Navin Fluorine Advanced Sciences Limited (Revised)

October 09, 2024

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities@	1,450.00	CARE AA (CE); Stable	Reaffirmed
Long Term / Short Term Bank Facilities@	361.00 (Enhanced from 236.00)	CARE AA (CE); Stable / CARE A1+ (CE)	Reaffirmed

Details of instruments/facilities in Annexure-1.

@ backed by credit enhancement in the form of unconditional and irrevocable corporate guarantee extended by Navin Fluorine International Limited (NFIL, rated 'CARE AA; Stable/CARE A1+').

Unsupported rating	**CARE A+ / CARE A1+ [Reaffirmed]**

Note: Unsupported rating does not factor in the explicit credit enhancement.

Rationale and key rating drivers for credit enhanced debt

The ratings assigned to the bank facilities of Navin Fluorine Advanced Sciences Limited (NFASL) continue to be backed by credit enhancement in the form of unconditional and irrevocable corporate guarantees extended by Navin Fluorine International Limited (NFIL), which follows the Reserve Bank of India's (RBI's) guidance note on bank loan - credit enhanced ratings dated April 22, 2022 and subsequent FAQs dated July 26, 2022 w.r.to credit enhancement ratings. The executed corporate guarantee deeds met all the required stipulations of above-said RBI guidance note.

Rationale and key rating drivers of NFIL (Guarantee provider)

The ratings assigned to the bank facilities of Navin Fluorine International Limited (NFIL) continue to derive strength from the extensive experience of its promoters/management in the chemical business and demonstrated track record of developing various segments and scaling them up. The ratings are also underpinned by its strong presence in the specialty fluorochemicals business and diversified high-margin product offering which caters to various end-user industries. Th ratings also take into account visible order book in its contract development and manufacturing organisation (CDMO) business and multi-year contracts with global innovators who have presence in the high-margin fluorine value chain, along with its strong research and development capability to handle the complex fluorine chemistry. The ratings also favourably factor in the increasing share of revenue from its high-value business segment, viz., specialty fluorochemicals which has resulted in sustained healthy operating profitability of the company despite industry headwinds. The ratings continue to take cognisance of its strong financial risk profile marked by comfortable leverage and strong liquidity.

The long-term rating is, however, constrained by susceptibility of its operations and operating profit margins to volatility in key raw material prices, competition in few business segments, risk associated with phase-out of hydrochlorofluorocarbon (HCFC) which may impact the revenue under its refrigerant segment. Furthermore, its long-term rating is also constrained by its large sized partly debt-funded projects, part of which have commenced operations.

Key rating drivers of NFASL

The ratings of NFASL derive strength from its strong parentage (being a wholly-owned subsidiary of NFIL), experienced promoters, favourable demand scenario from the end-user industries, and successful commercialisation of its high-performance products (HPP) project, multi-purpose plant (MPP), and Freesia during FY23. Project Nektar which has been delayed is now expected to be commissioned by October 2024. The company has achieved sales of ₹ 763 crores (PY: ₹ 516 crores) which recorded a growth of 49% on Y-o-Y basis. The company had healthy PBILDT margins of around 20.63% in FY24 (PY: 25.01%), which was the second year of its operations. and margins are expected to sustain around similar levels in the medium-term.

Apart from the benefits derived from NFIL's experience in successfully implementing such large projects, the timely project implementation in NFASL has also been significantly aided by envisaged infusion of promoter contribution towards project funding by its strong parent, NFIL, in the form of equity and unsecured loans. The medium-term revenue visibility owing to presence of business arrangements/tie-ups of NFASL with global customers, including Honeywell International Inc. for its completed HPP project, mitigate the marketing risk to a large extent.

The above rating strengths are, however, marginally constrained by the residual project implementation risk associated with its project undertaken for fluoro-specialty intermediate as well as the ongoing capex for hydrofluoric acid capacity and inherent stabilisation risks associated with these projects. Also, the ratings are constrained due to increase in size of its projects from earlier envisaged level. Exposure to volatility in key raw material prices as well as foreign exchange rate fluctuations and presence in an inherently polluting industry entailing continuous compliance with the prevailing stringent environmental control norms also constrain the ratings.

