

December 07, 2024

To,
Stallion India Fluorochemicals Limited
2, A Wing, Knox Plaza, off. Link Road, Mindspace,
Malad - (West), Mumbai-400064.

To,
Sarathi Capital Advisors Private Limited
("Book Running Lead Manager")
401, 4th Floor, Manek Plaza, 167, Vidyanagari Marg,
Kalina, Santacruz (East), Mumbai-400 098

Dear Sir(s):

Sub: Proposed Initial Public Offering of Equity Shares of ₹10 each (the "Equity Shares") of Stallion India Fluorochemicals Limited (the "Company" and such offering, the "issue")

We, M/s. Mittal & Associates, Chartered Accountant, having Firm Registration Number **106456W** hereby issue this certificate in connection with the assessment of the Key Performance Indicators (KPIs) for the stub-period ended September 30, 2024 and for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022. ("Restated Financial Statement")

Based on our examination and audit procedures performed in accordance with accounting principle we hereby confirm that we have reviewed and evaluated the KPIs reported by Stallion India Fluorochemicals Limited for the aforementioned financial year. Our evaluation includes a consideration of the following:

Based on our assessment, we confirm that the KPIs reported by issuer for the stub-period ended September 30, 2024 and for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 have been fairly presented, accurately calculated, consistently applied, and appropriately disclosed in accordance with relevant regulations and standards.

1. Key Performance Indicator Based on Restated Financials:

(₹ in lakhs)

Particulars	Sep-24	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations ¹	14,073.15	23,323.58	22,550.44	18,588.27
Total Revenue ²	14,153.16	23,622.63	22,606.35	18,634.07
EBITDA	2,553.76	2,670.48	1,559.89	3,300.88
EBIT	2,496.23	2,559.42	1,406.03	3,122.10
EBT	2,247.06	2,126.94	1,297.42	3,007.09
PAT	1,656.51	1,478.83	975.30	2,110.97
EBITDA Margin ³	18.04%	11.30%	6.90%	17.71%
EBIT Margin ⁴	17.64%	10.83%	6.22%	16.75%
EBT Margin ⁵	15.88%	9.00%	5.74%	16.14%
PAT Margin ⁶	11.70%	6.26%	4.31%	11.33%
Share Capital	6,146.65	6,146.65	5,512.50	1,225.00
Other Equity	7,306.55	5,649.73	1,557.82	4,868.66
Net Worth	13,453.20	11,796.39	7,070.32	6,093.66
Short Term Borrowing	8,104.75	6,534.54	1,827.42	196.97
Long Term Borrowing	-	-	-	-
Total Borrowing	8,104.75	6,534.54	1,827.42	196.97
Debt / Equity ⁷	0.60	0.55	0.26	0.03
Interest Coverage Ratio ⁸	10.02	5.92	12.95	27.15
RoE ⁹	12.31%	12.54%	13.79%	34.64%
RoCE ¹⁰	11.58%	13.96%	15.80%	49.22%
Net Debt / EBITDA ¹¹	2.30	1.84	1.11	0.01

Current Ratio 12	2.16	2.19	1.97	2.19
EPS (Basic)	2.69	2.54	1.77	3.83
EPS (Diluted)	2.69	2.54	1.77	3.83
Cash & Equivalents	2,218.54	1,613.63	101.20	162.43
Current Assets	21,778.05	18,553.77	10,887.37	7,965.87
Current Liabilities	10,082.74	8,487.25	5,521.00	3,630.06

Explanation for Key Performance Indicators

1. Revenue from operations refers to revenue from sales of product and services and other operating income.
2. Total Revenue refers to Revenue from operations plus Other Income.
3. EBITDA Margin is an indicator to measure efficiency of generating core profitability of company.
4. EBIT Margin is an indicator use to measure the efficiency of company to generate operating profits.
5. EBT Margin used as indicator to calculate profitability before tax as percent of Total Revenue.
6. PAT Margin used as measure of calculation profit available to shareholders as percent of Total Revenue.
7. Debt / Equity ratio measures leverage of company, it is also a measure of capital structure that provides relative proportion of Shareholders equity and debt used to finance the assets of company.
8. Interest Coverage Ratio is used to measure the ability of company to make interest payments from its available earnings.
9. RoE measure the ability to gauge how much shareholders are earning on their investments. It exhibits how well the company has utilised the shareholder's money.
10. RoCE indicates how efficiently capital is being used in the business. It provides the ability of the company to generate the returns against the capital it put to use.
11. Net Debt / EBITDA ratio is a financial leverage metric used to measure a company's ability to pay off its debt obligations with available earning. It is also used as proxy for payback period assuming the company operates at current level to become debt-free.
12. Current Ratio indicates the short term liquidity and measures the ability of the company to pay off its short term obligations.

