

Date: 14th August. 2025

To,
National Stock Exchange of India Limited
("NSE"), The Listing Department
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block, Bandra-Kurla
Complex Bandra (East), Mumbai - 400 051.
NSE Symbol: **STALLION**
ISIN: **INE0RYC01010**

To,
BSE Limited ("BSE"),
Corporate Relationship Department,
2nd Floor, New Trading Ring,
P.J. Towers, Dalal Street,
Mumbai - 400 001.
BSE Scrip Code: **544342**
ISIN: **INE0RYC01010**

Sub: **Monitoring Agency Report for the quarter ended on 30th June, 2025**

Dear Sir/Madam,

Pursuant to Regulations 32(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Regulation 41(4) of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended, please find enclosed Monitoring Agency Report issued by CARE Ratings Limited, Monitoring Agency, for the quarter ended on 30th June, 2025 with respect to the utilisation of proceeds of the Initial Public offer (IPO) of the company.

Yours Faithfully,

For Stallion India Fluorochemicals Limited

Govind Rao

Company Secretary & Compliance Officer

Monitoring Agency Report



No. CARE/HO/GEN/2025-26/1129

The Board of Directors
Stallion India Flurochemicals Limited
2, A Wing, Knox Plaza, Off. Link Road,
Mindspace, Malad -(West), Mumbai – 400064

August 14, 2025

Dear Sir/Ma'am,

Monitoring Agency Report for the quarter ended June 30, 2025 - in relation to the Initial Public offer (IPO) of Stallion India Flurochemicals Limited ("the Company")

We write in our capacity of Monitoring Agency for the IPO for the amount aggregating to Rs. 160.72 crore of the Company and refer to our duties cast under 41 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 June 30, 2025 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated September 09, 2025.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Ashish A Kambli".

Ashish A Kambli

Associate Director

ashish.k@careedge.in

Report of the Monitoring Agency

Name of the issuer: Stallion India Fluorochemicals Limited

For quarter ended: June 30,2025

Name of the Monitoring Agency: CARE Ratings Limited

(a) **Deviation from the objects:** Yes. As per Prospectus the funds allocated for working capital purpose was Rs.95 crore. However, SFIL made total utilization of Rs.98.71 crore till Q1FY26 (Q4FY25: Rs.94.14 crore and Q1FY26: Rs.4.57 crore) which led to excess utilization of Rs. 3.71 crore. Monitoring Agency has observed that the utilization of proceeds was routed through multiple current accounts which has numerous other transactions resulting in comingling of funds. The part of unutilized funds was parked in FDs which were linked to these current accounts and had auto sweep option. There were instances wherein FDs balances were utilized for business purposes due to lower balance and same were replaced with other credits during the quarter. The total amount involved is Rs. 7.97 crore which were utilized for 15 days (April 03,2025 to April 17,2025).

(b) **Range of Deviation:** 10-25%

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 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: Ashish A Kambli

Designation of Authorized person/Signing Authority: Associate Director

1) Issuer Details:

Name of the issuer : Stallion India Fluorochemicals Limited
Name of the promoter : Shazad Sheriar Rustomji
Industry/sector to which it belongs : Refrigerant and Industrial Gases

2) Issue Details

Issue Period : April 01,2025 to June 30,2025
Type of issue (public/rights) : Public
Type of specified securities : Equity Shares
IPO Grading, if any : Not applicable
Issue size (in Rs. crore) : Rs. 160.72

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 Offer Document?	No	Management Certificate, CA certificate*, bank statements and Prospectus	<ul style="list-style-type: none">As per Prospectus the funds allocated for working capital purpose was Rs.95 crore. However, SFIL made total utilization of Rs.98.71 crore till Q1FY26 (Q4FY25: Rs.94.14 crore and Q1FY26: Rs.4.57 crore) which led to excess utilization of Rs. 3.71 crore towards working capital purpose.As per prospectus, the quantum and purpose for utilizing IPO proceeds under GCP should be duly approved by the Board. During Q1FY26, SIFL utilized Rs.3.41 crore as GCP for additional issue expense (Rs.0.94 crore) and working capital utilization (Rs.2.47 crore) which are not explicitly covered in GCP definition. The board approval for the same was not provided to Monitoring Agency.Monitoring Agency has observed that the utilization of proceeds was routed through multiple current accounts which has numerous other transactions resulting in comingling of funds.The part of unutilized funds was parked in FDs which were linked to these current accounts and had auto sweep option. There were instances wherein FDs balances were utilized for business purposes due to lower balance and same were replaced with	<p>The company has fully unutilised OD facility of Rs.70 crore (where the bulk of the working capital was used) and keeping an eye on finance costs management have always tried to ensure it is unused.</p> <p>The bank knowing our stringent approach to finance cost made the FD with auto sweep wherein unknown to us the FD got debited with the temporary fund requirement instead of the OD account.</p> <p>This is primarily an oversight and not intent. This is being rectified by removing auto sweep from FD and ensuring the balance amount is also topped up in the FD.</p>

