the explanatory statement forming part of this notice, on a Preferential Allotment basis to the extent and in one or more tranches and the manner as may be decided by the Board, by conversion of existing unsecured loans lent by such proposed allottees to the company."

"RESOLVED FURTHER THAT

- 1) The Offer, Issue and Allotment of the aforesaid Equity Shares shall be made at such time or times as the Board may in its absolute discretion decide subject however to the compliance with the applicable guidelines, notifications, rules and regulations.
- 2) The Equity Shares to be issued and allotted upon the authority of this Special Resolution shall be subject to the provisions of the Memorandum and Articles of Association of the company and shall rank Parri passu with the existing Equity Shares of the company.
- 3) The Board be and is hereby authorised to accept any modifications to or to modify the terms of issue of the said Equity Shares subject to the provisions of the Companies Act, 1956 and SEBI Guidelines / Regulations without being required to seek any further consent or approval of the company in General Meeting.
- 4) For the purpose of giving effect to this resolution the Board be and is hereby authorised to do all the such acts, deeds and things as the Board may in its absolute discretion consider necessary, proper, desirable or appropriate for making the said issue and to settle any question, difficulty or doubts that may arise in this regard."

BY ORDER OF THE BOARD
For REFEX REFRIGERANTS LIMITED.

Place: Chennai
Date: 04.12.2010

S. GOPALAKRISHNAN
COMPANY SECRETARY.

Notes:

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out the material facts is annexed hereto.
2. The Board of Directors at its meeting held on 4th December 2010 have appointed Mr.R.Muthukrishnan , Practicing Company Secretary, as Scrutinizer to receive and scrutinize the completed ballot papers from the Shareholders. The Postal Ballot Form and the self - addressed business reply envelope are enclosed for the use of shareholders.
3. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed with the assent (for) or dissent (against), in the attached pre-paid envelope, so as to reach the Scrutinizer on or before Saturday 29th January 2011 to be eligible for being considered, failing which it will be strictly treated as if no reply has been received from the member. The scrutinizer will submit his report to the Chairman after completion of scrutiny and the results of the postal ballot will be announced on Monday, 31st January 2011 at 5.00p.m. at the Corporate Office of the Company at No. 67, Bazullah Road , T Nagar, Chennai - 600 017.
4. All the documents relevant to the proposed resolution are open for inspection at the Registered Office of the Company between 9.30 am and 11.30 am on all working days upto Saturday, 29th January 2011.

ANNEXURE TO NOTICE

Explanatory statement pursuant to Sec 173(2) and 192(A) of the Companies act 1956

. The relevant provisions of Section 81 to the Companies Act, 1956 read with the listing agreement executed by the company with various Stock Exchanges where the Company's shares are listed provides, inter alia, that when it is proposed to increase the issued capital of the company by allotment of further shares, such shares shall be first offered to the existing shareholders of the company in the manner laid down in the said section unless the shareholders decide otherwise in a general meeting.

Thus the Special Resolution seeks to obtain the consent of the Members for authorizing the Board of Directors to issue / allot Equity Shares by way of preferential issue to be made in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time (hereinafter referred to as SEBI Guidelines),

As per SEBI guidelines it is proposed to issue further and upto a maximum of 4,00,000 Equity Shares, on a preferential basis to the Promoters of the Company including Mr A Tarachand Jain, Chairman, Mr T Anil Jain, Managing Director, Mr T Jagdish Jain, Whole time Director, Mrs Seema Jain along with two Bodies Corporate M/S Sherisha Technologies Private Limited and M/S Reflex Energy Limited, both being fully controlled by the promoters of the company at an issue price of Rs.200 per Equity Share, including a premium of Rs.190 per Equity Share or at the price arrived in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 , considering the relevant date which is 31st December 2010, whichever is higher.

