

NGL Fine-Chem Limited

April 03, 2019

Summary of Rated Instrument:

Instrument	Rated Amount (Rs. crore)	Rating Outstanding
Long-term Fund-based Term Loans	17.50	[ICRA]BBB+(Stable)
Long-term Fund-based Cash Credit	16.30	[ICRA]BBB+(Stable)
Short-term Non-fund based Letter of Credit	4.80	[ICRA]A2
Short-term Non-fund based PSR Limit	4.00	[ICRA]A2
Total	42.60	

Material Event

NGL Fine-Chem Limited (NGL) has signed a memorandum of understanding (MOU) with Mr. Nilesh Vipinchandra Mehta, Mrs. Hetal Nilesh Mehta and Macrotech Polychem Private Limited (MPPL) to acquire a stake in MPPL subject to completion of the due diligence as per the release on the BSE website dated March 25, 2019.

Impact of the Material Event

ICRA has taken note of the above event and NGL's ratings remain unchanged at [ICRA]BBB+(Stable)/[ICRA]A2. In ICRA's opinion, the size of acquisition is not material enough compared to NGL's scale and the company has adequate liquidity in the form of cash and liquid investments to fund it through its internal accruals. Hence, the acquisition in MPPL is not expected to have any significant impact on NGL's credit metrics over the medium term.

The acquisition is likely to ease out the sourcing of chemical intermediates to some extent, which are the key inputs required for manufacturing active pharmaceutical ingredients.

The previous detailed rating rationale is available on the following link: [Click here](#)

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