

Navin Fluorine International Limited

September 11, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	210.10 (Enhanced from 110.10)	CARE AA; Stable	Reaffirmed
Short-term bank facilities	100.00	CARE A1+	Assigned
Short-term bank facilities	130.10	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Navin Fluorine International Limited (NFIL) continue to derive strength from extensive experience of its promoters and management in the chemical industry and a proven track record of developing and scaling diverse business segments. These ratings are underpinned by NFIL's strong position in specialty fluorochemicals, its diversified, high-margin product portfolio serving multiple end-user industries, and a visible order book in its contract development and manufacturing organisation (CDMO) division supported by multi-year contracts with global innovators. NFIL's robust research and development (R&D) capabilities in complex fluorine chemistry and growing revenue contribution from its high-performance products (HPP) segment have sustained healthy operating profitability despite industry headwinds. The company's financial risk profile remains strong, characterised by comfortable leverage and liquidity and is expected to further improve following the ₹750 crore qualified institutional placements (QIP) issue in July 2025, a large portion of which is expected to be utilised for reduction of debt in NFIL's subsidiary Navin Fluorine Advanced Sciences Limited (NFASL).

However, the long-term rating is constrained by exposure to volatility in key raw material prices, competitive pressures in certain segments, and the risk of hydrochlorofluorocarbon (HCFC) phase-out affecting refrigerant revenues. Ratings also factor in large, partly debt-funded projects, some of which have only recently commenced operations. Ratings are also constrained by sizeable exports to the US market, where it would be exposed to significantly higher tariffs now onwards.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Total operating income (TOI) increasing above ₹3000 crore on a consolidated basis through greater product diversification on a sustained basis.
- Generating envisaged returns from its large, planned capex, with sustained profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins of above 25% - 28%.

Negative factors

- PBILDT margin of less than 20% on a sustained basis, leading to significant moderation in its debt coverage indicators.
- Significant delay or cost overrun in its ongoing projects impacting liquidity.
- Net debt/PBILDT remaining beyond 2x on a sustained basis.

Analytical approach: Consolidated

NFIL's credit assessment is conducted on a consolidated basis to capture financial and operational interdependencies with its subsidiaries, driven by common management oversight and NFIL's corporate guarantee for subsidiary borrowings (notably NFASL). Entities consolidated into NFIL's credit profile are listed under Annexure-6.

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that NFIL will continue to benefit from sustained revenue growth across all its business verticals and expected good revenue visibility post completion of all projects. This is considering firm off-take tie-ups with its customers and 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:

Key strengths

Well-established position in fluorochemical industry and experienced promoters

Part of the Padmanabh Mafatlal group, NFIL has been operating in the fluorochemical industry since 1967. It is one of the largest speciality fluorochemical companies and a pioneer in manufacturing refrigerant gases in India. NFIL's product portfolio comprises

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

over 70 fluorinated compounds, developed over the years. Products manufactured by NFIL find application across industries, including agrochemicals, pharmaceuticals, aluminium smelting, refrigeration, metal processing, abrasives, glass and ceramics. Its recent contracts in CDMO and 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 28 years' experience in textile and chemical sectors. The company's day-to-day operations are managed by a team of well-qualified and experienced key management personnel. Over the years, promoters have successfully diversified their operations and expanded 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, including high-performance products (HPP), which includes refrigerant gas, and inorganic fluorides, among others, CDMO (which includes the CRAMS segment), and specialty chemicals (specialty fluoro-chemicals). Recently, it has also added manufacturing HPP named hydro-fluoro-olefins (HFO), which is a new-age application of fluorine with technology in place for the product. NFIL has successfully commissioned ₹540 crore Key Fluoro specialty chemical plant, with supplies commencing from Q3FY25 and ₹30 crore Agro Intermediate plant at Surat, with commercial supplies starting from Q4FY25. Over the years, NFIL has steadily increased its focus on development of specialty chemicals and CDMO business verticals, which are margin accretive and positioned higher in the fluorine value chain.

Robust TOI growth in FY25 driven by HPP and CDMO momentum

In FY25, NFIL delivered a 14% increase in TOI, underpinned by a 26% uptick in its HPP segment, now comprising 51% of revenues on strong volume growth in R32, R22 and HFOs. Specialty chemicals, which account for 34% of the mix, rebounded sharply in H2FY25 but reported a 6% year-on-year (y-o-y) decline overall. The CDMO business sustained its growth trajectory with a 31% rise in revenue, driven by repeat and new late-stage customer orders, and now represents 15% of total income. The combined impact of HPP's robust demand, CDMO's operational ramp-up with major global clients, and specialty chemicals' recovery underscores a diversified and resilient revenue profile.

