Stallion India Fluorochemicals Ltd.
CIN - L51410MH2002PLC137076
2, A-Wing, Knox Plaza, Off Link Road,
Mindspace, Malad (W), Mumbai - 400 064.
Tel.: 022-4351 0000
Email: sf@stallion.in

Date: 24th November, 2026

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**: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of the Investor Conference.**

Dear Sir/Ma'am,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Investor Conference held on Thursday, 19th November, 2026, at 04.00 P.M. (IST) with regard to the business and financial performance of the Company for the quarter & half year ended 30th September, 2026.

The transcript has also been uploaded on the Company's website and can be accessed through the following link:

https://stallionfluorochemicals.com/investors-information/earning-call/

You are requested to kindly note the same.

Yours Faithfully,
For Stallion India Fluorochemicals Limited

GOVIND RAO Digitally signed by GOVIND RAO Date: 2026.11.24 16:29:43 +05'30'

Govind Rao
Company Secretary & Compliance Officer
Mem. No. A47094

STALLION INDIA FLUOROCHEMICALS LIMITED

Q2 & H1 FY27 Earnings Conference Call

Event	Q2 & H1 FY27 Earnings Conference Call
Event Date/Time	19/11/2026, 04:00 PM IST
Management Representative	Mr. Shazad Rustomji – Chairman, CEO & Managing Director
Hosted By	ConfideLeap Partners

Moderator (ConfideLeap Partners):

Ladies and gentlemen, good evening and welcome to Stallion India Fluorochemicals Q2 and H1 FY27 conference call hosted by ConfideLeap Partners. As a reminder, all the participants line will be in listen mode only and there will be an opportunity for you to ask the questions after the presentation concludes. Please note that this conference is being recorded. Before we begin, I would like to point out that this conference may contain forward-looking statements about the company which are based upon the beliefs, opinion and expectation of the company as of the date of the call.

These statements do not guarantee the future performance of the company and it may involve risks and uncertainties that are difficult to predict. We represent the investor relations for Stallion India Fluorochemicals Limited and on behalf of ConfideLeap Partners, I extend a warm welcome to all the investors, analysts and participants for joining the Q2 and H1 FY27 earnings concall. We have with us Mr. Shazad Rustomji who is the Chairman, CEO and Managing Director of Stallion India Fluorochemicals Limited.

I now hand over the call to Mr. Shazad for his opening remarks. Thank you.

Mr. Shazad Rustomji (Chairman, CEO & Managing Director):

Thank you and good evening everyone and a warm welcome to Stallion India Fluorochemicals Limited Q2 and H1 FY27 earnings conference call. During the first half of FY27, our revenues from operations stood at 257.48 crores, registering a year-on-year growth of 19.18%. Total income increased by 22.07% to 264.05 crore. Operating EBITDA before ESOP expenses stood at 41.10 crores, reflecting growth of 36.39%, while operating PAT before ESOP expenses increased by 40.16% to 30.53 crores.

For Q2, revenue from operations grew by 28.86% to 136.03 crores. However, growth in operating EBITDA and PAT before ESOP expenses remained relatively modest at 0.43% and 4.78% respectively. The results also include an ESOP expense of 9.51 crore, which is a non-cash accounting provision charge only. From an operational perspective, one of our key developments has been the commencement of operations at a high-purity helium facility at Khalapur in September 2026.

The facility positions us to cater to demands from sectors such as semiconductors, electronics, healthcare, aerospace and advanced research. Our Mambattu facility in Andhra Pradesh is also part of our ongoing expansion plans and will strengthen our presence in South India, particularly in the HFO blending and debulking and blending and storage facilities. At the same time, we are progressing with our proposed 10,000 metric tonne R32 manufacturing facility at Bhilwara, Rajasthan.

This project is an important step towards backward integration and is expected to strengthen our manufacturing capabilities and supply chain over long term. Beyond these projects, we continue to explore opportunities in next generation HFO refrigerants, high-purity helium and other specialty gases. Our broader objective is to gradually increase the contribution of higher value products to our business. Going forward, our focus will remain on disciplined execution of these projects, expanding our product portfolio and improving operational efficiencies.

We believe these initiatives can support our long-term growth and profitability plans. I would like to thank all our investors and stakeholders for their continued support. I am happy to take your questions. Thank you.

Moderator:

Thank you, sir. Participants are requested to raise their hands for their questions. Also, one can request their questions in the question box. We will wait for two minutes for the Q&A form. We have a first question from Mr. Gaurav Shukla. Sir, you may unmute and proceed. And I request participants to limit questions to two.

QUESTION AND ANSWER SESSION

Gaurav Shukla:

Sir, I am audible.

Mr. Shazad Rustomji:

Yes.

Gaurav Shukla:

Sir, I want to know the commissioning of 10,000 metric ton Bhilwara plant.

Mr. Shazad Rustomji:

We expect to have all trials completed by March. And from April, we should have the production as per the current plans. This was projected to have been started by October to December. The original plan when this was put forward, the paper when this was put forward was in October. And we were supposed to have received monies by December. However, due to high volatility, funding plans had got delayed. Funding was received in April.