INFORMATION AS REQUIRED UNDER SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2009

OBJECT OF THE PREFERENTIAL ISSUE

During the year 2008, the Company secured a fund based limits of Rs.40.00 crores based on the Turnover and maximum permissible bank finance (MPBF) workings from its bankers.. However, due to reduction in turnover, and the compressed margins, during 2008-09 and 2009-10 the promoters of the company lent unsecured loans to the company to meet the liquidity requirements. The bankers to the company reworked its MPBF and has stated during June 2010 that due to the reduced liquidity, the Promoters have to infuse funds into the Company in the form of Equity Share Capital by converting the existing unsecured loans given by the Promoters group to the Company so as to enable the bankers to renew the existing fund and non fund based limits.

Hence, in order to address the liquidity issues of the company and to meet the requirements of the company's bankers, it is now proposed to allot Equity shares on a preferential basis to promoters by conversion of existing unsecured loan already given by them to the company.

INTENTION OF THE PROMOTERS/DIRECTORS/ KEY MANAGEMENT PERSONNEL TO SUBSCRIBE TO THE OFFER.

The proposed issue is intended to be fully subscribed by the present promoters (including Promoter Directors) of the company. No key Managerial Personnel (other than the Promoter Directors) intend to subscribe to this offer.

TIME LIMIT FOR COMPLETION OF ALLOTMENT

As specified in SEBI (Issue of Capital and Disclosure Requirements) regulations, 2009, the entire process of offer, issue and allotment of the preferential issue shall be completed within 15 days of passing of resolution. However, in the event of allotment is pending on account of pendency of any approval for such allotment by any regulatory authority, the allotment shall be completed within 15 days from the date of such approval.

IDENTITY OF THE PROPOSED ALLOTEES, PERCENTAGE OF HOLDING IN POST ISSUE CAPITAL AND SHARE HOLDING PATTERN BEFORE AND AFTER THE ISSUE.

The Identity of the proposed allottees and percentage of Post preferential issue capital that may be held by them is given in the following share holding pattern before and after the proposed issue of Capital. The proposed preferential allotment would not result in any change in the control over your company.

IDENTITY OF THE PROPOSED ALLOTTEE

NAME OF THE ALLOTTEE	% OF POST ISSUE SHAREHOLDING PATTERN
ATARACHAND JAIN	1.20%
TANIL JAIN	18.24%
T JAGDISH JAIN	3.16%
SEEMA JAIN	1.51%
SHERISHA TECHNOLOGIES PRIVATE LTD	32.34%
REFEX ENERGY LIMITED	1.75%

DISTRIBUTION OF SHARE HOLDING BEFORE AND AFTER THE PROPOSED OFFER

CATEGORY	BEFORE		AFTER	
	Number of Shares	% of Share Holding	Number of Shares	% of Share Holding
A. Promoters Holdings				
1. Indian Promoters/Directors Relatives/associates Companies	8921272	57.65	9321272	58.72
2. Foreign Promoters	-	-	-	-
B. Non Promoters Holdings				
1. Mutual Funds	-	-	-	-
2. Banks , Financial institutions /UTI	-	-	-	-
3. Private Corporate Bodies	2692563	17.40	2692563	16.96
4. Indian Public	3636223	23.50	3636223	22.90
5. NRI /OCBS	81118	00.52	81118	00.51
6. Foreign Nationals	144000	00.93	144000	00.91
Total	15475176	100.00	15875176	100.00

The company hereby undertakes that

- (a) it would recompute the price of Equity Shares specified above in terms of provisions of SEBI (ICDR) Regulations, 2009 where it is required to do so and
- (b) if the amount payable on account of recomputation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, 2009, the above equity shares shall continue to be locked in till the time such amount is paid by the allottees.

The Board of Directors recommends the resolution for approval of members.

None of the directors, except Mr. A.Tarachand Jain, Mr T Anil Jain and Mr T Jagdish Jain Directors., being some of the proposed allottees, are interested or concerned in the said resolution

BY ORDER OF THE BOARD
For REFEX REFRIGERANTS LIMITED.

Place: Chennai
Date: 04.12.2010

S GOPALAKRISHNAN
COMPANY SECRETARY.