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
			<p>other credits during the quarter. The total amount involved is Rs. 7.97 crore which were utilized for 15 days (April 03,2025 to April 17,2025).</p> <ul style="list-style-type: none"> Monitoring agency has primarily relied on CA certificate and Management Certificate for the utilization. 	This was a very temporary deviation caused by banks good intention to ensure saving of interest cost to company and due to management oversight and was not done by intent.
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	No	Management Certificate, CA certificate* and Prospectus	<p>Alteration in IPO proceeds allocation against specified objects: As per Prospectus, the funds allocated for working capital purpose was Rs.95 crore. However, SFIL made total utilization of Rs.98.71 crore till Q1FY26 (Q4FY25: Rs.94.14 crore and Q1FY26: Rs.4.57 crore) which led to excess utilization of Rs. 3.71 crore. The excess utilization of IPO proceeds for working capital led to alteration in IPO proceeds allocation against other objects. Shareholder approval for the same not provided.</p> <p>Board approval missing for General Corporate purpose (GCP) utilization: As per prospectus, the quantum and purpose for utilizing IPO proceeds under GCP should be duly approved by the Board. During Q1FY26 SIFL utilized Rs.3.41 crore as GCP for additional issue expense (Rs.0.94 crore) and working capital utilization (Rs.2.47 crore). However, required approval through a board resolution for the same prior to utilization of the funds was not provided to Monitoring Agency.</p>	<p>The company has fully unutilised OD facility of Rs.70 crore (where the bulk of the working capital was used) and keeping an eye on finance costs management have always tried to ensure it is unused.</p> <p>The use in working capital is temporary and will revert back to original object. It is not a permanent deviation. Rectification is already being done by removing auto sweep from FD and also topping up balance funds.</p> <p>This is a temporary deviation below 10% and will be reverted back to original object immediately.</p>
Whether the means of finance for the disclosed objects of the issue have changed?	Yes	Management Certificate, CA certificate* and Prospectus	As per Prospectus, the funds allocated for working capital purpose was Rs.95 crore. However, SFIL made total utilization of Rs.98.71 crore till Q1FY26 (Q4FY25: Rs.94.14 crore and Q1FY26: Rs.4.57 crore) which led to excess utilization of Rs. 3.71 crore. The excess utilization of IPO proceeds for working capital will result in change in IPO proceeds allocation against other objects.	It was clearly informed that the company have no intent to have a permanent deviation of object funds from Capex. The amount temporarily utilised due to oversight is being reinstated in the FD.
Is there any major deviation observed over the earlier monitoring agency reports?	No	Previous Monitoring Agency Report	Not Applicable	No comments received
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes	Management Certificate and CA certificate*	Monitoring agency has primarily relied on CA certificate and Management Certificate	No comments received

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 arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Management Certificate and CA certificate*	Monitoring agency has primarily relied on CA certificate and Management Certificate	No comments received
Are there any favorable/unfavorable events affecting the viability of these object(s)?	Yes	Management Certificate and CA certificate*	The company has made excess utilization of Rs. 3.71 crore in working capital object which may affect the viability of the other specified objects.	The company has clearly stated that no capex fund will be used for any other object and minor deviation below 10% due to oversight is being rectified into FD with removal of auto sweep.
Is there any other relevant information that may materially affect the decision making of the investors?	No	-	-	

*Verified from Chartered Accountant certificate from Mittal & Associates dated August 13,2025

#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.

