

April 25, 2024

## Shirpur-Warvade Municipal Council: Continues to remain under issuer non-Cooperating category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Term Loan	1.90	1.90	[ICRA]BB+(Stable); ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Long Term-Unallocated	5.78	5.78	[ICRA]BB+(Stable); ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
<b>Total</b>	<b>7.68</b>	<b>7.68</b>	

\*Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

ICRA has kept the Long-term ratings for the bank facilities of Shirpur-Warvade Municipal Council in the 'Issuer Not Cooperating' category. The rating is denoted as “[ICRA]BB+(Stable); ISSUER NOT COOPERATING”.

As part of its process and in accordance with its rating agreement with Shirpur-Warvade Municipal Council, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the “Issuer Not Cooperating” category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key Financial Indicator: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Rating Methodology for Urban Local Bodies</a>
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

## About the company

Established in 1869, the Shirpur-Warvade Municipal Council (SWMC) provides urban infrastructure services to the twin cities of Shirpur and Warvade. The city is in the Dhule district of Maharashtra, around 380 km from Mumbai. The city houses the famous temples of Balaji and Pataleshwar, many educational institutes and India's first as well as Asia's largest gold refinery. According to Census 2011, SWMC, covering an area of 17.90 sq. km., serves a total population of 76,905. The body is governed by the Maharashtra Municipal Councils, Nagar Panchayats and Industrial Townships Act, 1965. SWMC's council comprises 30 ward councillors and is headed by a president, who is directly elected by the citizens along with the ward councillors. SWMC's regular operations are supervised by the chief officer, who is appointed by the state government and is supported by the heads of various departments.

Key services extended by the ULB are construction and maintenance of roads and drains, water supply, sewerage, solid waste management, streetlights and amenities such as shopping stalls, community halls, playgrounds, parks/gardens etc. Apart from basic municipal services, SWMC also owns and operates a 200-bed super speciality hospital.

## Status of non-cooperation with previous CRA: NA

Any other information: None

## Rating history for past three years

Instrument	Current Rating (FY2025)				Chronology of Rating History		for the past 3 years	
	Type	Amount Rated (Rs. Crore)	Amount outstanding as on Nov 30, 2023 (Rs. Crore)*	Date & Rating in	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022	
				25-April-2024	28-February-2024	29-November-2022	24-September-2021	
1 Term Loan	Long Term	1.90	1.60	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]BB+(Stable)	[ICRA]BB+(Stable)	
2 Unallocated	Long Term	5.78	-	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]BB+(Stable)	-	

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Term Loan	Simple
Unallocated	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 analysing 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: [Click Here](#)

**Annexure-1: Instrument details**

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Term Loan	2015	10.70%	2030	1.90	[ICRA]BB+(Stable); ISSUER NOT COOPERATING
NA	Unallocated	-	NA	-	5.78	[ICRA]BB+(Stable); ISSUER NOT COOPERATING

*Source: Shirpur-Warvade Municipal Council*

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

## ANALYST CONTACTS

**Rajeshwar Burla**

+91 40 4067 6527

[rajeshwar.burla@icraindia.com](mailto:rajeshwar.burla@icraindia.com)

**Subhechha Banerjee**

+91 33 7150 1130

[subhechha.banerjee@icraindia.com](mailto:subhechha.banerjee@icraindia.com)

**Susmita Biswas**

+91-033 7150 1182

[susmita.biswas@icraindia.com](mailto:susmita.biswas@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

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## ICRA Limited



### Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



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