

January 16, 2025

Machilipatnam 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 Long-Term rating of Machilipatnam 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 Machilipatnam 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 Corporate Credit Rating Methodology Urban Local Bodies
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

The MPM, an urban local body (ULB) was constituted as a municipality in 1866 and is governed by the Andhra Pradesh State Municipalities Act 1965 (Act). It manages the municipal services of Machilipatnam town, which is located in Krishna district of Andhra Pradesh. The MPM covers an area of 26.27 sq. km. and serves a population of 1.70 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 divided into 42 municipal wards and 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

1	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
				16-January-2025	11-December-2023	20-September-2022	24-August-2021
	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	NA	NA	NA	-	[ICRA] B+(Stable); ISSUER NOT COOPERATING

Source: Machilipatnam Municipality

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

ANALYST CONTACTS

Ashish Modani

+91 20 6606 9912

ashish.modani@icraindia.com

Subhechha Banerjee

+91 33 7150 1151

subhechha.banerjee@icraindia.com

Susmita Biswas

+91-033 7150 1182

susmita.biswas@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+022-61693300

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

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ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001,
Telephone Numbers.: +91-11-23357940-45



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