Work was started in April. So the project moved up by three to four months.

Gaurav Shukla:

But sir, in PPT, this is so that land acquired and construction will be started in 27 something.

Mr. Shazad Rustomji:

In 26, the land was acquired already. The work was supposed to have started full scale. The funding came in late. So we had a late start. The project is on schedule. It was scheduled to be completed within 12 months. Normally, a chemical process plant of this type for a greenfield project, a minimum time span of 24 months is required. Fastest, like if you ask any Chinese company also to set up, they say 18 months. We have done a greenfield project from barren land with no permissions or anything to completion in 12 months.

If we complete it in time, it will be a record of its kind.

Gaurav Shukla:

Okay, sir. In last concall, I have asked, sir. Then you said that in January, its revenue is coming to Q4. Then, sir, there is no idea at that time that it will be delayed. It means continuous, sir, the first time I had listened, that is the time in July. Then October. Then January. And now, sir, you are saying that March. Then that is different as soon as we developed it.

Mr. Shazad Rustomji:

We had expected that we should have been able to have a start-up by December. And meaning a production in the first quarter. Like by February, we were expecting we should have had the production. Number one, the monsoons in that area are highly disruptive. In the sense, all foundations that are dug, once it rains out there, it's all clayey soil. Clayey, loamy soil. You have to redo the whole thing all over again. Meaning, there are certain unexpected challenges that came about which disrupted the timeline.

However, we are very much well within timeline. We don't see any further delays.

Gaurav Shukla:

Okay, sir. Thank you, sir. And the second question is, sir, helium is in the…

Moderator:

Gaurav, sir, I would request you to kindly join back the queue. Since we have limited time from the management and there are many participants in queue.

Gaurav Shukla:

Okay. Thank you.

Moderator:

We have a next question from Mr. Ashish Soni. Sir, you may unmute and proceed.

Ashish Soni:

Sir, you spoke about the Bhilwara. You are doing record time. So what different things we are doing to achieve it in record time compared to even Chinese. If you can throw some light and what challenges you are facing right now. I can understand rains and beyond our control. But what risk you are seeing and what mitigations you are doing right now. If you can throw some light on that, that will help.

Mr. Shazad Rustomji:

Yes. Basically, number one, usually when a work is given of this magnitude, the promoter, the management usually do not interfere. It is given to a project management team and the project management team will continue at their pace. And they will do it. Five days a week, I am personally at Bhilwara, personally leading and checking the timelines, etc. Wherever we find the delays, if we have to pump through anything, enhance any measures, etc.

They're done on a timely basis. This kind of personal intervention is usually not there in any of these big projects. That is the cardinal difference that comes about that allows us to meet this timeline. Second, unlike most work sites, this we have run round the clock. We have had two competing teams of people working on a 12-hour shift. So the first 8 to 10 hours they finish, there's a break and then the next shift starts.

So it's working round the clock. Both these things together. And most importantly, myself and senior management. Being at the site and leading it, it makes all the difference. That's what allows us to do it in that record time.

Ashish Soni:

And any risk mitigations which I asked in that first question itself, can you throw some light what are the challenges you're facing and how are you mitigating? I'm trying to understand that.

Mr. Shazad Rustomji:

Rajasthan has been a beautiful place to work in. Like I said, people have asked me many times about why we chose Rajasthan. A very forward state. The bureaucracy and the political setup is very positive towards business. So we do not face any challenges in terms of any permissions. Wherever we need any support, whether we turn to the electricity departments or we turn to the local administration or anywhere, we have had absolute complete support out there.

Meaning it has been a dream to work in that state, has been our personal opinion. And that is why all other investments also will be in Rajasthan onwards from our side. We don't find any challenges in terms of any kind of regulatory issues or anything. In terms of planning for plant and machinery etc. We have come to a close on all construction activities. Just I think the mopping up activity is there. Right now we have started the plant and machinery installation work.

As such we do not foresee any difficulties or any delays or anything from any of the items. All plant equipment, everything is at site. So that work has come in. So basically whatever had to be mitigated in terms of ensuring that timely arrival of materials, timely arrival of design changes, parameters, a lot of design changes did take place. Which also delayed, you know, though we had planned, we started late, we still had maintained a plan to complete it by December.

A lot of design changes took place, requiring the requirements due to Indian working conditions. So you have to understand it's a design team, it's a technology transfer team. Which are working remotely and they work as per international standards. Based on which the plant is conceptualized and designed etc. So when you have to meet it with the Indian requirements, like say for boilers you need IBR certifications, for pressure vessels etc. you need PESO certifications.

Some of the certifications are not available internationally. So then your design changes and your whole plant is designed based on foreign equipment or foreign parts that are going to fit into things. And then they don't have the certifications required as per regulatory requirements of our country. So we have to follow the regulatory requirements and hence design changes take place. These are the things that slightly delayed.

Other than that most of the risks, most of the issues that came up were foreseen, were anticipated and mitigated also. Including the Gulf crisis that is underway, including a lot of transport issues etc. So most of the things were taken care of.