[1]Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Rating sensitivities (of the Guarantee Provider, NFIL): Factors likely to lead to rating actions

Positive factors

- Total operating income (TOI) increasing above ₹ 3000 crore through greater product diversification on a sustained basis.
- Generating envisaged returns from its large, planned capex, thereby earning operating return on capital employed (ROCE) of above 28% on a sustained basis.

Negative factors

- Profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin of less than 20% on a sustained basis thereby leading to significant moderation in its debt coverage indicators.
- Significant delay or cost overrun in its ongoing projects impacting its liquidity.
- Delay in realisation of envisaged returns from the ongoing project leading to ROCE remaining below 14%.
- Net debt / PBILDT remaining beyond 2 times on a sustained basis.

Analytical approach:

Credit Enhanced (CE) ratings: Assessment of the guarantor, i.e., NFIL. The rating is based on credit enhancement in the form of unconditional and irrevocable corporate guarantee extended by NFIL in favour of the lenders of NFASL. The guarantor, i.e., NFIL's credit profile has been analysed on a consolidated basis owing to financial and operational linkages of NFIL with its subsidiaries, common management and corporate guarantee provided by NFIL for debt raised in NFASL. The list of companies getting consolidated in NFIL is given in **Annexure-6**.

Unsupported ratings: Standalone. Furthermore, the strong parentage of NFIL along with the management and financial linkages of NFASL with NFIL have also been taken into consideration. The parent entity, i.e., NFIL, intends to diversify its product portfolio by undertaking greenfield expansion through NFASL, thereby reiterating its strategic and economic importance to the parent.

Outlook: Stable

CARE Ratings Limited (CARE Ratings) believes that NFIL will continue to benefit from the sustained revenue growth across all its business verticals as well as expected good revenue visibility post completion of all the projects. This is on the back of firm offtake tie-ups with its customers along-with expectation of comfortable financial risk profile despite debt availment in the medium term, due to generation of healthy cash accruals.

Detailed description of key rating drivers of NFIL:

Key strengths

Well-established position in fluorochemical industry and experienced promoters

NFIL, a part of the Padmanabh Mafatlal group, is present in the fluorochemical industry since 1967 and is one of the largest specialty fluorochemical companies as well as a pioneer in the manufacturing of refrigerant gases in India. NFIL's product portfolio comprises more than 60 fluorinated compounds, developed over the years. The products manufactured by NFIL find application in various industries, including agrochemicals, pharmaceuticals, aluminium smelting, refrigeration, metal processing, abrasives, glass and ceramics. Its recent contracts in CDMO and high-performance product (HPP) segments reflect its capabilities in fluorine chemistry, strong connect with customers and ability to scale up molecules from laboratory to multi-tonne batches. The company is currently headed by second-generation entrepreneur, Vishad Mafatlal, who has over 25 years' experience in textile and chemical sectors. The day-to-day operations of the company are managed by a team of well-qualified and experienced key management personnel. Over the years, the promoters have successfully diversified their operations and expanded their presence in speciality chemicals and CDMO segment.

Growing and diversified presence in high-value fluorine value chain

NFIL has a diversified product portfolio across the fluorine value chain. It has reorganised its business structure and now operates through three business verticals, namely, high-performance products (HPP), which includes refrigerant gas, inorganic fluorides, etc., CDMO (which includes the CRAMS segment), and specialty chemicals (specialty fluoro-chemicals). Recently, it has also added manufacturing of HPP named hydro-fluoro-olefins (HFO) which is a new-age application of fluorine with technology in place for the product, and revenue generation from the same commenced from Q2FY23. Over the years, NFIL has been increasing its focus on development of specialty chemicals and CDMO business verticals which are margin accretive in nature and high-up in the fluorine value chain.

