

Greater Hyderabad Municipal Corporation

May 29, 2018

Summary of Rated Instrument:

Instrument	Previous Rated Amount(Rs. crore)	Current Rated Amount(Rs. crore)	Rating Action
Issuer Rating	NA	NA	[ICRA]A+ (Stable) ¹ 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 issuer rating for Greater Hyderabad Municipal Corporation (GHMC) to the 'Issuer Not Cooperating' category. The rating is now denoted as "[ICRA]A+ (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](#)

About the entity:

The GHMC, established in 1869 as a municipal board, was upgraded as a municipal corporation in 1933. Later in 2007, the area of the municipal corporation was extended significantly, and Greater Hyderabad Municipal Corporation was formed. The GHMC is governed as per the Greater Hyderabad Corporation Act, 1955 (Act) and is administered by the Department of Municipal Administration and Urban Development, Government of Telangana. The GHMC manages the municipal services in Hyderabad city, which is the capital of Telangana and also a temporary capital of Andhra Pradesh. Currently, the GHMC covers an area of 650 square kilometres (Sq. Km.) and serves a population of 67.32 lakh, as per Census 2011. Hyderabad houses more than 50% of the state's urban population. The city is also one of India's most important economic hubs, with a concentration of industries including bulk drugs, pharmaceuticals, information technology, and poultry.

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

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

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