Ashish Soni:

The second question is, you spoke about some guidance of I think thousand plus crore revenue if I recollect. And last or earlier concall and 15% PAT. And I think you spoke about working capital so also there might be some requirements. Is that guidance still intact and working capital are we planning to raise some funds for next phase of growth? I just want to understand that piece.

Mr. Shazad Rustomji:

If you go back to all my calls and all whatever statements I have made, we have met each and every commitment or any statement that I've done. We have always met the commitments that we have always given. Now basically at the start of the year when you give a projection of what your income would be or what your growth would be, it is a projection, it is a plan. Basically you can achieve it, you may not achieve it due to certain conditions.

Like for this year, current year, we had given a projection of the figures I am telling you. When asked what would be the growth, I said it would be 500 crores. And if we have 32, we will have a 30% year on year, in one quarter we will have 30% year on year growth. 30% means 560 crores. Now these are the two figures that I had projected. Obviously we will not have 32, so the figure of 500 crores as the growth would be in effect.

However, wanting to ensure and make sure that whatever we speak becomes a form of a commitment and not loose talk, our target had moved up to 560 crores itself internally. And going by the current first half year, what we have achieved and the next half year being the stronger year, we feel we will meet the commitments even without R32 of what we had projected, 30% year on year. Now the PAT also, it has kept in line with what we have spoken for the current year.

Meaning in this quarter there was a little, I understand confusion with people that the PAT is lower. The ESOP is not an expense, it is not a payout, company doesn't have to pay anything, company does not lose any money, there's nothing. It is a provision for accounting provided as per the current and latest standards. Many times you do have a choice where you can roll it over to next year. In transparency we do not want to do any such thing.

In the current year as per regulations is when we will declare it and it has been declared. So meeting the revenue targets, we are online with everything. The next year again 30% growth, with 32 coming into effect, the next year 30% growth also will be there. So company is very much in tune with whatever it has projected and we will meet whatever we have said we would do.

Ashish Soni:

So is it a confirmation, 1000 crores next year and working capital?

Moderator:

I would kindly request you to join back the queue.

Mr. Shazad Rustomji:

No, no, I think I'll just reply to you. 550, 560 is what would have been the turnover with R32 this year. We hope to achieve it even without R32 this year. Next year if R32 starts up 10,000 tonnes, even if we do I'm saying 7,000 tonnes. So it would add another 350 to 400 crores. So a normal growth 600 plus 400, 1000 crores I think we can achieve very easily.

Ashish Soni:

And working capital, question?

Mr. Shazad Rustomji:

Working capital we may require, we may not require, we may require capital also in terms of currently as working capital onwards as the capex for the HFO plant that is planned after this plant is completed. So we may look at raising capital for it, we may look at debentures also, we may look at going down debt also. That is not decided yet, as it's decided it will be communicated.

Ashish Soni:

Okay sir, thanks and all the best for the future.

Mr. Shazad Rustomji:

Thank you.

Moderator:

Thank you. We have our next question from Mr. Arindam Dutta. Sir, you may unmute and proceed. And request participants to limit questions to two.

Arindam Dutta:

Sir, can you hear me?

Mr. Shazad Rustomji:

Yes sir.

Arindam Dutta:

Okay, sir, so since it is, you said that R32 plant is postponed till next year April. So does that mean since Mambattu plant is a complementary plant of Bhilwara, hence can I assume that Mambattu plant also there will be no revenue add up in this year? That is my first question.

Mr. Shazad Rustomji:

Yes, go ahead, go ahead.

Arindam Dutta:

That is what I am saying, like

Mr. Shazad Rustomji:

Yes, see R32 has been delayed. It's not delayed, actually it's a late start and completion on time. But we do not expect the revenues to come in this year, financial year. Mambattu is a HFO blending plant primarily. Number one, it has been expanded to helium, it has been expanded to hydrocarbons, has been expanded to host of other things. We have developed the entire facility, the entire acreage.

We did not want to start and then have expansion onwards which shuts down the plant. So as a result, that plant completely got redesigned. The scope of the plant is almost double in cost. So we've completed, most of the work is completed, all the construction work is over, barring a little the office building etc. Other than that everything is completed. Mambattu would require 32, 60% of its production requirements. So in a way it is complementary to our current plant being set up.

It is not dependent on the plant but it is very much complementary because the real scope of that plant would come out along with this production. So Mambattu also would be completed in Q1.

Arindam Dutta:

Which means there will be no revenue add up for this year.

Mr. Shazad Rustomji:

First thing is, you need to understand, revenue targets that we have set, we are achieving the targets. Number one. Number two, the revenue growth that would come from Mambattu currently, that is projected to move up into Q1 of 27.

Arindam Dutta:

I understand sir, there is some constant. Only my concern is our dilution is going more faster than our PAT growth. That is what my concern is. So my second question is sir, in this quarter, I was checking that none of the quarter had a material cost of 86%. So is that material loss we have due to this geopolitical issue or anything else?

Mr. Shazad Rustomji:

No, no, loss of which 85% were in this quarter.