Stable income in FY24 with growth in Q1FY25 on YoY basis

During FY24, NFIL reported a degrowth of 1% in its TOI due to headwinds faced by the chemical industry along-with stabilisation of orchid plant during the year. However, Specialty Chemicals business exhibited strong sales of ₹ 848 crores, marking 14% YoY growth, driven by increased volumes and new product launches with sales of ₹ 955 crores in HPP segment, indicating an 8% YoY growth, while the CDMO business generated ₹ 262 crores, a decline of 42% YoY. During Q1FY25, the revenue grew by around 6.6% on a Y-o-Y basis as HPP revenue grew by 66% YoY, revenue for high value segments of specialty chemicals and CDMO declined by 30% and 13% respectively. Stable HFO operations and strong sales of R32 along with pricing uptick in peak summer season led to strong growth in HPP segment.

Profitability margins remained healthy but saw moderation in FY24, with expectations of recovery in the medium term

Over the past few years, in order to diversify the business and improve profitability levels, NFIL increased its focus on CDMO and speciality chemicals businesses which are highly margin accretive in nature. In FY24, EBITDA margins moderated to 19.40% from 26.60% in FY23, and further to 19.16% in Q1FY25 from 20.83% in Q1FY24. This was due to a shift in business mix, lower operating leverage, and pricing pressure in the export market for refrigerant gases. Total consolidated expenses increased by 14%, from ₹1,617 crores in FY23 to ₹ 1,837 crores in FY24. Raw material costs, which account for 45% of revenues, rose by 4%, while employee expenses, making up 14% of revenues, increased by 15%, Major moderation was seen in Q3FY24 wherein EBITDA margins dropped to 15.55% which has seen recovery in Q4FY24 & Q1FY25.
CARE Ratings expects NFIL's product mix to considerably change over the medium term, driven by high growth from specialty chemicals and CDMO segments as well as new high-performance products being added to its portfolio. CARE Ratings also expects the legacy businesses to grow at a slower rate than the high-value segments.

Strong financial risk profile marked by comfortable capital structure

Negligible utilisation of working capital limits and healthy accretion to reserves have led to a comfortable overall gearing of 0.60x for NFIL. Strong cash accruals have resulted in comfortable debt coverage indicators. Its total debt/PBILDT has however moderated from 1.56x during FY23 to 3.41x during FY24 mainly on the back of availment of term debt for the large-size capex being implemented in NFIL's subsidiary, viz., NFASL and reduction in EBITDA.

Liquidity: Strong

The liquidity position of NFIL continues to remain strong on the back of strong cash accruals. Healthy cash flow from operations have also resulted in largely no utilisation of fund-based working capital limits. With an overall gearing of 0.60x as on March 31, 2024, the company has sufficient gearing headroom, to raise additional debt for its capex. Furthermore, as on March 31, 2024, even after funding the ongoing capex, the company's unencumbered cash and cash equivalents as well as mutual fund investments stood at ₹508 crore. Further, the strong liquidity position is expected to continue in FY25 as healthy accruals are expected from the completed projects in NFASL.

Key weaknesses

Vulnerability of operating margins to fluctuations in raw material prices

Fluorspar, chloroform and sulphur are the major raw materials for NFIL. The prices of fluorspar which accounts for over 40% of its overall raw material cost is highly volatile. China is the key global supplier of fluorspar. However, NFIL has entered into long-term supply contracts with certain South African miners for the supply of fluorspar and has thus partially de-risked itself from China. CARE Ratings notes that while NFIL has been able to pass on increase in raw material prices to its customers, it happens with a certain lag. As such, its operating margins remain susceptible to fluctuations in raw material prices to an extent.

Intense competition and exposure to cyclicality in the key end-user industries

The company faces stiff competition from Chinese manufacturers in few of its business verticals (primarily in refrigerant gases) due to abundant availability of fluorspar in China. Furthermore, the company is exposed to cyclicality in key end-user industries, namely, consumer durables, metals, agrochemicals amongst others. These industries are vulnerable to macroeconomic factors and economic cycles which in turn can impact the growth prospects of the company. Over the years, the company has been diversifying its operations and increasing its presence in other segments to de-risk the business to a certain extent. On the back of weak agrochemicals industry scenario, operating profitability margin of NFIL reduced in FY24.

