

Press Release

Envy Cylinders Private Limited

April 30, 2020



Rating Update

Total Bank Facilities Rated*	Rs. 6.00 Cr. #
Long Term Rating	ACUITE B+ (Downgraded from ACUITE BB-/ Stable) Issuer not co-operating*
Short Term Rating	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE B+**' (read as **ACUITE B plus**) from '**ACUITE BB-/Stable**' and to short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' on the Rs.6.00 crore bank facilities of ENVY CYLINDERS PRIVATE LIMITED (ECPL). This rating is now an indicative rating and is downgraded on account of information risk.

ECPL was incorporated in 1988 by Mr. Alpa Khara and his family members. Currently, the business is managed by Mr. Nalin Khara and Mrs. Neela Khara. ECPL manufactures LPG cylinders at its facility in Hyderabad with manufacturing capacity of 45,000 cylinders per annum. The company undertakes contracts from Hindustan Petroleum Corporation Ltd (HPCL), Bharat Petroleum Corporation Ltd (BPCL), and Indian Oil Corporation Ltd (IOCL) on annual basis.

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Sector Entities - <https://www.acuite.in/view-rating-criteria-59.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
22-Feb-2019	Cash Credit	Long Term	1.00	ACUITE BB-/Stable (Reaffirmed)
	Letter of credit	Short Term	4.00	ACUITE A4+ (Reaffirmed)
	Bank guarantee	Short Term	0.50	ACUITE A4+ (Reaffirmed)
	Proposed Bank Guarantee	Short Term	0.50	ACUITE A4+ (Reaffirmed)
10-Jan-2018	Cash Credit	Long Term	1.00	ACUITE BB- / Stable (Upgraded)
	Letter of Credit	Short Term	4.00	ACUITE A4+ (Upgraded)
	Bank Guarantee	Short Term	0.50	ACUITE A4+ (Upgraded)
	Proposed Bank Guarantee	Short Term	0.50	ACUITE A4+ (Upgraded)
26-Sep-2017	Cash Credit	Long Term	1.00	ACUITE B+ / Stable (Reaffirmed)
	Letter of Credit	Short Term	4.00	ACUITE A4 (Reaffirmed)
	Bank Guarantee	Short Term	0.50	ACUITE A4 (Reaffirmed)
	Proposed Bank Guarantee	Short Term	0.50	ACUITE A4 (Reaffirmed)
30-Jun-2016	Cash Credit	Long Term	1.00	ACUITE B+ / Stable (Assigned)
	Letter of Credit	Short Term	4.00	ACUITE A4 (Assigned)
	Bank Guarantee	Short Term	0.50	ACUITE A4 (Assigned)
	Proposed Bank Guarantee	Short Term	0.50	ACUITE A4 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE B+ (Downgraded from ACUITE BB-/ Stable) Issuer not co-operating*
Letter of credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*
Bank guarantee	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*

*The issuer did not co-operate; Based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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