Arindam Dutta:

The material cost I'm talking about sir, it is always like 74-76%. So the GPM is around that level, 80-20% or something. But this quarter, the material cost itself is showing like 86%. So the GPM has gone down to 14%, right?

Mr. Shazad Rustomji:

See, last quarter was not, last quarter was the abnormal quarter. This quarter is the regular quarter. Last quarter what had happened, the quarter ended in July, in which we had spectacular earnings, etc. At that quarter, I had already informed you all that take this as a windfall one-off. It's not the norms, it is not going to repeat in the next quarter. That was better planning. So that was the abnormality. This is the normal.

Arindam Dutta:

Okay, so in this context, like our fundraising for HFO also would be delayed till next year, right? Or it would be going, as you said last call, it might be December, January 27.

Mr. Shazad Rustomji:

Sorry, which one?

Arindam Dutta:

The HFO plan, So the fundraising decision would be made, maybe sometime in the end of this year.

Mr. Shazad Rustomji:

The plans are already underway, the environmental studies, etc. have initiated for that. After we start this plant, we will start, and once this plant is complete and production has started, we will initiate activities for

that plant. After stabilization of this plant and smooth running, three months or five months, is when the work on that plant would start.

We would not take up two activities simultaneously.

Arindam Dutta:

Correct, but regarding the fundraising, it would be Q4 this year or Q1 for the HFO?

Mr. Shazad Rustomji:

Like I said earlier, it's still under decision making of how we would be going. Either we may raise funds through a QIP preferential or we may raise debentures or we may go down debt. It's not decided yet. As it stands, land is acquired, boundary wall is made, everything is done. We cannot do work on that for the simple reason till you don't get the EC, you don't start work on the property. But land is fully acquired, the boundary wall is done, the security cabins, all that work is all over.

Arindam Dutta:

Okay, so in this context, I have another question.

Moderator:

Arindam, sir, would request you to...

Arindam Dutta:

I'll go back to the queue. Thank you, sir.

Moderator:

Thank you. We have a next question from Mr. Ashish Parikh. Sir, you may unmute and proceed.

Ashish Parikh:

Hello, am I audible sir?

Mr. Shazad Rustomji:

Yes.

Ashish Parikh:

Sir, first thing, these ESOP expenses that we had last quarter, were they one time or will they continue for some time the coming quarter?

Mr. Shazad Rustomji:

The next two quarters will see an equal meaning. This was actually the ESOP expenses, it's not an expense. The company does not pay out anything, the company has no expense, the money remains in the company, nothing goes anywhere. It is as per accounting standard, the debit credit has to be shown somewhere. So basically, it is just as per the new accounting standards, the provision for the ESOP was shown. There is no payout by the company, the company's account does not reduce by 9 crores or anything.

It is just in the profit, the accounting provision is provided. Number one, so that was 9 crores was for two months, not one month. We were supposed to have shown it in the first quarter, the calculation and the

third party documentation for it had not come in. So in the second quarter, it was shown for two quarters together, it's not one quarter. And in the next quarter again, next two quarters again, it'll be shown.

So four and a half, four and a half will go in the next two quarters. 4.7 crores

Ashish Parikh:

So next two quarters will be having it and after that it will discontinue

Mr. Shazad Rustomji:

See, whatever your ESOP expenses provision that has to be passed, have to be passed in that one financial year. It's not spread over two, three years. So in that one financial year, whatever the amount was is divided into four quarters and provisions are passed.

Ashish Parikh:

Okay, sir. Understood. Secondly, sir, we understand that the delays have been caused by fundraise and many other things, which are out of control. But now, sir, how confident and realistic are we in concluding both the projects R32 and Mambattu by March?

Mr. Shazad Rustomji:

Very confident.

Ashish Parikh:

So there have been repeated increases of timelines. So, so, so kindly give us a realistic timeline so that...

Mr. Shazad Rustomji:

I should say, realistic timeline is by March we would start the science of that plant.

Ashish Parikh:

My best wishes, sir. Thank you.

Mr. Shazad Rustomji:

Thank you so much.

Moderator:

Thank you. We have a next question from Mr. Paras Chheda. Sir, you may unmute and proceed.

Paras Chheda:

Yes, sir. Thank you so much for this opportunity, sir. I just wanted to understand, sir, in terms of our PAT margins, now one is, of course, this, you know, accounting for this ESOP that has been provided. So if you just exclude that and, you know, pre-provisioning profit margin for the full year, shall we expect that at 10%? Is there any Middle East, you know, Gulf disruption that is causing any kind of a profit margin erosion?

Mr. Shazad Rustomji:

Definitely the Gulf issue has been a severe strain, meaning we had a lot of material coming in from the Gulf also. Number one, the price impact has been as high as 10 to 20% out there. Second, the effect of the Gulf crisis has been a general price increase overall in freight and everything compounding by over 20%. So

profitability has been very much hit by these factors, number one. Second, also the factor that is hitting the thing, you have to understand this is the last quota calculation year.

