Navin Fluorine International Limited

August 13, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term bank facilities	RBI	210.10	CARE AA+; Stable	Upgraded from CARE AA; Stable
Short-term bank facilities	RBI	230.10	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The upgrade in the long-term rating assigned to bank facilities of Navin Fluorine International Limited (NFIL) factors in the significant strengthening of its business and financial risk profile, reflected in strong growth in scale, profitability and cash flow generation in FY26. The company reported a 41% increase in consolidated total operating income (TOI) to ₹3,313.90 crore, while profit before interest, lease rentals, depreciation and taxation (PBILDT) more than doubled, resulting in a significant improvement in the PBILDT margin to 32.64% from 22.73% in FY25. The trend continued in Q1FY27 with improvement in revenue by 44% on year-on-year (YoY) basis and PBILDT margin improving to 34.17%. The rating action further reflects the successful commissioning and commercial ramp-up of key growth projects, improved business mix with increasing contribution from higher-margin Specialty Chemicals and Contract Development and Manufacturing Organisation (CDMO) operations. The company has reported seven consecutive quarters of strong revenue and profitability growth across all key business segments in a challenging business environment.

The upgrade also considers NFIL's robust financial risk profile, characterised by strong positive operating cash flows, significantly improved debt protection metrics, and a net debt-free position as on March 31, 2026. The company's financial flexibility has strengthened materially, supported by healthy cash accruals, improved working capital efficiency, the successful ₹750-crore qualified institutional placements (QIP) and sizeable liquidity leading to net debt negative position, which is expected to sustain going forward. Consequently, leverage indicators improved significantly, with net debt/PBILDT reducing to -0.05x in FY26 from 1.79x in FY25.

Ratings continue to derive strength from NFIL's established position in the fluorochemicals industry, extensive experience of its promoters and management, strong technical expertise in complex fluorine chemistry, integrated manufacturing capabilities and diversified presence across high performance products (HPP), specialty chemicals, and CDMO. The successful commissioning of the AHF facility and commencement of commercial supplies from cGMP4 have reduced project-execution risk and are expected to support revenue and earnings growth. Medium-term growth visibility remains strong, supported by the ramp-up of these capacities and ongoing investments in additional R-32 capacity, MPP debottlenecking, the Chemours-linked proprietary fluorochemical project and advanced materials platform.

The rating strengths are partially offset by exposure to volatility in raw material and refrigerant prices, regulatory and technology transition risks associated with the HFC phase-down, competitive pressures, customer and molecule concentration, and execution and ramp-up risks associated with the ongoing capital-expenditure programme. The company's sizeable exports also expose it to foreign-exchange, tariff, and geopolitical risks.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant growth in TOI through greater product diversification on a sustained basis.
- Generating envisaged returns from its large, planned capex, with sustained operating margins with further improvement in working capital cycle.

Negative factors

- PBILDT margin of less than 25%, leading to significant moderation in its debt coverage indicators.
- Significant delay or cost overrun in its ongoing projects impacting liquidity.
- Total debt/PBILDT beyond 1.5x on a sustained basis.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

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 Navin Fluorine Advanced Sciences Limited [NFASL]). Entities consolidated into NFIL's credit profile are listed under Annexure-5.

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 with net debt free despite debt availment in the medium term, due to generation of healthy cashflows

Detailed description of key rating drivers

Key strengths

Well-established position in fluorochemicals industry and experienced promoters
Part of the Padmanabh Mafatlal Group, NFIL has been operating in the fluorochemicals industry since 1967. It is one of the leading specialty fluorochemicals manufacturers and a pioneer in manufacturing refrigerant gases in India. NFIL has developed a diversified portfolio of fluorinated and select non-fluorinated products over the years. Its products find application across industries, including refrigeration and air conditioning, agrochemicals, pharmaceuticals, aluminium smelting, metal processing, solar, electronics, abrasives, glass, and ceramics.

NFIL's established manufacturing infrastructure, robust research and development capabilities and technical expertise in complex fluorine chemistry support its ability to develop and scale molecules from laboratory and pilot stages to multi-tonne commercial production. Recent contracts and customer arrangements across the HPP, specialty chemicals, and CDMO segments reflect its strong customer relationships, technical capabilities, and ability to execute complex projects for global innovators. The successful commissioning and commercialisation of multiple complex fluorochemical projects over the last two years further demonstrates NFIL's technological capabilities and project execution track record in fluorine chemistry.

The company is headed by second-generation entrepreneur, Vishad P. Mafatlal, who has extensive experience in the textile and chemical sectors. Day-to-day operations are managed by a team of qualified and experienced professionals across manufacturing, research and development, finance, projects, supply chain and business development. Over the years, the promoters and management have successfully diversified NFIL's operations from conventional refrigerants and inorganic fluorides into higher-value specialty chemicals and CDMO segments.

