

July 29, 2022

Sangli Miraj and Kupwad Municipal Corporation: Rating downgraded based on best available information; Rating Moved to Issuer Not Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Issuer rating	-	-	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING *; Rating downgraded from [ICRA]BBB (Stable) and moved to 'Issuer Not Cooperating' category
Total	-	-	

*Issuer did not cooperate; based on best available information

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has moved the issuer rating for Sangli Miraj and Kupwad Municipal Corporation (SMKMC) to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]BB+ (Stable) ISSUER NOT COOPERATING".

The rating downgrade is because of lack of adequate information regarding **Sangli Miraj and Kupwad Municipal Corporation's (SMKMC)** performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with **Sangli Miraj and Kupwad Municipal Corporation's (SMKMC)**, 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. However, despite multiple requests by ICRA, the entity's management has remained non-cooperative.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click Here](#). ICRA is unable to provide this information due to non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-co-operation by the rated entity Rating Methodology for Urban Local Bodies
Parent/Group Support	The assigned rating factors in the ULB's importance to the state government as a provider of urban infrastructure and basic services as well as its strong operational and financial linkages with the state government.
Consolidation/Standalone	Standalone

About the company

The Sangli Miraj and Kupwad Municipal Corporation (SMKMC) was established in 1998 by merging the erstwhile Municipal Councils of Sangli, Miraj and Kupwad. The SMKMC, being an urban local body (ULB), provides municipal services to the cities of Sangli, Miraj and Kupwad situated in Sangli district of Maharashtra. According to Census 2011, the SMKMC, covering an area of 118.18 km², serves a total population of 5.03 lakh. The ULB is administered by the Urban Development Department of the Government of Maharashtra (GoM) as per provisions of the Maharashtra Municipal Corporations Act 1949. The ULB jurisdiction is divided into 38 municipal wards and is governed by an elected body (Council), headed by a Mayor, while the Commissioner acts as the chief executive, overseeing its everyday functioning.

Status of non-cooperation with previous CRA: None

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2023)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020	
								Sep 25, 2019	Jul 15, 2019
1	Issuer Rating	Long-term	-	-	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING	[ICRA]BBB (Stable)	[ICRA]B+ (Stable) ISSUER NOT COOPERATING	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING	[ICRA]BBB (Stable) ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Issuer Rating	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details:

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Issuer Rating	NA	NA	NA	NA	[ICRA]BB+(Stable) ISSUER NOT COOPERATING

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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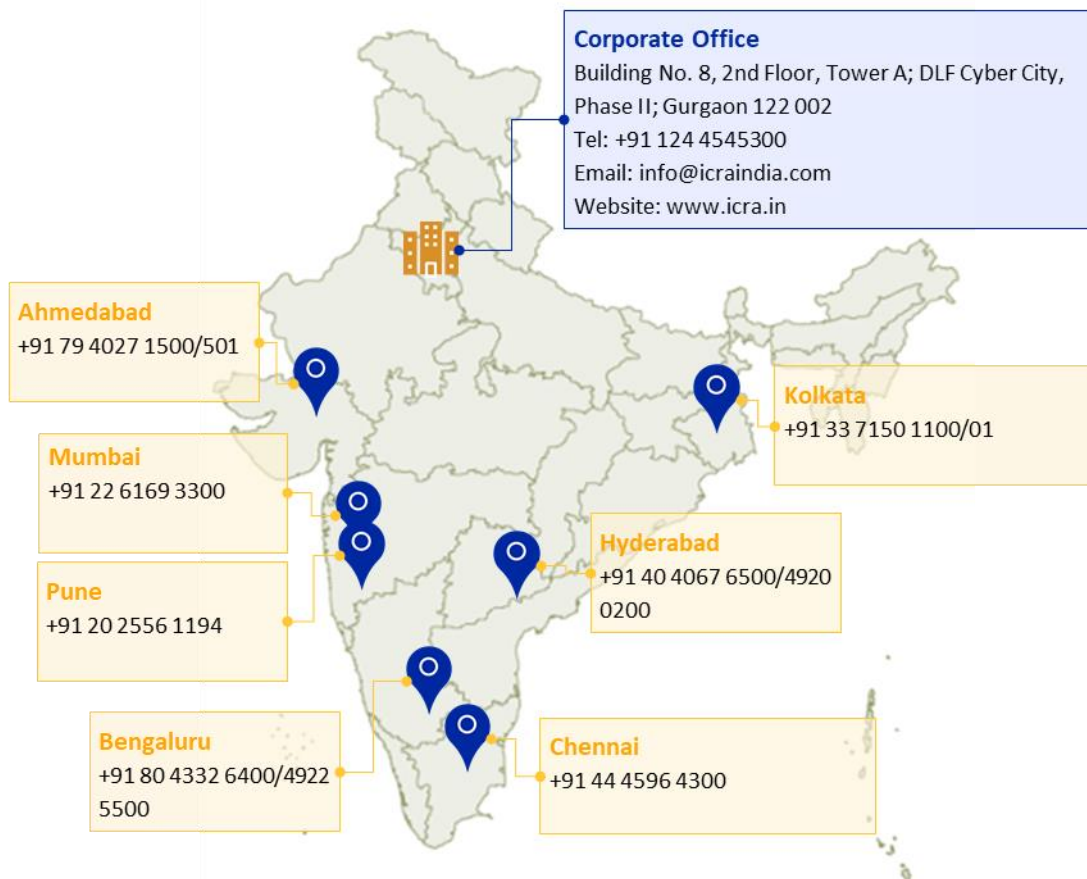


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