Phasing out of HCFC-22/R-22 gas business under Montreal Protocol by 2030

NFIL's flagship product, refrigerant HCFC-22, commonly known as R-22 is to be completely phased out by 2030 due to its ozone depleting nature (with 35% reduction in quota w.e.f. January 01, 2020 under emissive segment). The company has also implemented a project to manufacture an alternative refrigerant, viz., R-32 and the production of the same had started in Q1FY24. In Q1FY25, the company recorded strong sales of R32 along with pricing uptick in peak summer season.

Large size of its debt-funded capex leading to moderation in debt coverage indicators

NFIL (through its wholly-owned subsidiary NFASL) took up large-size greenfield projects in the specialty chemicals and HPP segment. It completed capex of ~₹ 2200 crore over the last three years ended FY24 and has lined up balance capex of ~₹ 900 crore over FY25-FY27. It is funding this capex by way of term debt of ₹ 1450 crore out of which it has availed ~₹ 1100 crore by March 31, 2024 while balance disbursement is expected over FY25-FY26. NFASL had taken up capex to launch new products in agrochemicals and speciality chemicals by setting up five plants, three of which, viz., HPP, multi-purpose plant (MPP)-1 and MPP-2 have already commenced operations. A project to manufacture agrochemicals, viz., Project Nektar is being setup. It is in advanced stage of implementation and is expected to commence operations by the end of October 2024. A new HF plant (40,000

MTPA capacity) is also being setup and will mainly cater to the captive requirements of the company. It is in the initial stage, and completion of the plant is expected in FY26. The entire planned capex in NFASL is being taken up at Dahej, Gujarat. There is inherent implementation and associated stabilisation risks associated with such large-size capex which are partly being debt funded. During FY24, on the back of decline in its PBILDT, its net debt/PBILDT moderated to 2.14 times. However, the committed off-take or pay business agreement with certain global customers for a tenor of five to seven years for these projects provide good revenue visibility for the medium term, post completion of these projects, and mitigates the marketing risk to a large extent. The debt of ₹1,450 crore for these projects in NFASL is tied-up with banks wherein principal repayment has commenced from FY25 onwards. NFIL has extended its corporate guarantee for the entire debt in NFASL. The consolidated debt of NFIL is envisaged to increase in the medium term on the back of these projects. NFASL is a strategically important subsidiary for NFIL, having been set-up as a separate entity for availing various fiscal benefits and with an aim to diversify NFIL's consolidated product profile. CARE Ratings notes that timely completion of these projects in NFASL without any major cost overrun, receipt of all regulatory approvals for operating the plant at optimum level and stabilisation of the plants post its commissioning along-with generating envisaged returns from the same would be critical to improve return and debt coverage indicators of NFIL on a consolidated basis, apart from maintaining its hitherto healthy leverage.

Environment, social, and governance (ESG) risks

Parameter	Compliance and action by the company
Environmental	1. Emissions and wastes generated at NFIL sites are well within the permissible limits specified by the Pollution Control Boards (PCB), No show cause or legal notices have been received for NFIL sites from Central PCB/State PCB during FY24. 2. The Company is actively reducing its carbon footprint by shifting from fossil fuels to renewable sources of energy consumption, optimising energy consumption and adopting cleaner processes. 3. The Company is enhancing natural gas consumption in the existing system by optimising the recycling of flue gases
Social	1. NFIL views employees as valuable assets and believes in nurturing them by ensuring safe working conditions, providing advanced learning options, furthering career growth opportunities and actively engaging with employees across hierarchies. 2. NFIL provides regular training to its employees on health safety and skill upgradation.
Governance	1. No Auditor qualification against the Company 2. No allegations of financial imprudence were reported and Rigorous Board evaluation policy 3. 9 out of 11 directors are Independent directors.

Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
Financial Ratios – Non financial Sector
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Credit Watch
Short Term Instruments
Manufacturing Companies
Rating Credit Enhanced Debt

Adequacy of credit enhancement structure: Adequate, Entire bank facilities of NFASL is backed by unconditional and irrevocable corporate guarantees given by NFIL till the entire tenor of the facilities

About the Credit Enhancement Provider - NFIL

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Chemicals	Chemicals & Petrochemicals	Specialty Chemicals

NFIL, incorporated in 1998, is a part of the Padmanabh Mafatlal group and is engaged in the manufacturing of fluorinated specialty chemicals. As on June 30, 2024, the promoter group held 28.80% equity stake in the company. NFIL operates in three major business segments, viz., HPP, CDMO and speciality chemicals. It operates one of the largest integrated fluorochemical complexes in India with a strong focus on research and development. NFIL's presence is spread across domestic and export markets, including Europe, USA, South-east Asia and Middle Eastern countries.

Brief Financials consolidated (₹ crore)	FY23 (A)	FY24 (A)	Q1FY25(UA)
Total operating income	2,080.50	2066.84	523.68
PBILDT	553.44	401.00	100.35
PAT	375.19	270.50	51.20
Overall gearing (times)	0.41	0.60	NA
Interest coverage (times)	20.11	5.38	7.09

A: Audited UA: Unaudited; NA: Not Available; Note: these are latest available financial results

About the company and industry - NFASL

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Chemicals	Chemicals & Petrochemicals	Specialty Chemicals

Incorporated in 2020, NFASL is a wholly-owned subsidiary of NFIL. Through NFASL, the parent entity has undertaken various greenfield projects at Dahej, Gujarat, in order to expand its product portfolio. NFASL has set up/ is in the process of setting up projects to create opportunities for new products in life science and crop science sectors in the fluorochemicals space. NFASL has also constructed a captive power plant having capacity of 8 MW and a common infrastructure to service all the plants. The company has commercialised three projects, viz., HPP, MPP-1 and Freesia during FY23, Project Nektar is expected to commence operations by end of October 24, and HF acid plant is expected to be completed by FY26.

Brief Financials (₹ crore)	FY23 (A)	FY24 (A)	Q1FY25(UA)
Total operating income	516.01	763.41	179.01
PBILDT	128.96	157.46	35.00
PAT	67.63	34.21	5.40
Overall gearing (times)	1.56	2.21	NA
Interest coverage (times)	4.26	1.92	1.84

A: Audited UA: Unaudited; NA: Not Available; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3.