Growing and diversified presence across the high-value fluorine value chain
NFIL has a diversified product portfolio across the fluorine value chain. It operates through three business verticals: HPP, which includes refrigerant gases, hydrofluoroolefins, anhydrous hydrofluoric acid, and inorganic fluorides; specialty chemicals, comprising customer-specific fluorinated and select non-fluorinated intermediates; and CDMO, comprising research, process development, scale-up and commercial manufacturing of complex pharmaceutical intermediates.

Over the years, NFIL has steadily increased its focus on specialty chemicals and CDMO, which are positioned higher in the fluorine value chain and generally entail greater technical complexity, longer customer qualification periods and better value addition. In FY26, HPP, specialty chemicals and CDMO contributed ~49%, 35% and 16%, respectively, to consolidated revenue. Specialty chemicals and CDMO together accounted for slightly over half of consolidated revenue, reflecting NFIL's progressive diversification from its traditional refrigerants and inorganic-fluorides business.

The company's products cater to multiple end-user industries, including refrigeration and air conditioning, pharmaceuticals, crop protection, steel and metal processing, solar, electronics and other advanced industrial applications. Its diversified presence across products, customers, end-user industries and geographies reduces concentration in single business and partly mitigates cyclicality in individual segments. Customer qualification requirements and established relationships with global innovators also support business continuity and medium-term revenue visibility.

Significant growth in scale of operations supported by broad-based segmental performance
NFIL reported a significant increase in its scale of operations in FY26, with consolidated TOI growing by ~41% to ₹3,313.90 crore from ₹2,349.68 crore in FY25 further expanding to ₹1,045.08 crore in Q1FY27 compared to ₹725.20 crore. The growth was broad-based across all three business verticals. The company has reported seven consecutive quarters of strong revenue and profitability growth across all key business segments, highlighting sustained demand momentum and successful capacity ramp-up.

The HPP segment benefited from higher volumes and improved realisations in refrigerant gases, including R-32, and an increased contribution from other high-performance products. Specialty chemicals reported strong growth supported by higher capacity utilisation, scale-up of existing molecules and introduction of new products, while CDMO growth was supported by repeat orders, supplies to global innovators and commencement of commercial supplies from the cGMP4 facility.

The broad-based performance across all three segments improves the sustainability of NFIL's revenue profile compared to growth depending on a single product or business segment. CareEdge Ratings expects NFIL's scale of operations to improve further over the medium term, supported by the ramp-up of recently commissioned capacities, higher utilisation of existing assets and progressive commissioning of ongoing projects. Achievement of the envisaged growth remains subject to customer qualification, contracted off-take and timely capacity ramp-up.

Significant improvement in profitability supported by better realisations, product mix, and operating leverage
NFIL's PBILDT more than doubled to ₹1,081.75 crore in FY26 from ₹534.02 crore in FY25 and further expanded to ₹357.07 crore in Q1FY27 compared to ₹206.79 crore, while the PBILDT margin expanded by ~991 bps to 32.64% from 22.73% with further improving to 34.17%. The improvement was supported by higher HPP realisations, better capacity utilisation, favourable product mix, improved fixed-cost absorption and increasing contribution from the higher-margin Specialty Chemicals and CDMO businesses.

CareEdge Ratings expects NFIL to maintain healthy operating profitability over the medium term, supported by operating leverage from higher utilisation of commissioned facilities, backward integration through the AHF plant and an increasing contribution from value-added specialty chemicals and CDMO operations. Cost efficiencies from centralised procurement, digitalisation and increasing renewable-power consumption are also expected to support profitability. However, volatility in HFC realisations, raw-material and energy costs and the time lag in passing on cost increases to customers remain monitorable.

Strong financial risk profile marked by comfortable capital structure and debt coverage
NFIL's financial risk profile strengthened significantly in FY26, supported by higher operating cashflows, successful completion of the ₹750 crore qualified institutional placement in July 2025 and repayment of borrowings. A substantial portion of the QIP proceeds was utilised towards repayment or prepayment of borrowings of NFIL and NFASL, while the balance supported general corporate and working capital requirements. The equity infusion has also enhanced the company's financial flexibility for its ongoing growth investments. NFIL's tangible net worth increased to ₹3,877.35 crore as on March 31, 2026, from ₹2,536.06 crore as on March 31, 2025, supported by the QIP and accretion of profits to reserves. Consequently, overall gearing improved to 0.33x from 0.58x. Debt protection indicators also strengthened significantly, with net debt/PBILDT improving to -0.5x in FY26 from 2.75x in FY25. CareEdge Ratings expects NFIL's capital structure and debt coverage to remain comfortable over the medium term, with the ongoing capital-expenditure programme expected to be funded predominantly through internal accruals.