The KPIs set out above are not standardized terms and accordingly a direct comparison of such KPIs between companies may not be possible. Other companies may calculate such KPIs differently from us.

2. Breakup of Revenue

(₹ in Lakhs)

Particulars	For the Period April-September 2024	As at March 31		
		Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operation				
Sale of Gases & Other Related Products	14,067.27	23,316.30	22,538.14	18,557.95
Other Operating Income	5.87	7.28	12.30	30.32
Total Revenue from Operation	14,073.15	23,323.58	22,550.44	18,588.27

Revenue Breakup as % of Total Revenue

Particulars	For the Period April-September 2024	As at March 31		
		Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operation				

Sale of Gases & Other Related Products	99.96%	99.97%	99.95%	99.84%
Other Operating Income	0.04%	0.03%	0.05%	0.16%
Total Revenue from Operation	100%	100%	100%	100%

3. Set forth below are the details of comparison of key performance of indicators with our listed industry peers:

Fiscal 2023-24

(₹ in Lakhs)

Particulars	Stallion India Fluorochemicals Limited	SRF Limited	Gujarat Fluorochemicals Limited.	Navin Fluorine International Limited
Total Revenue	23,622.63	1,090,609.00	408,807.00	148,820.00
EBITDA	2,670.48	250,933.00	94,610.00	35,501.00
PAT	1,478.83	137,403.00	41,875.00	23,517.00
EBITDA Margin	11.30%	23.01%	23.14%	23.85%
PAT Margin	6.26%	12.60%	10.24%	15.80%
Face value	10.00	10.00	1.00	2.00
EPS (Basic)	2.54	46.35	38.12	47.44
P/E	-	55.24	81.25	65.65
P/BV	-	7.24	5.75	6.70
Net Debt / EBITDA	1.84	1.30	2.09	0.11
Debt / Equity	0.55	0.34	0.34	0.02
Current Ratio	2.19	1.23	1.37	3.68
RoE	12.54%	13.07%	7.07%	10.22%
RoCE	13.96%	16.04%	10.92%	12.92%

*P/E, P/BV of peers are based on closing price as on March 2024 based on NSE data.

Fiscal 2022-23

(₹ in Lakhs)

Particulars	Stallion India Fluorochemicals Limited	SRF Limited	Gujarat Fluorochemicals Limited.	Navin Fluorine International Limited
Total Revenue	22,606.35	1,217,990.00	571,883.00	166,914.00
EBITDA	1,559.89	330,012.00	215,189.00	46,289.00
PAT	975.30	202,336.00	135,560.00	31,249.00
EBITDA Margin	6.90%	27.09%	37.63%	27.73%
PAT Margin	4.31%	16.61%	23.70%	18.72%
Face value	10.00	10.00	1.00	2.00
EPS (Basic)	1.77	68.26	123.40	63.05
P/E	-	35.33	24.47	67.73
P/BV	-	7.75	6.00	9.88
Net Debt / EBITDA	1.11	0.76	0.67	(0.02)
Debt / Equity	0.26	0.33	0.26	-
Current Ratio	1.97	1.44	1.52	4.90
RoE	13.79%	21.87%	24.52%	14.60%
RoCE	15.80%	25.79%	33.92%	19.63%

**P/E, P/BV of peers are based on closing price as on March 2023 based on NSE data.*

Fiscal 2021-22

(₹ in Lakhs)

Particulars	Stallion India Fluorochemicals Limited	SRF Limited	Gujarat Fluorochemicals Limited.	Navin Fluorine International Limited
Total Revenue	18,634.07	1,001,735.00	394,468.00	144,108.00
EBITDA	3,300.88	266,872.00	129,416.00	39,289.00
PAT	2,110.97	150,701.00	77,414.00	26,643.00
EBITDA Margin	17.71%	26.64%	32.81%	27.26%
PAT Margin	11.33%	15.04%	19.62%	18.49%
Face value	10.00	10.00	1.00	2.00
EPS (Basic)	3.83	50.86	70.47	53.79
P/E	-	52.68	38.92	75.89
P/BV	-	10.45	7.15	10.85
Net Debt / EBITDA	0.01	0.92	1.18	(0.19)
Debt / Equity	0.03	0.36	0.36	-
Current Ratio	2.19	1.35	1.26	5.39
RoE	34.64%	19.76%	18.36%	14.29%
RoCE	49.22%	25.52%	23.84%	18.70%

**P/E, P/BV of peers are based on closing price as on March 2022 based on NSE data.*

4. Comparison of Accounting Ratios with listed Industry Peers

We believe that there are listed Companies as mentioned below in India which are focused exclusively on the segment in which we operate.

