

Press Release
Fernandes Brothers
October 03, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.10	-	ACUITE A4 Downgraded Issuer not co-operating*
Bank Loan Ratings	22.90	ACUITE B+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	33.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long term rating to '**ACUITE B+**' (read as **ACUITE B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) and downgraded short term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.33.00 crore bank facilities of Fernandes Brothers. The rating continues to be flagged as "Issuer Not Cooperating" and is downgraded on account of information risk.

About the Company

Fernandes Brothers established in the year 1946 is a Mangalore based partnership firm engaged in exporting of cashews and other cashew allied products. The managing partner Mr. Walter D Souza took over the organization in the year 1986. The firm procures cashew, 90 percent of the cashew through imports from African countries such as Nigeria, Benin, and Ghana. The firm exports to countries like Korea, Bahrain, Canada and US.

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 the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

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 endeavored 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.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

None

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable.

Other Factors affecting Rating

Not Applicable.

Status of non-cooperation with previous CRA

None.

Any other information

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

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
13 Jul 2021	Bank Guarantee	Short Term	0.10	ACUITE A4+ (Issuer not co-operating*)
	Secured Overdraft	Long Term	10.00	ACUITE BB- (Issuer not co-operating*)
	Packing Credit	Short Term	10.00	ACUITE A4+ (Issuer not co-operating*)
	Secured Overdraft	Long Term	12.90	ACUITE BB- (Issuer not co-operating*)
29 Apr 2020	Bank Guarantee	Short Term	0.10	ACUITE A4+ (Reaffirmed)
	Packing Credit	Short Term	10.00	ACUITE A4+ (Reaffirmed)
	Secured Overdraft	Long Term	12.90	ACUITE BB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	10.00	ACUITE BB- Stable (Reaffirmed)
05 Jul	Secured Overdraft	Long Term	1.90	ACUITE BB- Stable (Downgraded from ACUITE BB)
	Bank Guarantee	Short Term	0.10	ACUITE A4+ (Reaffirmed)

2019	Packing Credit	Short Term	13.00	ACUITE A4+ (Reaffirmed)
	Secured Overdraft	Long Term	7.00	ACUITE BB- Stable (Downgraded from ACUITE BB)
17 Apr 2019	Secured Overdraft	Long Term	1.90	ACUITE BB (Issuer not co-operating*)
	Bank Guarantee	Short Term	0.10	ACUITE A4+ (Issuer not co-operating*)
	Secured Overdraft	Long Term	7.00	ACUITE BB (Issuer not co-operating*)
	Packing Credit	Short Term	13.00	ACUITE A4+ (Issuer not co-operating*)
05 Feb 2018	Secured Overdraft	Long Term	1.90	ACUITE BB Stable (Reaffirmed)
	Secured Overdraft	Long Term	7.00	ACUITE BB Stable (Reaffirmed)
	Packing Credit	Short Term	13.00	ACUITE A4+ (Reaffirmed)
	Bank Guarantee	Short Term	0.10	ACUITE A4+ (Reaffirmed)
30 Nov 2016	Secured Overdraft	Long Term	1.90	ACUITE BB Stable (Assigned)
	Secured Overdraft	Long Term	7.00	ACUITE BB Stable (Assigned)
	Packing Credit	Short Term	13.00	ACUITE A4+ (Assigned)
	Bank Guarantee	Short Term	0.10	ACUITE A4+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	0.10	ACUITE A4 Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A4 Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE B+ Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	12.90	ACUITE B+ Downgraded Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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