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 requirements	Management Certificate, CA certificate* and Prospectus	95.00	Not applicable	As per Prospectus, the funds allocated for working capital purpose was Rs.95 crore. However, SFIL made total utilization of Rs.98.71 crore till Q1FY26 (Q4FY25: Rs.94.14 crore and Q1FY26: Rs.4.57 crore) which led to excess utilization of Rs. 3.71 crore. The said excess utilization will lead to deficit in available IPO proceeds for other specified objects.	There is no cost revision and no permanent deviation. The FD created had an auto sweep account which was debited in place of the companies unutilised Rs.70 crore OD account. The temporary deviation seen is less than 10%.	The company has Rs.70 crore unutilised OD account where the working capital was parked and will be utilised to top up the FD account.	The FD will be topped up and the auto sweep function will be removed which caused the issue. There is no permanent deviation of funds of the objects and the company will require all the capex funds for its expansions and company have clearly stated that there is no intent to deviate from the objects especially capex funds.
2	Funding capital expenditure requirements for Semi-conductor & Specialty Gas debulking & blending facility ("Khalapur, Maharashtra")	Management Certificate, CA certificate* and Prospectus	29.16	Not applicable				
3	Funding capital expenditure requirements for Refrigerant debulking & blending facility ("Mambattu, Andhra Pradesh")	Management Certificate, CA certificate* and Prospectus	21.17	Not applicable				
4	General Corporate Purpose	Management Certificate, CA certificate* and Prospectus	3.41	Not applicable	Not applicable	No comments received	No comments received	No comments received
5	Share issue expensed	Management Certificate, CA certificate* and Prospectus	11.98	Not applicable	Not applicable	No comments received	No comments received	No comments received
Total			160.72					

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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			Total 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 requirements	Management Certificate, CA certificate* and bank statements	95.00	94.14	4.57	98.71	(3.71)	The proceeds during the quarter was utilized for making advance payment to suppliers against POs and contracts. The transactions were routed through multiple current accounts, which has numerous other transactions resulting in comingling of funds. Monitoring agency has primarily relied on CA certificate and Management Certificate.	The company has a primary account (039) where all incoming funds come and where bulk of the funds and FD lie. This is a manual account with no electronic transfer available to safeguard the account & Funds. The other account (384) is utilised for making payments online and funds are transferred from the primary account here. This is a safety protocol and acts like a firewall to protect the main account and funds from hacking. This safety net will remain.	
2	Funding capital expenditure requirements for Semi-conductor & Specialty Gas debulking & blending facility ("Khalapur, Maharashtra")	Management Certificate, CA certificate*, Prospectus and bank statements	29.16	0.64	4.21	4.85	24.31	The proceeds during the quarter was utilized for payments majorly related to construction work and advances for the same. Same was verified though the invoices and POs. The transactions were routed through multiple current accounts which has numerous other transactions resulting in comingling of funds. Monitoring agency has primarily relied on CA certificate and Management Certificate.	The company has made advance payments for most suppliers and vendors, but bulk of payments will only be made against receipt of material or completion of work. This is the company protocol. The primary account (039) is not online and can make no electronic transfers. The other account (384) is utilised for making payments online and funds are transferred from the primary account here. This is a safety protocol and acts like a firewall to protect the main account and funds from hacking.	
3	Funding capital expenditure requirements	Management Certificate, CA certificate*,	21.17	-	0.96	0.96	20.21	The proceeds during the quarter was utilized for capital expenditure advances. The same was verified from	The primary account (039) is not online and can make no electronic transfers.	

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			Total 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
	for Refrigerant debulking & blending facility ("Mambattu, Andhra Pradesh")	Prospectus and bank statements						Pos. The transactions were routed through multiple current accounts which has numerous other transactions resulting in comingling of funds. Monitoring agency has primarily relied on CA certificate and Management Certificate.	The other account (384) is utilised for making payments online and funds are transferred from the primary account here. This is a safety protocol and acts like a firewall to protect the main account and funds from hacking.	
4	General Corporate Purpose	Management Certificate, CA certificate*, Prospectus and bank statements	3.41	-	3.41	3.41	-	As per prospectus, the quantum and purpose for utilizing IPO proceeds under GCP should be duly approved by the Board. During Q1FY26 SIFL utilized Rs.3.40 crore as GCP for additional issue expense (Rs.0.94 crore) and working capital utilization (Rs.2.46 crore). The working capital utilisation pertains to advance payment to suppliers against POs and contracts. However, required approval through a board resolution for the same prior to utilization of the funds was not provided. The transactions were routed through multiple current accounts which has numerous other transactions resulting in comingling of funds.	Due to market conditions and management being occupied in expansion works and a major new project there were no board meeting when the deviation occurred and board resolution was passed in the next quarter. The primary account (039) is not online and can make no electronic transfers. The other account (384) is utilised for making payments online and funds are transferred from the primary account here. This is a safety protocol and acts like a firewall to protect the main account and funds from hacking.	
5	Share issue expenses	Management Certificate, CA certificate*, Prospectus and bank statements	11.98	11.98	-	11.98	-	-	No comments received	
Total			160.72	106.76	13.15	119.91	40.81			

