



Press Release
Sheikh Farid Finvest Limited
September 01, 2022

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Fixed Deposits (FD)	2.00	ACUITE BB- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	2.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs. 2.00 Cr. Fixed Deposit facility of Sheikh Farid Finvest Limited (SFFL). The rating continues to be flagged as an 'Issuer NotCooperating' based on best available information.

About the Company

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.

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 endeavoured to gather information about the Acuite Ratings & Research Limited www.acuite.in 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

Not Applicable

Liquidity Position

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

Not Applicable

Other Factors affecting Rating

Not Applicable

Status of non-cooperation with previous CRA

Not Applicable

Any other information

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

Applicable Criteria

- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.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>
- Complexity Level Of Financial Instruments: <https://www.acuite.in/view-rating-criteria-55.htm>
- Fixed Deposit Programmes: <https://www.acuite.in/view-rating-criteria-64.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
01 Jul 2022	Proposed Bank Facility	Long Term	3.50	ACUITE BB (Withdrawn and Issuer not co-operating*)
	Fixed Deposit Program	Long Term	2.00	ACUITE BB (Issuer not co-operating*)
	Working Capital Demand Loan	Long Term	6.50	ACUITE BB (Withdrawn and Issuer not co-operating*)
01 Sep 2021	Proposed Bank Facility	Long Term	3.50	ACUITE BB (Withdrawn and Issuer not co-operating*)
	Working Capital Demand Loan	Long Term	6.50	ACUITE BB (Withdrawn and Issuer not co-operating*)
	Fixed Deposit Program	Long Term	2.00	ACUITE FBB (Issuer not co-operating*)
09 Sep 2020	Proposed Bank Facility	Long Term	3.50	ACUITE BB (Downgraded and Issuer not co-operating*)
	Working Capital Demand Loan	Long Term	6.50	ACUITE BB (Downgraded and Issuer not co-operating*)
	Fixed Deposit Program	Long Term	2.00	ACUITE FBB (Downgraded and Issuer not co-operating*)
30 Sep 2019	Proposed Bank Facility	Long Term	3.50	ACUITE BB+ (Issuer not co-operating*)
	Fixed Deposit Program	Long Term	2.00	ACUITE FBB+ (Issuer not co-operating*)
	Working Capital Demand Loan	Long Term	6.50	ACUITE BB+ (Issuer not co-operating*)
05 Oct 2018	Working Capital Demand Loan	Long Term	6.50	ACUITE BB+ (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	3.50	ACUITE BB+ (Issuer not co-operating*)
	Fixed Deposit Program	Long Term	2.00	ACUITE FBB+ (Issuer not co-operating*)
03 Mar 2017	Working Capital Demand Loan	Long Term	6.50	ACUITE BB+ (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	3.50	ACUITE BB+ (Issuer not co-operating*)
02 Mar 2017	Fixed Deposit Program	Long Term	2.00	ACUITE FBB+ (Issuer not co-operating*)
26 Nov 2015	Working Capital Demand Loan	Long Term	6.50	ACUITE BB+ Stable (Assigned)
	Proposed Cash Credit	Long Term	3.50	ACUITE BB+ Stable (Assigned)
	Fixed Deposit Program	Long Term	2.00	ACUITE FBB+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Other	Not Applicable	Fixed Deposit Program	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE BB- 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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