Sustained improvement in PBILDT in FY25, driven by portfolio optimisation

NFIL's EBITDA margin improved to 22.73% in FY25 from 19.40% in FY24. It further improved to 28.51 in Q1FY26, supported by stronger HPP realisations from increased R32 capacity, new specialty intermediate contracts and strong CDMO deliveries to EU and the US clients. Volume growth in HPP was complemented by a recovery in specialty chemicals from Q3, while CDMO order book visibility enhanced revenue predictability. Strategic investments in advanced materials and electronic-grade HF capacity are expected to sustain high-margin streams. CareEdge Ratings expects the revenue mix to shift towards higher-margin specialty chemicals and CDMO, while legacy refrigerants grow more modestly, underpinning margin stability.

Robust financial risk profile driven by comfortable capital structure

NFIL's financial risk profile remains strong, underpinned by its conservative capital structure and minimal reliance on working capital borrowings, resulting in an overall gearing of 0.58x as on March 31, 2025. Healthy internal accruals and robust cash flow generation have strengthened debt coverage indicators, with net debt (ND)/PBILDT improving to 1.79x in FY25 from 2.14x in FY24. Financial profile is expected to further improve as recently commissioned projects ramp up and contribute to earnings. Successful QIP issue of ₹750 crore in July 2025, of which a significant portion is earmarked for debt reduction and the balance to support operations, is expected to materially strengthen leverage metrics, enhance liquidity, and improve profitability at the profit after taxation (PAT) level.

Liquidity: Strong

NFIL's liquidity profile remains strong, supported by robust cash accruals and minimal utilisation of fund-based working capital facilities. As on March 31, 2025, overall gearing stood at a moderate level of 0.58x, providing adequate headroom to raise incremental debt for ongoing investments. Despite funding sizeable capex, the company maintained unencumbered cash and liquid investments of ₹508 crore, while PBILDT/interest coverage improved to 6.85x (5.38x in FY24), indicating a comfortable cushion for debt servicing.

Liquidity is further expected to be augmented by ₹750 crore raised through QIP in July 2025, of which ~₹562 crore is earmarked for debt repayment and the balance for operational and capex needs. Looking ahead, commissioning and stabilising of NFASL's projects are expected to generate healthy operating cash flows from FY26, sustaining the company's strong liquidity position.

Key weaknesses

Exposure to raw material price volatility

NFIL's key raw materials include fluorspar, chloroform, and sulphur, with fluorspar alone contributing over 40% of the overall raw material cost. Given its high price volatility and China's dominance as a global supplier, NFIL remains exposed to input cost

fluctuations. However, the company has taken steps to mitigate this risk through long-term supply contracts with South African miners and by strengthening strategic relationships with diversified suppliers. The upcoming AHF plant at Dahej is designed to process fluorspar of varying grades, offering greater sourcing flexibility and operational continuity. CareEdge Ratings notes that while NFIL has a demonstrated ability to pass on cost increases to customers, it typically occurs with a lag, leaving operating margins exposed to near-term raw material price volatility.

Exposure to competitive pressure and end-user industry cyclicality

NFIL continues to face pricing and volume pressure in select business segments, particularly in refrigerant gases, owing to intense competition from Chinese manufacturers who benefit from abundant domestic fluorspar availability and cost advantages. The company's performance remains exposed to inherent cyclicality of key end-user sectors such as consumer durables, metals, and agrochemicals, which are sensitive to broader macroeconomic conditions. These factors can impact demand visibility and revenue stability in the medium term. With exports to the US accounting for ~20% of sales, NFIL's revenue mix remains exposed to potential tariff risks. NFIL has been strategically diversifying its operations across high-value segments, including HPP, specialty chemicals, and CDMO, to mitigate such risks. Although export contribution declined from 65% in FY24 to 56% in FY25 due to external challenges, the presence of multi-year contracts across key verticals provides revenue visibility and supports long-term global positioning.

Exposure to regulatory phase-out and transition risks

NFIL's flagship HCFC-22 (R-22) refrigerant faces a complete phase-out by 2030 under the Montreal Protocol, with an initial 35% quota reduction effective January 2020. While the company has commissioned R-32 production and is developing HFOs and advanced fluoropolymers, this transition exposes NFIL to execution risks, including near-term margin pressure from R&D investments and potential delays in scaling alternate products. India's Kigali Amendment commitment to cut HFC emissions by 85% from 2024–26 levels by 2047, alongside tightening PFAS regulations, intensifies compliance requirements and could disrupt established sales channels if regulatory approvals for low-GWP substitutes lag demand.

Large size capex plans

In FY25, NFIL and its wholly-owned subsidiary NFASL commissioned the Dahej Fluoro Specialty plant (₹540 crore), the Surat R-32 facility and key brownfield enhancements, while advancing major greenfield investments: the 40,000 TPA AHF plant (₹450 crore), cGMP-4 unit (₹288 crore) and Chemours immersion-cooling project (₹120 crore). These projects, alongside location-wise debottlenecking and sustainability initiatives totalling ₹94 crore, were predominantly financed through term debt, driving NFASL's outstanding borrowings to ₹1,401 crore as on March 31, 2025, and resulting in assets capitalised of ₹800 crore.

