



NGL Fine-Chem Limited

Instrument	Amount rated	Rating Action
Long-term: Fund-based limits	Rs. 9.00 crore	[ICRA]BBB (Stable); upgraded from [ICRA]BBB- (Stable)
Long-term: Term Loan	Rs. 10.60 crore	[ICRA]BBB (Stable); upgraded from [ICRA]BBB- (Stable)
Long-term: Unallocated	Rs. 2.74 crore	[ICRA]BBB (Stable); upgraded from [ICRA]BBB- (Stable)
Short-term: Non-fund-based	Rs. 3.55 crore	[ICRA]A3+; upgraded from [ICRA]A3

ICRA has upgraded the long-term ratings assigned to the Rs 9.00 crore* fund based facilities, Rs. 10.60 crore term loan and Rs. 2.74 unallocated limits of NGL Fine-Chem Limited† (MLPL) to [ICRA]BBB (pronounced ICRA triple B) from [ICRA]BBB- (pronounced ICRA triple B minus). The outlook on the long-term rating is Stable. ICRA has also upgraded the short-term rating assigned to Rs. 3.55 crore short-term non-fund based facilities to [ICRA]A3+ (pronounced ICRA A three plus) from [ICRA]A3 (pronounced ICRA A three).

The ratings upgrade factors in the healthy growth in revenues of the company supported by favourable demand indicators which coupled with improvement in operating margins has lead to healthy capitalisation and coverage indicators for the company. The ratings also factor in the established track record of the company in animal health APIs and its established customer base across domestic and export markets. The ratings, however, are constrained by the high product and customer concentration risks, vulnerability of profitability to raw material price fluctuation and foreign currency risks and working capital intensive nature of operations.

Company Profile

NGL Fine-Chem Limited is a veterinary pharmaceutical raw material manufacturer, and its products find usage in the animal health industry. The company was incorporated in 1981 by Mr. Narayan Lawande. The company is listed on the Bombay Stock Exchange, Ahmedabad Stock Exchange & Madras Stock Exchange since 1994. NGL provides a range of products catering to formulations for farm animals with its largest end-user market being Africa, and it also has a strong and growing international presence in Latin America, Asia and Europe. NGL's manufacturing facilities are located at Pawane (Navi Mumbai) and Tarapur (Maharashtra). The company's manufacturing facilities are GMP-certified (Good Manufacturing Practice) from the Maharashtra State FDA (Food & Drug Administration).

Recent Results

For the year-ended March 31, 2015, the company reported operating Income of Rs. 88.32 crore and net profit of Rs.8.33 crore. For the year ended March 31, 2014, the company reported operating Income of Rs. 78.87 crore and net profit of Rs. 4.53 crore.

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* 100 lakh = 1 crore = 10 million

† For complete rating scale and definitions, please refer to ICRA's website, www.icra.in, or other ICRA Rating Publications



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