

April 24, 2024

Ongole Municipal Corporation: 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 the '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 rating of Ongole Municipal Corporation 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 Ongole Municipal Corporation, 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 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	Policy in respect of non-cooperation by the rated entity Urban Local Bodies
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Ongole Municipal Corporation (OMC), established in 2012, is governed as per the Andhra Pradesh Municipal Corporations Act 1994 (Act). OMC manages the municipal services in Ongole town, the headquarter of the Prakasam district in Andhra Pradesh, is located 20 km from the Bay of Bengal. The Ongole Municipality, established in 1876, was upgraded to a Municipal Corporation in 2012 and its jurisdiction was expanded by merging the surrounding villages with the town. It is the prominent commercial centre of the Prakasam district. OMC covers an area of 132.45 square kilometer (sq. km.) and serves a population of 2.53 lakh (as per Census 2011). The major functions include water supply, solid waste management, and construction, repair and maintenance of roads and streetlights in its area. OMC is divided into six municipal divisions and 50 municipal wards and

in the absence of the Council, is currently governed by a Special Officer appointed by the Government of Andhra Pradesh (GoAP), who enjoys the powers and functions of the Council. The administrative division is headed by the commissioner of OMC.

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 (Rs. Crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
					Apr 24, 2024			
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-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 Rating	-	-	-	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING

Source: Ongole Municipal Corporation

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

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Branches



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