

November 24, 2023

Gudivada 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 Rating | - | - | [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-I

Rationale

ICRA has kept the Issuer rating of Gudivada 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 Gudivada 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 GDVM was constituted as a municipality in 1937 and is governed by the Andhra Pradesh State Municipalities Act 1965 (Act). It manages the municipal services in Gudivada city in the Krishna district of AP. The GDVM covers an area of 12.67 sq. km. and serves a population of 1.2 lakh (as per Census 2011). Its main functions include water supply, solid waste management and construction, repair and maintenance of roads, and streetlights in its area. The municipality is governed by an elected body (council) headed by a Chairperson, while the Commissioner acts as the executive head overseeing its everyday functioning.

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

| Instrument | Type | Current Rating (FY2024) | | Chronology of Rating History for the past 3 years | | | |
|-----------------|-----------|--------------------------|--------------------------------|---|--|--|--|
| | | Amount Rated (Rs. Crore) | Amount Outstanding (Rs. Crore) | Date & Rating in | Date & Rating in FY2023 | Date & Rating in FY2022 | Date & Rating in FY2021 |
| | | | | 24-Nov-2023 | 15-Sep-2022 | 23-Jul-2021 | 29-May-2020 |
| 1 Issuer Rating | Long Term | - | - | [ICRA]B+ (Stable); ISSUER NOT COOPERATING | [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 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 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-I: Instrument details

| ISIN No | Instrument Name | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (RS Crore) | Current Rating and Outlook |
|---------|-----------------|-----------------------------|-------------|---------------|-------------------------|---|
| NA | Issuer Rating | - | - | - | - | [ICRA]B+ (Stable); ISSUER NOT COOPERATING |

Source: Gudivada Municipality

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

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About ICRA Limited:

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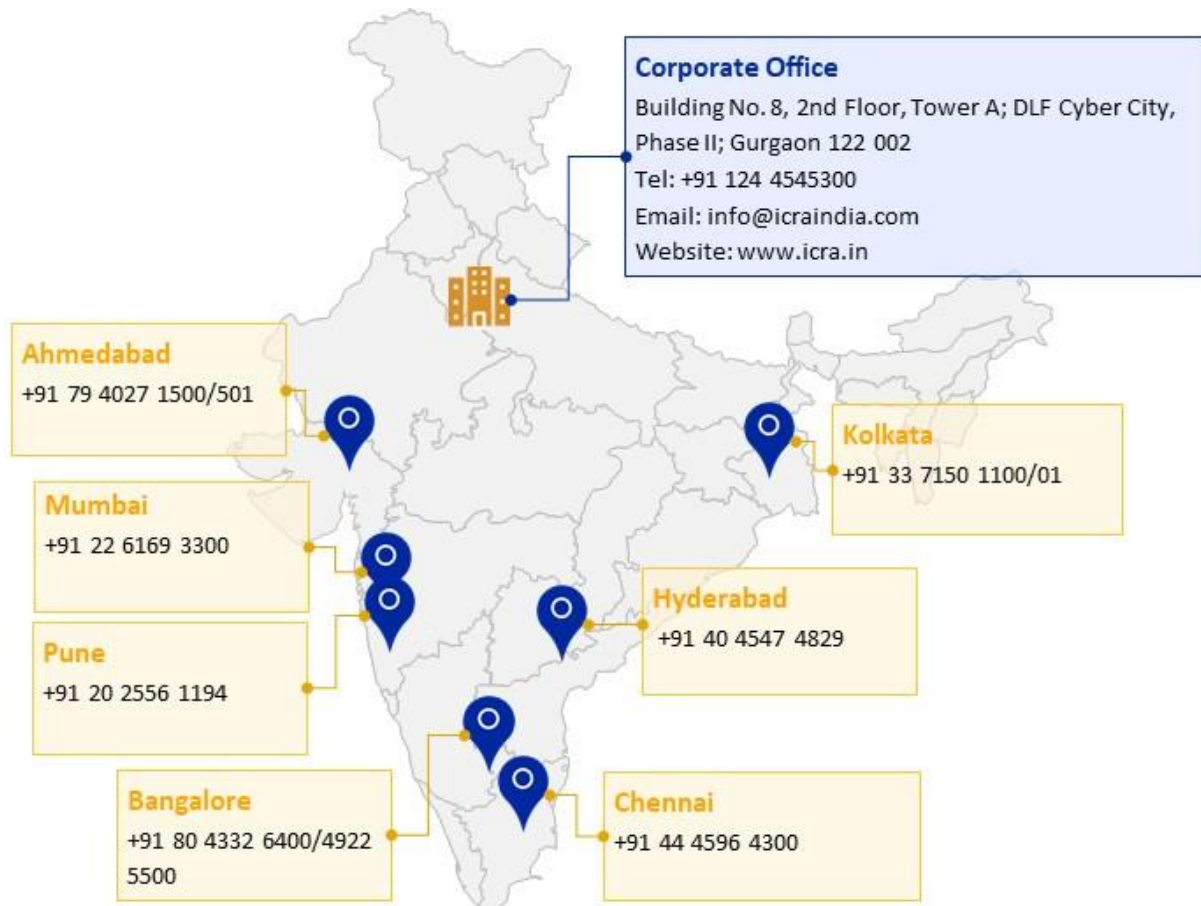
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