



Rating Rationale

Advance Home and Personal Care Ltd

19th January 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Advance Home and Personal Care Ltd.

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based			BWR BB
Cash Credit	5.54	Long Term	(Pronounced as BWR Double B)
Term Loan	1.36		Outlook: Stable
		Short Term	NA
Non-Fund Based		Long Term	NA
Letter of Credit	10.00		BWR A4
Bank Guarantee	(1.00)	Short Term	(Pronounced as BWR A Four)
Total	Rs. 16.90Crores (Rupees Sixteen Crores and Ninety Lakhs Only.)		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The assigned ratings derive comfort from the long track record of business for more than four decades in the surfactants industry and well experienced promoters in the company, besides increased net worth and revenue, coupled with moderate gearing levels, and improved liquidity of the company in FY16. The ratings are, however, constrained by a decline in operating profit margin, exposure to risks arising from volatility in raw material prices, customer concentration risks and competition from other players in the industry.

Rating Outlook: Stable

BWR believes the Advance Home and Personal Care Ltd.'s business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the



revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

Advance Home & Personal Care Limited (AHPL), incorporated in 1985, is a part of the Advance Group, and is involved in contract manufacturing of chemical products with a wide range of detergent and home care products. The company has a manufacturing unit located at Roorkee. (Uttarkhand).

Company Financial Performance

The company achieved total operating income of Rs.32.88 Cr in FY16, as against Rs.17.69 Cr in FY15 and PAT of Rs.0.38 Cr in FY16 as against loss of Rs.0.01 Cr in FY15. However, its operating profit margin declined from 12.23% in FY15 to 8.48% in FY16.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/ Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs.Crs)	Rating	2016	2015	2014
1	Fund Based Cash Credit	Long Term	5.54	BWR BB (Pronounced as BWR Double B) Outlook: Stable	NA	NA	NA
2	Term Loan		1.36				
3	Non-Fund Based Letter of Credit	Short Term	10.00				
4	Bank Guarantee		(1.00)				

Status of non-cooperation with previous CRA (if applicable): Reason and comments: NA

Any other information: NA



Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

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