Based on Fiscal 2023-24

Particulars	Stallion India Fluorochemicals Limited	SRF Limited	Gujarat Fluorochemicals Limited.	Navin Fluorine International Limited
Face value (₹ per share)	10.00	10.00	1.00	2.00
EPS (Basic) (₹)	2.54	46.35	38.12	47.44
P/E*	-	49.51	114.54	74.95
P/BV*	-	6.49	8.10	7.65
Net Debt / EBITDA	1.84	1.30	2.09	0.11
Debt / Equity	0.55	0.34	0.34	0.02
Current Ratio	2.19	1.23	1.37	3.68
RoE	12.54%	13.07%	7.07%	10.22%
RoCE	13.96%	16.04%	10.92%	12.92%

Note: Financials of peers are taken from Audited Standalone Financials.

** Market information for P/E, P/BV is based on price taken from NSE as on December 06, 2024.*

5. Weighted average cost of acquisition

- a. The price per share of Company based on the primary/ new issue of shares (equity / convertible securities)

There has been no issuance of Equity Shares, other than Allotment pursuant to slump sale agreement on September 30, 2023 during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) in a single transaction or multiple transactions combined together over a span of rolling 30 days

b. The price per share of Company based on the secondary sale / acquisition of shares (equity shares).

There have been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts of 33,00,000 Equity shares of face value of ₹10 each on September 20, 2023 representing 5.37% of Pre-issued capital of the Company), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction in a single transaction or multiple transactions combined together over a span of rolling 30 days

Primary Transactions:

Except as disclosed below, there have been no primary transactions in the last eighteen months preceding the date of this Red Herring Prospectus:

Date of Allotment	No. of Equity Shares of face value of ₹10 each allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Total Consideration (Rs in lakhs)
September 30, 2023	63,41,514	10/-	51.20	Slump Sale	Allotment pursuant to slump sale agreement	3246.85

Secondary Transactions: **NIL**

No compulsory convertible preference shares have been acquired in the immediately preceding three years by our Promoters, members of the Promoter Group and / or the Promoter Selling Shareholders.: **NIL**

PAST TRANSACTIONS	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (₹)	FLOOR PRICE IS ₹[•]	CAP PRICE IS ₹[•]
I. WEIGHTED AVERAGE COST OF ACQUISITION FOR LAST 18 MONTHS FOR PRIMARY/NEW ISSUE OF SHARES (EQUITY/CONVERTIBLE SECURITIES), EXCLUDING SHARES ISSUED UNDER AN EMPLOYEE STOCK OPTION PLAN/EMPLOYEE STOCK OPTION SCHEME AND ISSUANCE OF BONUS SHARES, DURING THE 18 MONTHS PRECEDING THE DATE OF FILING OF THIS DAFT RED HERRING PROSPECTUS, WHERE SUCH ISSUANCE IS EQUAL TO OR MORE THAN 5.00% OF THE FULLY DILUTED PAID-UP SHARE CAPITAL OF THE COMPANY (CALCULATED BASED ON THE PRE-ISSUE CAPITAL BEFORE SUCH TRANSACTION/S AND EXCLUDING EMPLOYEE STOCK OPTIONS GRANTED BUT NOT VESTED), IN A SINGLE TRANSACTION OR MULTIPLE TRANSACTIONS COMBINED TOGETHER OVER A SPAN OF ROLLING 30 DAYS	6.60	[•]	[•]
WEIGHTED AVERAGE COST OF ACQUISITION FOR LAST 18 MONTHS FOR SECONDARY SALE / ACQUISITION OF SHARES (EQUITY/CONVERTIBLE	NA	NA	NA



PAST TRANSACTIONS	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (₹)	FLOOR PRICE IS ₹[.]	CAP PRICE IS ₹[.]
SECURITIES), WHERE PROMOTER / PROMOTER GROUP ENTITIES OR SELLING SHAREHOLDERS OR SHAREHOLDER(S) HAVING THE RIGHT TO NOMINATE DIRECTOR(S) IN OUR BOARD ARE A PARTY TO THE TRANSACTION (EXCLUDING GIFTS), DURING THE 18 MONTHS PRECEDING THE DATE OF FILING OF THIS PROSPECTUS, WHERE EITHER ACQUISITION OR SALE IS EQUAL TO OR MORE THAN 5 PER CENT OF THE FULLY DILUTED PAID-UP SHARE CAPITAL OF OUR COMPANY (CALCULATED BASED ON THE PRE-ISSUE CAPITAL BEFORE SUCH TRANSACTION/S AND EXCLUDING EMPLOYEE STOCK OPTIONS GRANTED BUT NOT VESTED), IN A SINGLE TRANSACTION OR MULTIPLE TRANSACTIONS COMBINED TOGETHER OVER A SPAN OF ROLLING 30 DAYS			

Sincerely,

For Mittal & Associates,
Chartered Accountants
ICAI Firm Registration No.: 106456W

Hemant R Bohra
Partner
Membership No: 165667
Place: Mumbai
Date: December 07, 2024
UDIN: 24165667BKEZNB4383