

Press Release

Sheikh Farid Finvest Limited

November 28, 2022



Rating Reaffirmed & Withdrawn and Issuer not co-operating

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Fixed Deposits (FD)	2.00	ACUITE BB- Reaffirmed & Withdrawn Issuer not co-operating*	-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Total Withdrawn Quantum (Rs.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

Rating Rationale

Acuite has reaffirmed & Withdrawn the long term rating of '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs.2.00 crore bank facilities of Sheikh Farid Finvest Limited.

The rating withdrawal is in accordance with the Acuite's policy on withdrawal of rating. This rating continues to be an indicative rating and is based on best available information. The rating is being withdrawn on account of request received from the company and NOC received from the banker.

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 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 notcooperating", 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 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.

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 Acuité to comment upon.

Material Covenants

None

Liquidity Position

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

Outlook

Not Applicable

Status of non-cooperation with previous CRA

None

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

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Sep 2022	Fixed Deposit Program	Long Term	2.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
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*)
	Proposed Bank Facility	Long Term	3.50	ACUITE BB (Downgraded and Issuer not co-operating*)

09 Sep 2020	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*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	Not Applicable	Fixed Deposit Program	Not Applicable	Not Applicable	Not Applicable	Simple	2.00	ACUITE BB- Reaffirmed & Withdrawn Issuer not co-operating*

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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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