We are in a period where the quota, the import quotas, the HFC quotas for India are going to be set. So 24, 25, 26 are the three quota calculation here, in which the total sum of imports divided by three becomes your quota for that onwards for next 20 years. Now, for this reason, everyone tries to maximize their sales and maximize their import as such, leading to a heavy selling pressure. This is, I think, a bigger issue than the Gulf crisis also.

And in spite of all this, having mitigated, foreseen, mitigated, making provisions for everything I think we have done a spectacular job. Our team has really worked wonderfully during this time. It has been one of the most trying times, if you ask me, of our current times. And we have come out, I think, admirably well.

Paras Chheda:

Right, sir. So, I mean, just, you know, in terms of a little bit of, you know, quantification, so you have mentioned, you know, about 560 crores will be probably be achieving for this year and potentially maybe even 1000 crores for next year basis R32 commencing operations. So, just in terms of, therefore, PAT margins, again, pre-ESOP expenses can we expect about 10% for this year and next year or this year could be a little bit lower margin?

Mr. Shazad Rustomji:

No, I'll explain. See, currently, number one, meaning, from accounting standpoint, yes the ESOP expenses pulls the margin down. But technically, if you look at it in a rational way it's not an expense, it's not a payout, it's nothing. If you check the EBITDA, you check the PAT. Are we on track as per what we have discussed, as per what percentages we are talking? We are very much. Number one. Number two, whether we'll meet this year and next year, yes, we will meet this year and next year.

And third, in terms of margins, the company has been working in a very concentrated manner how to grow above where we are currently. All the products, all the new ventures, all the new plants everything is intended to pull the margins significantly higher. Like the Bhilwara facility is expected to pull the margins to 22%, the PAT margins. The helium facility will move it up by 15%. The Mambattu facility should move it up by 15%.

More importantly, after the quota year gets over that means after 27, from 28, all import will be against a fixed quota only. In 27, the quota for the country and for the individual companies would be announced in which we expect Stallion would be a dominant player which would result in much higher margins even in the current business that we are in. Meaning, from 28 onwards, we expect this business also to move up to 15%.

Paras Chheda:

Okay, so a blended PAT margin you would expect to about 15% for next year basis.

Mr. Shazad Rustomji:

Yes.

Paras Chheda:

Which implies, I mean, about 150 crores of PAT.

Mr. Shazad Rustomji:

Which implies 15% for that revenue that comes from that business.

Paras Chheda:

Okay, for that business. I am saying console PAT margin, blended margin for next year. For FY28.

Mr. Shazad Rustomji:

See, it's like this. We have projected a total revenue for the Bhilwara plant to be at 22%. So in a turnover of 1200 crores, we expect 600 crores will come from that. So 50% of your margin would be there. For your HFO blends and Helium, we put about 200 crores as the thing. That would be at 15%. The rest of the turnover would be your regular business, which would be at 10%. So the averaging of this would be what your projected PAT is.

However, like I said, post 28, even the regular business, we expect the PAT to move up significantly. Because there would be an import restriction. Only people with quota will be permitted. We expect Stallion to have more than 50% of the country quota.

Paras Chheda:

So, we'll become a dominant player on that.

Mr. Shazad Rustomji:

We will be a dominant player.

Paras Chheda:

Right, sir. And sir, just last query, you had an ambition of about 2500 crores odd by FY30.

Mr. Shazad Rustomji:

We have an ambition of 3000 crores.

Paras Chheda:

Okay, so by FY30, is that probably still on track with a lot of these things, of course, up in the air?

Mr. Shazad Rustomji:

Let's put it this way. I cannot aim for 2000 crores and hope to achieve 2500 crores. I can aim for 3000 crores, safely I will achieve 2500 crores. Plus, I may be able to meet my target and reach 3000 crores also.

Paras Chheda:

By FY30?

Mr. Shazad Rustomji:

Yes.

Paras Chheda:

Okay. Thank you so much, sir.

Moderator:

Thank you. We have a next question from Mr. Darshil Jhaveri. Sir, you may unmute and proceed.

Darshil Jhaveri:

Good evening, sir. Thank you so much for taking my question, sir. A lot of my questions have been answered. So, just wanted to know, like, once all plans start firing in March, right? What's the rough trial time that we require? So, you know, can they start contributing to revenue from Q1 or is it like a three to five months period for your trial and approval? So what is the timeline for that, sir?

Mr. Shazad Rustomji:

The current projected what we are working towards is by March, we should conclude the trials by April, we should have the production out. When you have the production out in a chemical process plant, it goes by numbers. So if you've got four reactors, or you've got two reactors or six reactors, you cannot start all together. One will be started, second will be started, third, so it'll be in a phased manner. So in April, you will have a phased move up of production by May, which would stabilize and be 100%.

That's how it works, but it should not be later than May.

Darshil Jhaveri:

That's great sir. So in general, roughly, so I understand what's the working capital requirement once we reach roughly 1000 crores. I am not asking for a mode of financing, but just a rough, like, what's the, you know, figure that you would have required? Because if it's a 120 day, 130 day working capital cycle, that's the fair rate. What's the fund requirement that you would have, sir?

