July 19, 2024

Suryapet Municipality: Continues to remain under issuer Non Cooperating category

Summary of rating action

Instrument^	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Issuer Ratings	-	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	-	-	

**Issuer did not cooperate; based on best available information.*
^Instrument details are provided in Annexure-1

Rationale

ICRA has kept the Issuer ratings of Suryapet Municipality in the 'Issuer Not Cooperating' category. The rating is denoted as [ICRA]B+(Stable); ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Suryapet Municipality, 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 Key rating drivers and their description, Liquidity position, Rating sensitivities, Key Financial Indicators: **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	Policy in respect of non-cooperation by the rated entity Urban Local Bodies
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

The SM was upgraded a Municipality in 1998. The ULB provides municipal services to the city of Suryapet, situated in the Suryapet district of Telangana and is governed by the Telangana Municipalities Act 2019 (Act). It covers an area of 93 square kilometre (sq. km.) and serves a population of 1,50,000 (projected of 2021). The limits of the ULB were expanded in 2018 as seven villages merged with the ULB. The major functions of the SM involve water supply, solid waste management, repair and maintenance of roads and street lighting in its area The ULB is divided into 48 municipal wards and is governed by an elected body (Council), headed by a Chairperson, while the Commissioner acts as the chief executive overseeing its everyday functioning.

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)	Date & Rating in	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
				19-July-2024	15-June-2023	22-April -2022	-
1	Issuer Ratings	Long Term	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Issuer Ratings	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	Issuer Ratings	NA	NA	NA	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING

Source: Suryapet Municipality

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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