

Change in rating scale & symbols in compliance with regulatory guidelines

July 01, 2022

Sheikh Farid Finvest Limited

Rated quantum (Rs. Cr.)	2.00
Fixed Deposits (FD) rating	ACUITE BB

Acuite has revised the rating scale for Fixed Deposit programmes pursuant to multiple regulatory directions, viz:

1. SEBI circular SEBI/HO/MIRSD/MIRSD_CRADT/P/CIR/2021/594 dated July 16, 2021
2. SEBI circular SEBI/HO/MIRSD/MIRSD_CRADT/P/CIR/2022/43 dated April 01, 2022 and
3. Clarification by RBI vide notification RBI/2022-23/37 DOR.FIN.REC.No.30/03.10.001/2022-23 dated May 02, 2022

The revision(s) is not to be construed as any change in the rating or credit opinion of Acuite on the said Fixed Deposit programme. The previous rating rationale is appended herewith for reference.

Criteria & revised scale for Fixed Deposit Programmes ratings: <https://www.acuite.in/view-rating-criteria-64.htm>

Press Release

Sheikh Farid Finvest Limited

September 01, 2021

Rating Update

Total Bank Facilities Rated #	Rs.12.00 Cr.
Bank Facilities Rated *	Rs.10.00 Cr.
Long Term Rating	ACUITE BB Withdrawn; Issuer not co-operating*
Total FD Rated	Rs.2.00 Cr.
Long Term Rating	ACUITE FBB Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuite has withdrawn the long term rating of '**ACUITE BB**' (read as **ACUITE double B**) on the Rs.10.00 Cr. bank facilities of Sheikh Farid Finvest Limited (SFFL). The rating continues to be flagged as an 'Issuer Not-Cooperating' based on best available information.

The rating is being withdrawn on account of the request received from the company and the NOC received from the banker as per Acuite's policy on withdrawal of ratings.

Further, Acuite has reviewed the rating of '**ACUITE FBB**' (read as **ACUITE F double B**) on the Rs. 2.00 Cr. Fixed Deposit facility of Sheikh Farid Finvest Limited (SFFL). The rating continues to be flagged as an 'Issuer Not-Cooperating' based on best available information.

About the Entity

Punjab-based NBFC, SFFL was incorporated in 1996. The company is into asset financing (mainly personal and commercial vehicles with the ticket size ranging from Rs.60,000 to Rs.10,00,000 and tenure of 12 to 36 months. The company operates across five districts of Punjab namely Moga, Faridkot, Ferozepur, Muktsar and Bhatinda.

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 non-cooperation by the issuer along with an 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>
- Financial Ratios And Adjustments – <https://www.acuite.in/view-rating-criteria-53.htm>
- Non-Banking Financing Entities – <https://www.acuite.in/view-rating-criteria-44.htm>
- Complexity Level of Financial Instruments – <https://www.acuite.in/view-rating-criteria-55.htm>
- Fixed Deposit – <https://www.acuite.in/view-rating-criteria-64.htm>
- 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>

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 has 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.

Liquidity Position

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

Rating Sensitivities

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

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
09-Sep-2020	Working Capital Demand Loan	Long Term	6.50	ACUITE BB (Downgraded & Indicative)
	Proposed Bank Facility	Long Term	3.50	ACUITE BB (Downgraded & Indicative)
	Fixed Deposit Program	Long Term	2.00	ACUITE FBB (Downgraded & Indicative)
30-Sep-2019	Working Capital Demand Loan	Long Term	6.50	ACUITE BB+ (Indicative)
	Proposed Bank Facility	Long Term	3.50	ACUITE BB+ (Indicative)
	Fixed Deposit Program	Long Term	2.00	ACUITE FBB+ (Indicative)
05-Oct-2018	Working Capital Demand Loan	Long Term	6.50	ACUITE BB+ (Indicative)
	Proposed Bank Facility	Long Term	3.50	ACUITE BB+ (Indicative)
	Fixed Deposit Program	Long Term	2.00	ACUITE FBB+ (Indicative)

#Annexure – Details of instruments rated

Lender Name	Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Canara Bank	Working Capital Demand Loan	Not Applicable	Not Available	Not Applicable	6.50	ACUITE BB Withdrawn; Issuer not co-operating*
Not Applicable	Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	3.50	ACUITE BB Withdrawn; Issuer not co-operating*
Not Applicable	Fixed Deposit Program	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE FBB Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
<p>Aditya Gupta Vice President – Corporate Ratings Tel: 022 – 49294041 aditya.gupta@acuite.in</p> <p>Aditya Sahu Analyst – Rating Operations Tel: 022 – 49294055 aditya.sahu@acuite.in</p>	<p>Varsha Bist Senior Manager – Rating Desk Tel: 022 – 49294011 rating.desk@acuite.in</p>

About Acuité Ratings & Research:

Acuité Ratings & Research 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 8,816 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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