Mr. Shazad Rustomji:

We would estimate that we would require, see, currently, because of the current quota year, and the closure of the quota year in December, we would have the maximum incoming materials in December and November, which would spill over into February. So firstly, all our money would be blocked in that. At the same period, we would have to start up the 32. As such, we would require 150 crores as a working capital for that, number one.

Number two, once this material is liquidated, again, we become cash surplus. As of right now, the company has got 120 crores of OD with the bank, which is not used yet. So that money is also available. So basically, we're just seeing, we are working on this. Thirdly, as soon as we start up the plant, by about July, August, we will be looking at, you know, starting work on the next plant, once this stabilizes. So again, the capex requirement of 200 crores would be there.

So what we see is this would be this 150, 200 crores would be like an overlapping requirement to bridge in the working capital currently, and then move towards the capex of the next plant.

Darshil Jhaveri:

One last point from my end. This is a small suggestion, if it's possible. Once the trial productions are done, we can have a small factory visit, if possible. And if possible, sir, you know, if people do a concall, just after our results are declared, that would also be slightly helpful. Because everyone would have the same questions, right? So that's a small period of uncertainty, what's happening, why is happening. So if possible, that would be really helpful as an investor.

Mr. Shazad Rustomji:

I wanted to have this call much earlier, I was told to keep it later that many investors are traveling, they're not there.

Darshil Jhaveri:

No, no sir, we will join, we are very interested in your company, people will join and people will read the transcripts.

Mr. Shazad Rustomji:

I will make sure the next concall is immediately as soon as it's regularly possible. I'll make sure it's in the immediate next this.

Darshil Jhaveri:

Yeah, yeah. Thank you so much.

Mr. Shazad Rustomji:

The plant visit we are planning sometime around December or January, as soon as the cleanup is done. Because we cannot have any construction activities when we have a plant visit being done. So as soon as that is done, we will not be waiting till May or April or something. We will be planning immediately as soon as the cleanup is concluded.

Darshil Jhaveri:

Okay, fair enough. Thank you so much. That's it from me. All the best.

Moderator:

Thank you. We have a next question from Shri Yatindra Naik. Sir, you may unmute and proceed.

Yatindra Naik:

Hello, am I audible?

Mr. Shazad Rustomji:

Yes sir.

Yatindra Naik:

So my question was regarding HFO basically. So what is the demand and capacity of HFO in India currently? And specifically I'm talking about the HFO capacity of the Bhilwara plant as well.

Mr. Shazad Rustomji:

Currently the Bhilwara plant has no facility for HFO as of right now. That is the second plant that is being planned. Number one, the requirement in India is growing. As we move into 2028, the quotas will kick in. The price of the normal HFCs will move up. The price of HFOs will move down. So there will be a major move towards HFOs at that time, number one. Number two, in 2028 the first international cut for the developed nations would happen.

In which there would be a major 15% reduction in the global HFC quota. As a result it will stress the cost more. And you would see significant the move to HFOs would be very fast, accelerated after 28. From 28 to

32, it will be accelerated. Current requirement in the country is low. It should be about anywhere between 500 to 600 tons. This would quickly move up to over two and a half thousand tons. And thereafter it would be like replacing the HFCs.

So the move would be pretty much fast.

Yatindra Naik:

Okay, thank you.

Moderator:

Thank you. We have a next question from Mr. Virag Shah. Sir, you may unmute and proceed.

Virag Shah:

Yes, sir. Yeah, so I wanted to ask that, you know, last year in FY26 we first time got like CFO positive. And I think this year we went due to the increase in the inventory and the receivable cycle. So if you could help me explain why were these two, you know, like what was happening basically in the inventory and the debtor days.

Mr. Shazad Rustomji:

I didn't understand. Can you just rephrase it?

Virag Shah:

Basically, basically in September 26 our CFO turned negative after turning positive.

Mr. Shazad Rustomji:

Cash flow turned negative, yeah.

Virag Shah:

Cash flow from operations. So wanted to understand what was going in inventory and debtor days behind it.

Mr. Shazad Rustomji:

Okay, this I'm happy you asked this question. Someone about, I think, 3-4 earning calls earlier, somebody had asked me this question about cash flow, negative cash flow. At that time I had said I am not accounts person, I would find out the details and get back again. And after that I think on the net it went on that, you know, we don't know and we don't know what is happening. Now basically please understand, sitting in the position I am, I definitely understand what is cash flow.

The reason for the negative cash flow and the inherent reason of why and what is what I wanted to get into. Now basically cash flow is not a true reflection of anything. In the sense, the reason why we were negative was during that period, please open our balance sheets of that period and check. We followed a standard that at the end of the quarter we will keep no creditors. Even if that person has supplied one day before and we have 60 days credit, we will pay out everything to check the inherent strength of the company.

Financial strength. We were paying out every single creditor. There were zero creditors during that period. Your cash flow was negative. So everyone raised a noise about negative cash flow. We stopped that practice. We allowed the creditors to be there. Cash flow back to positive. Meaning nobody bothered to check

whether there's no outstanding expenses, there's no outstanding creditors, there's nothing outstanding. Everything has been cleared off the balance sheet.