Key weaknesses

Exposure to competitive pressures, end-user cyclicality, and customer and molecule concentration
NFIL operates in a competitive global industry and remains exposed to pricing pressure from domestic and international fluorochemical manufacturers, particularly Chinese players benefiting from scale, integrated raw material availability, and competitive manufacturing costs. Demand from certain end-user industries, including crop protection, consumer durables, automobiles, metals and construction, remains cyclical and is sensitive to macroeconomic conditions, customer inventory levels and product-pricing trends, although NFIL has a diversified presence across HPP, specialty chemicals, and CDMO. Certain manufacturing blocks and capital-expenditure projects are also linked to individual customers or molecules, increasing the risk of underutilisation in case of delay, cancellation, clinical failure or lower-than-envisaged off-take. The risk is partly mitigated by long-standing customer relationships, with seven of the top 10 customers associated with NFIL for an average period exceeding 10 years, multi-year arrangements with global innovators and a diversified pipeline across products and therapeutic areas.

Exposure to regulatory and technology-transition risks in the refrigerant business
NFIL's refrigerant business remains exposed to regulatory and technology-transition risks arising from the phase-out and phase-down of refrigerants with high ozone-depletion or global-warming potential. HCFC-22, or R-22, is subject to progressive phase-out for controlled applications under the Montreal Protocol, while feedstock applications are treated separately. Although NFIL has diversified into R-32, HFOs, specialty chemicals, CDMO, and advanced materials, the transition towards lower-GWP alternatives requires continued investment in product development, manufacturing technology, and customer qualification.

Under India's commitments pursuant to the Kigali Amendment, the HFC production and consumption baseline will be determined using the average for 2024-2026, together with the prescribed HCFC-22 component. HFC production and consumption will be frozen at the applicable baseline from January 1, 2028, followed by reductions of 10% by 2032, 20% by 2037, 30% by 2042, and

85% by 2047. The government has also stipulated that new or expanded HFC capacity for controlled applications must commence production by December 31, 2027.

R-32 has relatively lower global-warming potential than several legacy refrigerants and blends and may benefit from increasing cooling demand over the medium term. However, being an HFC, R-32 remains covered under the eventual phase-down framework. Consequently, returns from NFIL's additional R-32 capacity will depend on timely commissioning before the freeze date, treatment of the capacity under the final production-entitlement framework, market demand, product realisations and the company's ability to transition its portfolio over the longer term. Evolving global regulation of selected fluorinated substances may also increase compliance, R&D and product-substitution requirements.

Execution and ramp-up risk associated with ongoing capital-expenditure programme

NFIL has successfully commissioned major projects, including the AHF and cGMP4 facilities, materially reducing the construction risk associated with the earlier investment cycle. However, the company continues to undertake sizeable investments across HPP, specialty chemicals, CDMO, and advanced materials. Key ongoing projects include the ₹236.50 crore additional HFC capacity equivalent to up to 15,000 tonnes per annum of R-32, the ₹75 crore MPP debottlenecking project at Dahej, the Chemours-linked proprietary fluorochemical project, and investments in advanced materials.

Timely commissioning, customer validation, stabilisation of manufacturing operations and achievement of the envisaged utilisation levels remain critical for generating the projected returns. Revenue potential indicated for the new projects represents peak opportunity and may materialise gradually depending on customer off-take, qualification timelines and market adoption. While NFIL's strengthened balance sheet, sizeable liquidity and healthy cash accruals provide adequate headroom for the investment programme, sustained capital expenditure through FY29 could moderate free cash flow if project execution or revenue ramp-up is delayed. CareEdge Ratings will continue to monitor the company's capital-allocation discipline, project-level returns and the extent of additional funding or support required by NFASL.

Liquidity: Strong

NFIL's liquidity remains strong, supported by sizeable cash and liquid investments, healthy cash accruals, improved working-capital efficiency and comfortable access to bank lines. Cash and liquid investments increased to ₹1,328.83 crore as on March 31, 2026, from ₹508.42 crore as on March 31, 2025, resulting in a net-cash position. The current ratio improved to 2.62x as on March 31, 2026, from 1.59x a year earlier, while average utilisation of fund-based working-capital limits remained moderate. Liquidity is further supported by GCA of ₹875.02 crore in FY26, and healthy cash flow from operations of ₹823.95 crore. Operating cycle improved to 69 days in FY26 from 94 days in FY25, supported by lower inventory and improved collection periods. CareEdge Ratings expects NFIL's liquidity to remain strong over the medium term, supported by healthy cash accruals and adequate liquid investments. The ongoing capital-expenditure programme is expected to be funded predominantly through internal accruals.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks:

