

August 29, 2024

Mahabubnagar 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-1

Rationale

ICRA has kept the rating of Mahabubnagar 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 “Mahabubnagar Municipality”, ICRA has been trying to seek information from the entity to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite repeated requests by ICRA, the entity’s management has remained non-cooperative. In the absence of the requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity 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 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 Corporate Credit Rating Methodology
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Mahabubnagar Municipality provides civic services to the Mahabubnagar city, located in the Mahabubnagar district, Telangana, located around 100 km from the state capital, Hyderabad. The Municipality was established in 1952 and initially covered an area of 13.24 sq. km. In 2012, ten surrounding gram panchayats, namely Bandmeedipally, Doddalonipally, Timmasanipally, Palakonda, Christianpally, Chinadarpall, Yenugonda, Apanapally, Boyapally and Yedira were merged with the MM, thus increasing the overall area covered to 98.64 sq.km. The city had a total population of 2,17,942 as per the 2011 Census and is divided into 49 wards. The major functions of the MM involve water supply, solid waste management, repair

and maintenance of roads and street lighting in its area. An elected body, headed by a chairperson, administers the municipality. The Commissioner acts as the executive head and oversees the day-to-day functioning of the ULB.

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 FY2021
			Aug 29, 2024	Jun 28, 2023	Apr 22, 2022	Jan 28, 2021
1 Issuer rating	Long-Term	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]BBB-(Stable)

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	NA	NA	NA	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING

Source: Mahabubnagar Municipality

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

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About ICRA Limited:

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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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