

One Stop Investment Avenue



**GEPL**  
CAPITAL



IPO Note

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**STALLION INDIA  
FLUOROCHEMICALS  
LIMITED**

JAN 16, 2025

**STALLION** 



Jan 16, 2025

**Details of the Issue**

Price Band	₹ 85 - ₹ 90
Issue Size	₹ 199.45 Cr
Face Value	₹ 10
Bid Lot	165
Listing on	BSE, NSE
Post Issue Mcap	₹ 713.93 Cr
Investment Range	₹ 14,025- ₹ 14,850

**Important Indicative Dates (2025)**

Opening	16 - Jan
Closing	20 - Jan
Basis of Allotment	21 - Jan
Refund Initiation	22 - Jan
Credit to Demat	22 - Jan
Listing Date	23 - Jan

**Lead Manager**

Sarathi Capital Advisors Private Limited

**Offer Details**

Offer Size	₹ 199.45 Cr
Fresh Issue	₹ 160.73 Cr
OFS	₹ 38.72 Cr

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	99.7	11.7	11.1	50
NII	29.9	3.5	3.3	15
Retail	69.8	8.2	7.8	35
Em-ploy.	-	-	-	-
Total	199.4	23.4	22.2	100

**Invest Now****Company Profile**

Incorporated in 2002, Stallion India Fluorochemicals Limited specializes in the sale of refrigerants, industrial gases, and a range of related products. The company's primary business is debulking, blending and processing of refrigerant and industrial gases, and sale of pre filled cans and small cylinders/containers. The company has four facilities located in Khalapur (Maharashtra), Ghiloth (Rajasthan), Manesar (Haryana) and Panvel (Maharashtra) that are designed and equipped to store gases in a controlled environment. SIFL caters to various industries and segments including Air conditioners & Refrigerators, Fire Fighting, Semiconductor manufacturing, Automobile Manufacturing, Pharma and Medicals, Glass bottle manufacturing, Aerosols and Spay foam, and others.

**GEPL's Insights & Investment Thesis:**

- SIFL's topline grew at 8% CAGR over the last two years, whereas the company's net profit declined from Rs.21 cr in FY 2022 to Rs. 15 cr in FY 2024.
- The company's customer portfolio is highly concentrated, as a significant portion of its revenue—around 90% in the first half of FY2025—came from just its top 10 customers. This indicates a strong reliance on a small number of clients, which could expose the company to risks if there are any changes in these customers' purchasing behavior, contract renewals, or market conditions affecting them.
- Based on the FY24 earnings relative to the company's post-IPO paid-up equity capital, the issue is priced at a P/E ratio of 47.6x. We believe the company is fairly valued compared to its peers. However, given a single digit topline growth, poor net profit growth, high competition from established peers, and concentrated customer portfolio, we recommend a "Subscribe" rating for this issue listing gains.

**Business Highlights & Services**

SIFL specializes in the process of debulking refrigerants from Tankers into bulk storage tanks, testing incoming and unloaded material in its laboratory, thereafter filling both new and existing cylinders with the highest purity of the refrigerant gases with no quality parameter changes like moisture or contamination during all these processes. Finally testing the finished product in the cylinders and certifying them with Individual Certificate of analysis with all parameters. The company sells its products under the brand name "Stallion". SIFL generates majority of its revenue from SF6, R32, R152a, and R410a gases.

The company's long-term relationships with a diverse customer base across high-growth industries, including air conditioning, automotive, pharmaceuticals, and more, contribute significantly to repeat business and referrals, with top ten customers representing 77.32% of revenue in FY 2024. The company operates four strategically located manufacturing plants across Maharashtra, Haryana, and Rajasthan, optimizing logistics and ensuring efficient production. SIFL's supply chain is designed for precision, quality, and reliability, with a focus on meeting changing market demands promptly. Despite the challenges of the COVID-19 pandemic, the company's consistent financial performance, with revenues of ₹140.73 crores in FY 2024, reflects its resilience, operational efficiency, and commitment to delivering high-quality refrigerants and gases, positioning us for continued growth and success.

