

Kakoti Engineering Works

June 11, 2021

Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	6.00	CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable; (Single B; Outlook: Stable)
Short Term Bank Facilities	1.25	CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Facilities	7.25 (Rs. Seven Crore and Twenty-Five Lakhs Only)		

*Details of facilities in annexure -1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated May 12, 2020, placed the rating(s) of **Kakoti Engineering Works (KEW)** under the 'issuer non-cooperating' category as KEW had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. KEW continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and letter/emails dated March 28, 2021, April 07, 2021, April 17, 2021.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of these ratings (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

The ratings have been revised on account of non-availability of the latest information from the public domain and non-cooperation from client. Further, banker could not be contacted.

Detailed description of the key rating drivers

[Please refer to PR dated May 12, 2020](#)

Analytical approach: Standalone

Applicable Criteria:

Policy in respect of Non-cooperation by issuer

Criteria on assigning rating Outlook and credit watch to Credit Ratings

CARE's Policy on Default Recognition

About the Entity

Established in 1988 as a proprietorship concern, Kakoti Engineering Works (KEW) is majorly engaged in the business of oil field services like steel tubular structure, pipeline, O & M of gas compressor and workover and drilling rigs in Sivasagar, Assam. The firm participates in the tender process of various renowned organisations like Oil India Limited, ONGC etc. Later, in 1999 the firm changes its constitution to partnership nature of entity. Mr. Ripendra Prasad Kakoti having around four decades of experience in the construction industry, looks after the day to day operations of the firm. He is duly supported by other partners and a team of experienced professionals.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	22.54	21.34
PBILD	7.05	6.68
PAT	-0.28	-2.15
Overall gearing (times)	7.07	9.81
Interest coverage (times)	2.11	1.25

A: Audited

Status of non-cooperation with previous CRA: Nil.

Any other information: Not Applicable.

Details of Facilities: Annexure-1

Rating History of last three years: Annexure-2

Detailed explanation of covenants of the rated facilities: Annexure-3

Complexity level of various instruments rated for this Entity: Annexure-4

Annexure-1: Details of Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	6.00	CARE B-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantees	-	-	-	1.25	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Cash Credit	LT	6.00	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (12-May-20)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (15-Mar-19)
2.	Non-fund-based - ST-Bank Guarantees	ST	1.25	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (12-May-20)	-	1)CARE A4; ISSUER NOT COOPERATING* (15-Mar-19)

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated facilities: Not applicable

Annexure 4: Complexity level of various instruments rated for this Entity

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Non-fund-based - ST-Bank Guarantees	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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