The company is absolutely clear of any charge. Nobody bothered to check that. They just said it's negative cash flow. So we stopped that practice and we started following the normal practice. The cash flow moved back to positive.

Virag Shah:

But I think in September 26 because of the increase in inventory and the debtor days, we again moved back to negative. So, like, is that?

Mr. Shazad Rustomji:

Again, I do not understand how anyone is checking the health of a company by the cash flow for the simple reason. For a particular reason, if inventory is enhanced or if a huge sale order is there and the debtor days has increased significantly. Meaning what I'm trying to say is, just two days before the end of the quarter, we have a massive order of 25 crores and we take the order. The payment is going to come afterwards.

This is obviously going to come onto your cash flow as negative only. Or suppose like for the last quarter where we had a phenomenal 20 crore PAT. How did that happen? We boosted up the inventory, anticipating that this problem is going to happen. And when it happened, we were there, the company enjoyed the benefits of its foresight and planning. But at that time, because of that higher inventory, you would be in a negative cash flow scene.

So the cash flow is not 100% a way of judging the health or performance of a company. You have to see it in a totality is what we believe.

Virag Shah:

Understood. Okay. And secondly, regarding the cash that you have on the balance sheet, I mean, I was not able to get that. So if you could just run me through where the cash would be required over the next one year, because I wanted to understand the plans of fundraise if required and if yes, then by the means of equity or debt, like what would be the plan over there?

Mr. Shazad Rustomji:

Okay, about 200 crores, about 160 crores was raised in the IPO. 40 was the OFS. 160 was raised for two projects, most of the amount, that IPO amount is totally spent out. In the Mambattu project, we are still short of about 10 to 15 crores. That would be funded for company internal accruals, because we had expanded the project beyond the IPO mandate. Number one, number two, the fundraise for the Bhilwara in the rights issue.

That whole money has almost been spent, I think about 50 crores remain, which will get spent in this month. So both the fundraisers that were done have been completely utilized for both the projects for which they were earmarked. Remaining the company's internal accruals, the PAT, etc. that has been generated. That is, the company is in a continual 30% growth. You're going to require the funding in-house itself. So that is what's sustaining the growth, number one.

Number two, right now for the 32, when we are starting up, there would be requirements for working capital. We have not taken any money for working capital. So that is going to be there. There is some cost

overruns in the 32 also. In this Bhilwara project, about 40 crores is overrun, which is currently internally funded. The overrun is on basis of having the iso tank containers. The company has purchased over 90 containers and additional equipment.

You're going to require containers to move your material around globally, number one. Number two, you will also require containers for incoming raw materials. So what we felt was, it is rather than leasing out or paying a higher charge, et cetera, the company should own that, those containers. It gives you a far bigger leverage. So that's where the money is.

Virag Shah:

Okay, so with approximately 300 crs here on the balance sheet, we won't require any fund raise, right? At least for the next year, with the plans that we have.

Mr. Shazad Rustomji:

No, we would require about 200 crores is what we anticipate. We also have expansion plans ahead. So currently, it would help bridge the shortfall in working capital. And as that stabilizes onwards, that same funds could go onwards too for the capex of the next plant.

Virag Shah:

Okay, so debt right, fund raise?

Mr. Shazad Rustomji:

We're not really clear. Like I said, we might go down the QIP or preferential route. Definitely not a rights issue. And meaning I'm not ruling it out, but if you're asking me, that's not what we would go for. We could go for debentures, we could go for debt also.

Virag Shah:

Okay, understood. Thank you. All the best.

Moderator:

Thank you. We have our next question from Mr. Umesh Gandhi. Sir, you may unmute and proceed.

Mr. Shazad Rustomji:

Hello?

Moderator:

Umesh, sir, you're on mute. Kindly unmute and proceed with your question.

Moderator:

We will proceed with the next question. We have a next question from Mr. Hemal Jhaveri. Sir, you may unmute and proceed.

Hemal Jhaveri:

Hello, sir. Thank you for taking my question.

Mr. Shazad Rustomji:

Can you speak louder? I can't hear.

Hemal Jhaveri:

Yeah, thank you for taking my question.

Mr. Shazad Rustomji:

Yes, sir.

Hemal Jhaveri:

Can you hear me now?

Mr. Shazad Rustomji:

Yes.

Hemal Jhaveri:

Yeah. So, sir, just want to check your balance sheet has around 160 crore of other current assets. So what are those?

Mr. Shazad Rustomji:

Other current assets? One minute.

Hemal Jhaveri:

Yeah, please. That is increased from 22 crore to 160 crore.

Mr. Shazad Rustomji:

Firstly, it would be all the capex increases in all the plants, number one.

Hemal Jhaveri:

Okay.

Mr. Shazad Rustomji:

Number one, but I'm just checking.

Hemal Jhaveri:

No issues. Is it a capital advances or something like that?

Mr. Shazad Rustomji:

No, see, we raise funds for the capex, right, for the Mambattu plant, for the helium plant, for the current plants.