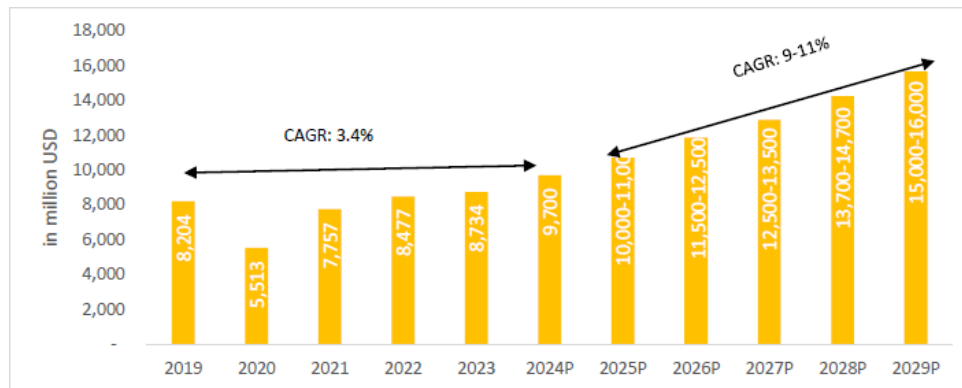


## Product wise revenue

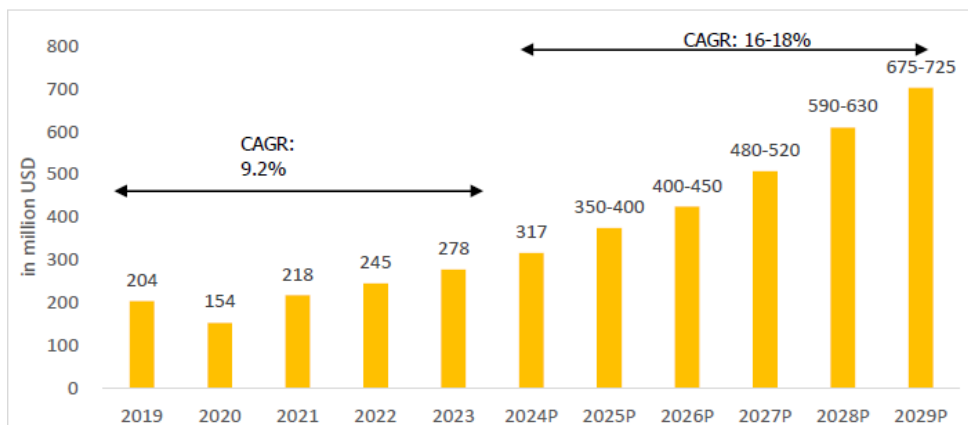
Product category	September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
	Revenue	Revenue	Revenue	Revenue
<b>Sale of Gases &amp; related products</b>				
Refrigerants Sales	12,286.87	19,085.47	18,848.57	17,795.49
<b>Other Products</b>				
Cylinders	451.34	750.74	208.74	65.19
Paint	-	46.63	-	-
Washer Pump	73.50	494.33	244.21	-
Refrigerants Cans (Filled & Empty)*	983.04	2,493.45	3,222.25	631.03
Vacuum Pump, AC Cleaner, Anti Rust Lubricant, Wooden pallets & Spectra Shield, Valves & Caps etc.	259.41	429.75	1.05	66.24
Spare Parts of Washer	13.11	15.93	13.31	-
<b>Total</b>	<b>14,067.27</b>	<b>23,316.30</b>	<b>22,538.14</b>	<b>18,557.95</b>

## Industry Overview

The global market for fluorochemicals and specialty gases has been experiencing robust growth and is projected to continue expanding at a CAGR of 9-11%, increasing from \$9.7 billion in 2024 to an estimated \$15-16 billion by 2029. This growth is primarily driven by global population growth and rapid urbanization. Among various applications, the automotive sector stands out as the largest consumer of fluorochemicals.



The Indian market for fluorochemicals and specialty gases is expected to experience strong growth, with a projected CAGR of 16-18% from 2024 to 2029, reaching an estimated value of \$675-725 million. This growth is primarily driven by rising demand across key sectors such as electronics, healthcare, and manufacturing. As industries continue to expand and the need for high-performance materials intensifies, the demand for fluorochemicals and specialty gases is expected to surge. Additionally, the increasing number of chemical manufacturing facilities in India is contributing to this growth. These materials are crucial in various applications, including lining materials for chemical storage tanks, corrosion-resistant coatings, gaskets, seals, wire and cable insulation, semiconductor fabrication, and dielectric materials, owing to their exceptional chemical resistance and ability to endure high temperatures.



Peers Comparison

Name of the company	Face Value (₹)	Total Income (₹ Cr)	EPS	P/E	RoNW(%)
Stallion India Fluorochemicals Limited	10	236.2	2.4	NA	12.5%
<b>Peers Group</b>					
Navin Fluorine International Limited	2	1,488.2	47.4	70.8	10.2%
SRF Limited	10	10,906.1	46.3	49.3	13.1%
Gujarat Fluorochemicals Limited	1	4,088.1	38.1	108.4	7.1%

Companies Competitive Strength :

- More than two decades in the field have led to strong market recognition in the refrigerant gases industry .
- Customer base across high growth industries and long-standing relationships with customers
- Supplying gases to different high-growth industries.
- Logistic efficiency and a seamless production process are attained by strategically placing operational facilities across different geographic regions.

Key Strategies Implemented by Company

- Geographical expansion and product optimization.
- Continuing focus on innovation and leveraging chemistries and technology absorption.
- Focusing on Customer Relationship Management (CRM).

Particular (INR in Cr)	6M FY25	FY24	FY23	FY22
Borrowings	81	65	18	2
Net Worth	135	118	71	61
Revenue	142	236	226	186
Growth (%)		4%	22%	
EBITDA	26	27	16	33
EBITDAM (%)	18%	11%	7%	18%
PAT	17	15	10	21
PATM (%)	12%	6%	4%	11%
ROCE (%)	12%	14%	16%	50%
ROE (%)	12%	13%	14%	35%



## Notes

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