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(iii) Deployment of unutilized 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	ICICI Bank FD (9927)	0.10	06-03-2026	-	6.70	0.10
2	ICICI Bank FD (4943)	0.01	30-07-2025	-	6.70	0.01
3	ICICI Bank FD (5492)	15.00	17-12-2025	-	6.70	15.00
4	ICICI Bank FD (9876)	0.11	25-02-2026	-	6.70	0.11
5	ICICI Bank FD (9944)	0.11	12-03-2026	-	6.70	0.11
6	ICICI Bank FD (9941)	0.11	11-03-2026	-	6.70	0.11
7	ICICI Bank FD (0152)	0.10	06-05-2026	-	6.70	0.10
8	Axis Escrow account (Account Number:924020054061481)	18.71	-	-	-	18.71
9	ICICI Bank Current account (Account No: 122105000039)	5.79	-	-	-	5.79
10	ICIC Bank Current account (Account No: 122105000384)	0.77	-	-	-	0.77
	Total	40.81	-	-	-	40.81

-Verified from Chartered Accountant certificate from Mittal & Associates dated August 13,2025

(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 requirements	March 31,2026	June 30,2025	No delays	No comments received	No comments received
Funding capital expenditure requirements for Semi-conductor & Specialty Gas debulking & blending facility ("Khalapur, Maharashtra")	October 30,2025	Ongoing	No delays	No comments received	No comments received
Funding capital expenditure requirements for Refrigerant debulking & blending facility ("Mambattu, Andhra Pradesh")	October 30,2025	Ongoing	No delays	No comments received	No comments received
General Corporate Purpose	March 31,2026	June 30,2025	No delays	No comments received	No comments received
Share issue expenses	March 31,2025	March 31,2025	No delays	No comments received	No comments received

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

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	Working Capital Utilisation	2.47	CA Certificate* and Management Certificates	As per prospectus, the quantum and purpose for utilizing IPO proceeds under GCP should be duly approved by the Board. During Q1FY26 SIFL utilized Rs.3.40 crore as GCP for additional issue expense (Rs.0.94 crore) and working capital utilization (Rs.2.47 crore). The working capital utilization pertains to advance payment to suppliers against POs and contracts. However, required approval through a board resolution for the same prior to utilization of the funds was not provided. The transactions were routed through multiple current accounts which has numerous other transactions resulting in comingling of funds.	Due to market conditions and management being occupied in expansion works and a major new project there were no board meeting when the deviation occurred and board resolution was passed in the next quarter. Also, the unexpected higher unplanned issue expenses were due to Banker to the IPO (Yes bank) raising a higher bill due to the 188 times oversubscription of the IPO which was paid out of the GCP funds.
2	Issue Expense	0.94	CA Certificate*, Management Certificates and Issue expense Invoices		
Total		3.41			

^ Section from the offer document related to GCP: "We will have flexibility in utilizing the balance Net Proceeds, if any, for general corporate purposes, aggregating to Rs 340.88 Lakhs, subject to such utilisation not exceeding 25% of the Gross Proceeds from the Fresh Issue in accordance with Regulation 7(2) of the SEBI ICDR Regulations, including but not restricted towards strategic initiatives, improvement in supply chain, branding, marketing, rental and administrative expenses, meeting exigencies, and expenses incurred in the ordinary course of business. The quantum of utilisation of funds toward the aforementioned purposes will be determined by our Board based on the amount actually available under the head "General Corporate Purposes" and the corporate requirements of our Company, from time to time."

*Verified from Chartered Accountant certificate from Mittal & Associates dated August 13,2025

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 auditor 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 statutory auditors, 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.