Environmental

1. Key certifications held by NFIL are ISO 9000:2015 Quality Management System, ISO 14001:2015 Environment Management System, ISO 45001:2018 Occupational Health and Safety Management System, ISO 50001:2018 Energy Management System (Surat and Dewas) & Responsible care.
2. NFIL continued to focus on energy efficiency, emission reduction, water conservation and responsible waste management. In FY26, total energy consumption reduced by ~16%, while Scope 1 greenhouse-gas emissions declined by ~6%. Renewable electricity constituted ~12.15% of electricity consumption during the year. The company is also progressively increasing renewable-energy sourcing across its Surat and Dahej facilities.
3. NFIL recycled and reused water equivalent to ~54.3% of total water withdrawal in FY26. Water-conservation measures included process optimisation, steam-condensate recovery and Zero Liquid Discharge systems at the Dewas and Dahej facilities. Specific process modifications resulted in reported water savings of ~30,582 KL during the year.
4. Waste sent to landfill reduced to 10.3% of total waste generated in FY26, from 12.8% in FY25. The company continued co-processing hazardous waste in cement kilns as an alternative fuel, which reportedly conserved ~1,122 MT of coal and 38,497 KL of water.
5. Operational-efficiency initiatives, including integration of liquid hydrofluoric acid into manufacturing processes, steam-condensate recovery, energy-efficient cooling-tower fan blades and optimisation of air-compressor loads, reduced natural-gas consumption by ~163,891 cubic metres, carbon emissions by ~309 MT and electricity consumption by ~128,866 kWh.

Social

1. NFIL considers its employees and workers key stakeholders and focuses on safe working conditions, employee engagement, training, skill development and career progression. As on March 31, 2026, the reported workforce comprised 3,217 individuals, including 1,421 employees and 1,796 workers.
2. The company conducts regular training on occupational health and safety, technical skills, regulatory compliance and behavioural competencies. Its safety-management framework is particularly relevant considering the hazardous and corrosive materials handled across fluorochemical operations.
3. NFIL continued community-development initiatives across healthcare, education, livelihood enhancement, disability inclusion, women empowerment, nutrition, sports and environmental stewardship. The company also completed an independent impact assessment in FY26 covering selected CSR initiatives undertaken in earlier periods.
4. The FY26 BRSR reported no complaints from communities or employees and workers. Of 17 shareholder and investor complaints received, three service-related requests remained pending. Of 48 customer complaints received, four remained pending as of year-end.

Governance

1. NFIL has a structured corporate-governance framework supported by Board-level committees, an enterprise-risk-management framework, policies covering responsible business conduct and periodic evaluation of Board performance. The current Board comprises executive, non-executive and independent directors with experience across chemicals, finance, operations, strategy and general management.
2. The Board approved the continuation or reappointment of key leadership and independent directors in FY26, supporting management continuity and independent oversight. Vishad P. Mafatlal was reappointed as Executive Chairman, while Sujal A. Shah and Apurva S. Purohit were reappointed as Independent Directors for further terms, subject to applicable approvals.
3. NFIL maintained a zero-tolerance approach towards corruption and reported no cases of bribery in FY26. The company also reported resolution of ~89.24% of complaints received during the year.
4. The company's BRSR disclosures follow a consolidated approach and were independently assured by TÜV SÜD South Asia. NFIL also received ESG scores of 66.7 from SES ESG Research Private Limited and 56.0 from CRISIL ESG Ratings & Analytics, indicating continued external assessment of its ESG practices.

Applicable criteria

Definition of Default
Consolidation
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 & petrochemicals	Specialty chemicals

Incorporated in 1998, NFIL is a part of the Padmanabh Mafatlal group and is engaged in manufacturing fluorinated specialty chemicals. As on June 30, 2026, the promoter group held 27.08% 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)	FY25 (A)	FY26 (A)	Q1FY27 (UA)
Total operating income	2,349.68	3,313.90	1,045.08
PBILDT*	534.02	1,081.75	357.07
Profit after tax (PAT)	288.58	663.55	243.31
Overall gearing (x)	0.58	0.33	NA
Interest coverage (x)	6.85	9.18	11.12

A: Audited; UA: Unaudited NA: Not Available; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax
Financials numbers are reclassified per CareEdge Ratings' standards

Status of non-cooperation with previous CRA: NIL

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators
Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-		-	-	100.00	CARE A1+
Fund-based-Long Term	RBI	Simple	-		-	-	210.10	CARE AA+; Stable
Non-fund-based-Short Term	RBI	Simple	-		-	-	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 2026-2027	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
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)
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)
3	Fund-based - ST-EPC/PSC	ST	100.00	CARE A1+	-	1)CARE A1+ (11-Sep-25)	-	-

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: Lender details

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

Annexure-5: 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.

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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

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