

June 20, 2024

## Karimnagar Municipal Corporation: 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
Issuer rating	-	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
<b>Total</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 rating of Karimnagar 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 Karimnagar Municipal Corporation, ICRA has been trying to seek information from the entity so as to monitor its performance. 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
<b>Applicable Rating Methodologies</b>	<a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology – Urban Local Bodies</a>
<b>Parent/Group Support</b>	The assigned rating factors in the ULB's importance to the GoTS as a provider of urban infrastructure and basic services as well as its strong operational and financial linkages with the state government.
<b>Consolidation/Standalone</b>	Not Applicable

### About the company

The KMC, an urban local body, was upgraded to a Municipal Corporation in 2005 from a selection-grade municipality. The ULB provides municipal services to the city of Karimnagar, situated in the Karimnagar district of Telangana and is governed by the Telangana Municipalities Act 2019. It covers an area of 65.83 sq. km. and serves a population of 3.5 lakh (projected for FY2021).

The limits of the ULB have been expanded in 2019 as eight nearby villages were merged with the ULB. Its major functions include water supply, solid waste management and construction, repair and maintenance of roads and streetlights in its area.

The ULB is divided into 60 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: 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 FY2024	Date & Rating in FY2022	Date & Rating in FY2021			
					20-June-2024	26-April-2023	21-March-2022	28-January-2021	28-December-2020	24-Jun-2020
1	Issuer rating	-	-	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	[ICRA]BBB+ (Stable); ISSUER NOT COOPERATING; Withdrawn	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING; Withdrawn	[ICRA]BB+ (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: Karimnagar Municipal Corporation*

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

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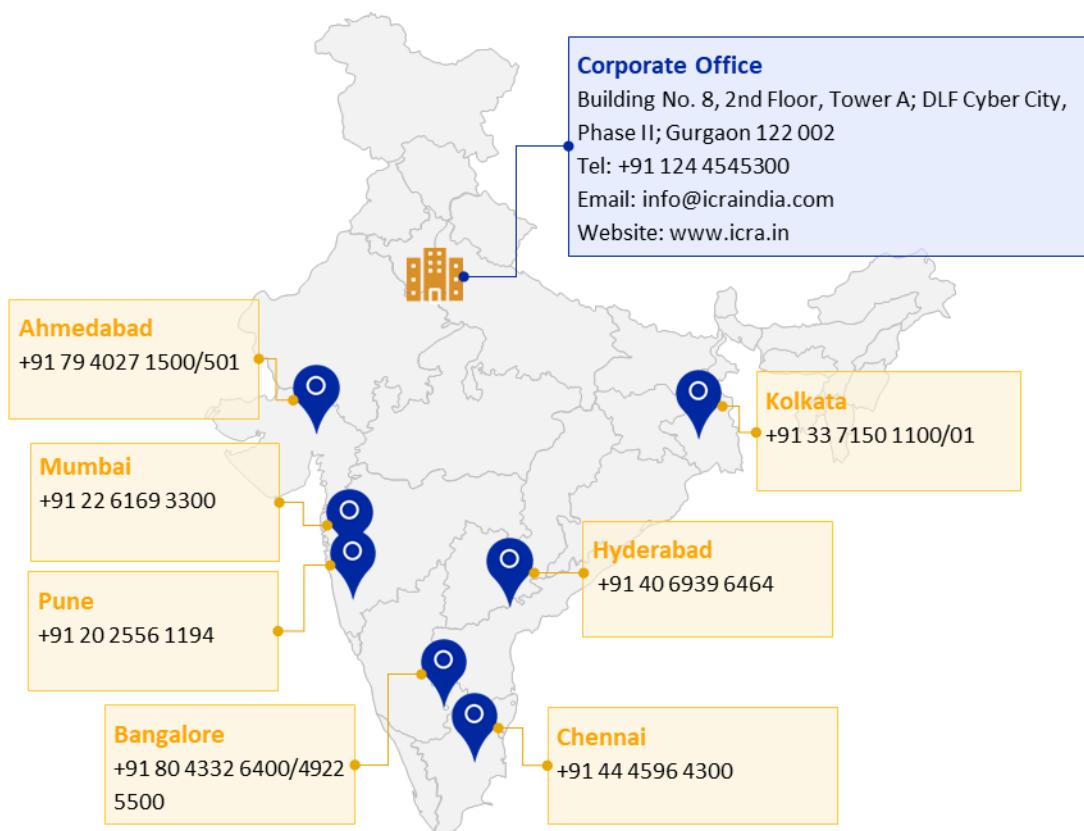
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