



**Press Release**  
**Fernandes Brothers**  
**December 05, 2023**

**Rating Reaffirmed and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	22.90	ACUITE B+   Reaffirmed   Issuer not co-operating*	-
Bank Loan Ratings	10.10	-	ACUITE A4   Reaffirmed   Issuer not co-operating*
<b>Total Outstanding Quantum (Rs. Cr)</b>	33.00	-	-

**Rating Rationale**

Acuité has reaffirmed the long-term rating of '**ACUITE B+**' (read as **ACUITE B Plus**) and the short term rating of '**ACUITE A4**' (read as **ACUITE A Four**) on the Rs.33.00 crore bank facilities of Fernandes Brothers. The rating continues to be flagged as "Issuer Not-Cooperating" 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.

**Unsupported Rating**

Not Applicable

**Non-cooperation by the issuer/borrower:**

Acuité 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. Acuité 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. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité'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). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

## Rating Sensitivity

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

### **All Covenants**

Not Applicable.

### **Liquidity Position**

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

### **Outlook**

Not Applicable

### **Other Factors affecting Rating**

Not Applicable

## Key Financials

Particulars	Unit	FY 19 (Actual)	FY 18 (Actual)
Operating Income	Rs. Cr.	163.52	444.41
PAT	Rs. Cr.	0.23	1.39
PAT Margin	(%)	0.14	0.31
Total Debt/Tangible Net Worth	Times	2.27	3.04
PBDIT/Interest	Times	1.20	1.87

## Status of non-cooperation with previous CRA

Not Applicable

## Any other information

None

## 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

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
03 Oct 2022	Secured Overdraft	Long Term	10.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Secured Overdraft	Long Term	12.90	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	0.10	ACUITE A4 (Downgraded and Issuer not co-operating*)
	Packing Credit	Short Term	10.00	ACUITE A4 (Downgraded and Issuer not co-operating*)
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)

## Annexure - Details of instruments rated

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