Complexity level of instruments rated: Annexure-4
Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	November 30, 2029	1200.00	CARE AA (CE); Stable
Fund-based - LT-Term Loan		-	-	March 31, 2028	250.00	CARE AA (CE); Stable
Fund-based/Non-fund-based-LT/ST		-	-	-	76.00	CARE AA (CE); Stable / CARE A1+ (CE)
Fund-based/Non-fund-based-LT/ST		-	-	-	65.00	CARE AA (CE); Stable / CARE A1+ (CE)
Fund-based/Non-fund-based-LT/ST		-	-	-	220.00	CARE AA (CE); Stable / CARE A1+ (CE)
Un Supported Rating-Un Supported Rating (LT/ST)		-	-	-	0.00	CARE A+ / CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	1200.00	CARE AA (CE); Stable	-	1)CARE AA (CE); Stable (07-Nov-23) 2)CARE AA (CE); Stable (07-Jun-23) 3)CARE AA (CE); Stable (07-Apr-23)	1)CARE AA (CE); Stable (10-Jan-23) 2)CARE AA (CE); Stable (19-Sep-22) 3)Provisional CARE AA (CE); Stable (27-Jun-22) 4)Provisional CARE AA (CE); Stable (08-Apr-22)	-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
2	Fund-based/Non-fund-based-LT/ST	LT/ST	220.00	CARE AA (CE); Stable / CARE A1+ (CE)	-	1)CARE AA (CE); Stable / CARE A1+ (CE) (07-Nov-23) 2)CARE AA (CE); Stable / CARE A1+ (CE) (07-Jun-23) 3)CARE A+; Stable / CARE A1+ (07-Apr-23)	1)CARE AA (CE); Stable / CARE A1+ (CE) (10-Jan-23) 2)CARE AA (CE); Stable / CARE A1+ (CE) (19-Sep-22) 3)Provisional CARE AA (CE); Stable / CARE A1+ (CE) (27-Jun-22) 4)Provisional CARE AA (CE); Stable / CARE A1+ (CE) (08-Apr-22)	-
3	Un Supported Rating-Un Supported Rating (LT/ST)	LT/ST	0.00	CARE A+ / CARE A1+	-	1)CARE A+ / CARE A1+ (07-Nov-23) 2)CARE A+ / CARE A1+ (07-Jun-23) 3)CARE A+ (07-Apr-23)	1)CARE A+ / CARE A1+ (10-Jan-23) 2)CARE A+ / CARE A1+ (19-Sep-22) 3)CARE BBB+ / CARE A2 (27-Jun-22) 4)CARE BBB+ / CARE A2 (08-Apr-22)	-
4	Fund-based - LT-Term Loan	LT	250.00	CARE AA (CE); Stable	-	1)CARE AA (CE); Stable (07-Nov-23)	1)CARE AA (CE); Stable (10-Jan-23) 2)CARE AA (CE); Stable	-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
						2)CARE AA (CE); Stable (07-Jun-23) 3)CARE AA (CE); Stable (07-Apr-23)	(19-Sep-22) 3)CARE AA (CE); Stable (27-Jun-22)	
5	Fund-based/Non-fund-based-LT/ST	LT/ST	76.00	CARE AA (CE); Stable / CARE A1+ (CE)	-	1)CARE AA (CE); Stable / CARE A1+ (CE) (07-Nov-23) 2)CARE AA (CE); Stable / CARE A1+ (CE) (07-Jun-23) 3)CARE A+; Stable / CARE A1+ (07-Apr-23)	1)CARE AA (CE); Stable / CARE A1+ (CE) (10-Jan-23) 2)CARE AA (CE); Stable / CARE A1+ (CE) (19-Sep-22) 3)CARE AA (CE); Stable / CARE A1+ (CE) (27-Jun-22)	-
6	Fund-based/Non-fund-based-LT/ST	LT/ST	65.00	CARE AA (CE); Stable / CARE A1+ (CE)	-	1)CARE AA (CE); Stable / CARE A1+ (CE) (07-Nov-23) 2)CARE AA (CE); Stable / CARE A1+ (CE) (07-Jun-23)	1)Provisional CARE AA (CE); Stable / CARE A1+ (CE) (10-Jan-23) 2)Provisional CARE AA (CE); Stable / CARE A1+ (CE) (19-Sep-22)	-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
						3)CARE A+; Stable / CARE A1+ (07-Apr-23)		

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities

Name of the Instrument	Detailed Explanation
A. Financial covenants	
I. DSCR	Not below 1.30x
II. Current ratio	Not below 1.30x
III. FACR	Not below 1.30x
IV. Total Debt/EBITDA	Below 3x
B. Non-financial covenants	
I. Navin Fluorine International Limited to maintain 100% stake in the borrower company till tenor of credit facilities.	

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Complex
2	Fund-based/Non-fund-based-LT/ST	Complex
3	Un Supported Rating-Un Supported Rating (LT/ST)	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please click here

Annexure-6: List of entities consolidated with NFIL as on March 31, 2024

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Sulakshana Securities Limited	Full	Significant operational and financial linkages
2	Manchester Organics Limited	Full	Significant operational and financial linkages
3	NFIL (UK) Limited	Full	Significant operational and financial linkages
4	NFIL USA Inc.	Full	Significant operational and financial linkages
5	Navin Fluorine (Shanghai) Co. Ltd.	Full	Significant operational and financial linkages
6	Navin Fluorine Advanced Sciences Limited	Full	Significant operational and financial linkages
7	Swarnim Gujarat Fluorspar Private Limited (Joint Venture)	Proportionate	Significant operational and financial linkages

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:
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