Hemal Jhaveri:

Okay

Mr. Shazad Rustomji:

So, all those would come onto the balance sheet

Hemal Jhaveri:

no? No, no, I can understand because your negative cash flow is coming majorly due to that balance sheet item, if you look from the cash flow perspective. So just thought to understand that.

Mr. Shazad Rustomji:

Just one minute.

Hemal Jhaveri:

No problem, sir.

Mr. Shazad Rustomji:

Yeah, I just checked it. Hello?

Hemal Jhaveri:

Yes, sir.

Mr. Shazad Rustomji:

This is capital advances given towards the Bhilwara facility, 129 crores given for the, what do you call, EPC contract. And there are other advances given to suppliers, etc. So these are primarily coming from that.

Hemal Jhaveri:

I understand. Okay, no problem. Thank you for my question.

Mr. Shazad Rustomji:

Yeah.

Moderator:

Thank you. We have a next question from Mr. Nandadulal Jana. Sir, you may unmute and proceed.

Nandadulal Jana:

Thanks for the opportunity. My question is, many peers companies are also coming up with R32 and HFO. So how we are positioning ourselves for the export opportunities?

Mr. Shazad Rustomji:

We may not need exports. Hello?

Nandadulal Jana:

Yeah.

Mr. Shazad Rustomji:

See, basically, the requirement in India is 20,000 tonnes. The installed capacities in India that are supposed to come up are 80,000 tonnes. That means 25% only technically would be required in India. 75% would need to be exported as per your understanding, which is correct. You need to understand the business a little better in the sense that all these plants that are coming up, all these capacities that are coming up are all swing plants.

That means the same plant can make 32, it can also make 125, it can also make 134A, etc. The total quota granted is based on the GWP of the product. So technically, if somebody who has a 32 plant decides to manufacture something else, maybe it's more profitable to make 125. Just giving an example. 125 is four times the GWP of 32. So yeah, I've got a 10,000 tonnes plant. I say, okay, I don't make 10,000 tonnes of 32, I'll make 5,000 tonnes of say, 125.

It will knock off the total quota, 20,000 tonnes of 32 quota, number one. So firstly, the quota is not in exactly the way that everyone understands it. It is based on the swing plants also and alternate products also that you may manufacture, number one. Number two, I cannot speak for what others would be doing, but for us, currently our requirement in India would be about 5,000 tonnes itself. When Mambattu is full-fledged, we would require about 2,000 to 2,500 tonnes there.

It would barely leave 2,500 tonnes for us to need to export. The quantity is so small that even one of our single customers would pick up that quantity. Meaning, we don't see any challenges. Meaning, very honestly, we have not been very ambitious and put up over capacities. We have put minimal capacities. So we have we have no stress on the sale part of the product.

Nandadulal Jana:

Okay. From the scalability perspective, then where are we seeing ourselves after 2030?

Mr. Shazad Rustomji:

First thing is, our 32 plant, whatever capacities everyone have are frozen. You can have hundreds of billions of dollars, but government is not going to give you permission to put up one kilo more plant. So scalability ends as of whatever your capacities are at the end of this year. So that becomes your quota, you cannot exceed it, it will keep going down, it won't go up. Now, it will become very profitable because each time as the quota starts getting cut and all, you will start having price jumps of 25% and 50% and 100% happening.

So firstly, it would be a very profitable business, it'll be a niche business, but it'll be limited to the size it is. The growth is going to come from companies that are going to expand into other fields and other manufacturing, etc. Where you can enhance, like HFO. So when you're putting up HFO, there's no quota, there's no scalability issues. You can scale it as much as you want. And the alternate, the onwards are the plans that we have in mind and what we are going to be putting up.

So all that would add to the growth of the company. 32, your turnover, if you're asking, your turnover, in fact, will keep growing with the increase in price. But in the tonnage, you would be restricted. There's no scalability.

Nandadulal Jana:

Okay, that's it from my side.

CLOSING REMARKS

Moderator:

Thank you, Due to time constraints, we would now like the management to give the closing remarks.

Mr. Shazad Rustomji:

Thank you. These are exciting times for the company. The close of the import quota calculation period on 31st December 26 will be a major event, of which the impact and effect will be felt for the next 20 years. We expect a dominant share of the Indian import quota. Once the quota is declared, thereafter the true value of your company would be seen. The start of the Bhilwara manufacturing facility and the Mambattu blending facility would be a major milestone for a company.

And it would accelerate the growth and profitability of the company. It would also unlock the potential to start work on other plans to be set up, for which plans have already been drawn up. As committed, the growth figures of the company will be met. The ambitious targets we have set will be met. And achieving that even without R32 numbers in this current year would be met. This itself shows the strength and resilience of the company.

We aim to meet all the set targets and complete all the projects, by which time our company would become a major player on the Indian fluorochemicals segment.

Thank you.

Moderator:

Thank you all for joining Stallion India Fluorochemicals Q2 and H1 FY27 conference call hosted by ConfideLeap Partners. Participants may now sign off.