Considering this heavy capex spend, NFIL's consolidated total debt rose from ₹1,368 crore in FY24 to ₹1,466 crore in FY25, even as net worth grew to ₹2,536 crore. Gearing marginally eased to 0.58x (PY:0.60x), but the rise in total debt to gross cash accruals (TD/GCA) to 3.50x (PY:3.46x) and TD/cashflow from operations (CFO) to 2.05x (PY:1.51x) underscores stretched coverage. Although PBILDT/interest coverage improved to 6.85x from 5.38x, the modest recovery belies the significant debt service burden now crystallising particularly given that principal repayments on the ₹1,450 crore term loan commenced in FY25. However, recent equity raise by QIP issue of ₹750 crore is expected to result in reduction in its debt level by end-FY26.

Significant exposure of revenue from the US

In FY25, NFIL derived ~20% of its revenue from the US. This concentration exposes the company to tariff-related uncertainties, which could weigh on profitability from adverse developments. NFIL's strong gross margin profile of ~55% provides an adequate buffer against such risks, and the company's robust liquidity position, supported by unencumbered cash and liquid investments of ₹508 crore as on March 31, 2025, and ₹750 crore raised through QIP in July 2025 further mitigates the potential impact on consolidated PBILDT margins.

Environment, social, and governance (ESG) risks

Parameter	Compliance and action taken by company
Environmental	<p>1. Emissions and waste generation at NFIL sites remained well within the permissible limits prescribed by the Central and State Pollution Control Boards (PCB), with no show cause or legal notices received in FY25. While Scope 3 emissions recorded a significant increase of over 20x (from 30,223 to 614,869 tCO₂e), the company improved its waste management performance by increasing waste recycling by over 25% and reducing net waste disposal by 18%, despite a rise in turnover.</p> <p>2. The company is actively working to reduce its carbon footprint by transitioning from fossil fuels to renewable energy sources, optimising energy use, and adopting cleaner production processes.</p>

	3. Several resource conservation initiatives were implemented, including steam condensate recovery, process optimisation through liquid HF integration, boiler efficiency improvements, water recycling, and the installation of a Zero Liquid Discharge (ZLD) system. The company adopted co-processing of hazardous waste in the cement industry, reducing reliance on conventional disposal methods.
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. 3. NFIL has implemented projects for wellbeing of community and CSR spend of ₹6.91 crore in FY25.
Governance	1. No allegations of financial imprudence were reported and Rigorous Board evaluation policy. 2. Five of nine directors are independent directors.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Chemicals	Chemicals and petrochemicals	Specialty chemicals

Incorporated in 1998, NFIL is part of the Padmanabh Mafatlal group and is engaged in manufacturing fluorinated specialty chemicals. As on March 31, 2025, the promoter group held 28.44% equity stake in the company. NFIL operates in three major business segments including 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 across domestic and export markets, including Europe, the US, Southeast Asia and Middle Eastern countries.

Brief Consolidated Financials (₹ crore)	FY24 (A)	FY25 (A)	Q1FY26 (UA)
Total operating income	2066.84	2349.68	725.40
PBILDT	401.00	534.02	206.79
PAT	270.50	288.58	117.17
Overall gearing (times)	0.60	0.58	NA
Interest coverage (times)	5.38	6.85	6.81

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: 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 - ST-EPC/PSC		-	-	-	100.00	CARE A1+
Fund-based-Long Term		-	-	-	210.10	CARE AA; Stable
Non-fund-based-Short Term		-	-	-	130.10	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 2025-2026	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
1	Fund-based-Long Term	LT	210.10	CARE AA; Stable	1)CARE AA; Stable (11-Sep-25)	1)CARE AA; Stable (09-Oct-24)	1)CARE AA; Stable (07-Nov-23)	1)CARE AA; Stable (10-Jan-23) 2)CARE AA; Stable (05-Apr-22)
2	Non-fund-based-Short Term	ST	130.10	CARE A1+	1)CARE A1+ (11-Sep-25)	1)CARE A1+ (09-Oct-24)	1)CARE A1+ (07-Nov-23)	1)CARE A1+ (10-Jan-23) 2)CARE A1+ (05-Apr-22)
3	Fund-based - ST-EPC/PSC	ST	100.00	CARE A1+				

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

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - ST-EPC/PSC	Simple
2	Fund-based-Long Term	Simple
3	Non-fund-based-Short Term	Simple

Annexure-5: Lender detailsTo view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

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

Note on complexity levels of rated instruments: CareEdge 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.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Ranjan Sharma Senior Director CARE Ratings Limited Phone: +91-22-6754 3453 E-mail: ranjan.sharma@careedge.in
Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: +91-22-6754 3404 E-mail: saikat.roy@careedge.in	Hardik Manharbhai Shah Director CARE Ratings Limited Phone: +91-22-6754 3591 E-mail: hardik.shah@careedge.in
	Arti Roy Associate Director CARE Ratings Limited Phone: +91-22-6754 3657 E-mail: arti.roy@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**