

Ongole Municipal Corporation

December 26, 2017

Summary of Rated Instrument:

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Issuer Rating	NA	NA	[ICRA]BBB ¹ (Stable) ISSUER NOT COOPERATING*; Rating moved to the 'Issuer Not Cooperating' category

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

Rationale

ICRA has moved the long term ratings for the bank facilities of Ongole Municipal Corporation (OMC) to the 'Issuer Not Cooperating' category. The rating is now denoted as "[ICRA]BBB (Stable) ISSUER NOT COOPERATING"

ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis limited information on the issuers' performance. Accordingly the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity.

Analytical approach

ICRA has applied its rating methodologies/policies as indicated below:

Links to applicable criteria:

[Policy in respect of non-cooperation by the rated entity](#)

¹ With effect from September 1, 2017, ICRA has aligned the symbols and the definitions of ratings pertaining to the Issuer Rating Scale with that of the Long-Term Rating Scale. The change in the symbol is not to be construed as a change in the credit rating

About the entity:

OMC, established in 2012, is governed as per the Andhra Pradesh Municipal Corporations Act 1994 (Act). OMC manages the municipal services in Ongole town, the headquarter of the Prakasam district in the State of Andhra Pradesh. Ongole Municipality, established in 1876, was upgraded to a Municipal Corporation in 2012 and its jurisdiction was expanded by merging the surrounding villages with the town. Ongole, located 20 km from Bay of Bengal, is the prominent commercial centre of the Prakasam district. OMC covers an area of 132.45 square kilometer (sq. km.) and serves a population of 2.53 lakh (as per Census 2011). The major functions of OMC include water supply, solid waste management, and construction, repair and maintenance of roads and streetlights in its area. OMC is divided into 6 municipal divisions and 50 municipal wards and in the absence of the Council, is currently governed by a Special Officer appointed by GoAP, who enjoys the powers and functions of the Council. The administrative division is headed by the commissioner of OMC.

The previous detailed rating rationale is available on the following link: [Click here](#)

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About ICRA Limited:

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