

Press Release

Shriram Chits Tamilnadu Private Limited

April 05, 2023



Rating Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	60.00	-	Not Applicable Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	60.00	-	-

Rating Rationale

Acuite has withdrawn the rating on the Rs 60.00 crore bank facilities of Shriram Chits Tamilnadu Private Limited. The rating is being withdrawn on account of the request received from the company and 'satisfaction of charge' of the facilities rated as per MCA records. The rating is being withdrawn as per Acuite's policy on withdrawal of ratings.

About the Company

Shriram Chits is the largest chit funds entity in India. The trusted household Savings & Investments service provider, a pioneer in Micro Finance in India. The Annual Auction Turnover of our Chit Companies is touching Rs.3,000 crores.(US\$ 715 million). Shriram Chits started operations in 1974 with a single branch. Today, our Chit Companies operate in Andhra Pradesh, Karnataka, Maharashtra, Puducherry (Pondicherry) and Tamil Nadu, through 465 Branch offices, employing 6,000 people and 65,000 Agents through four entities Shriram Chits (Maharashtra) Limited, Shriram Chits Private Limited, Shriram Chits (Karnataka) Private Limited, Shriram Chits (Tamilnadu) Private Limited.

Analytical Approach

Not Applicable

Key Rating Drivers

Strengths

Not Applicable

Weaknesses

Not Applicable

Rating Sensitivities

Not Applicable

Material covenants

Not Applicable

Liquidity Position

Not Applicable

Outlook:

Not Applicable

About the Rated Entity - Key Financials

Not Applicable

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
27 Jan 2022	Bank Guarantee	Short Term	28.00	ACUITE A4+ (Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	2.00	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	30.00	ACUITE A4+ (Issuer not co-operating*)
29 Oct 2020	Bank Guarantee	Short Term	28.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	2.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	30.00	ACUITE A4+ (Downgraded and 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
Tamil Nadu Mercantile Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	30.00	Not Applicable Withdrawn
City Union Bank Ltd	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	28.00	Not Applicable Withdrawn
Not Applicable	Not Applicable	Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	2.00	Not Applicable Withdrawn

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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