

March 28, 2025

Vijayawada Municipal Corporation: Rating downgraded and moved to Issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund based – Term Loan	97.67	97.67	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB (Stable) and moved to “ISSUER NOT COOPERATING” category based on Info.
Long-term – Unallocated	78.33	78.33	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB (Stable) and moved to “ISSUER NOT COOPERATING” category based on Info.
Total	176.00	176.00	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-I

Rationale

ICRA has downgraded and moved the rating for the bank facilities of Vijayawada Municipal Corporation to the Issuer Not Cooperating category. The ratings are denoted as [ICRA]BB+(Stable) ISSUER NOT COOPERATING.

As a part of its process and in accordance with its rating agreement with Vijayawada Municipal Corporation, ICRA has been trying to seek information from the entity to monitor its performance. However, despite repeated 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, 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	Corporate Credit Rating Methodology Rating Methodology for Urban Local Bodies Policy In Respect of Non-Cooperation By A Rated Entity
Parent/Group support	The assigned rating factors in VMC’s importance to GoAP as a provider of urban infrastructure and basic services within the city, as well as its strong operational and financial linkages with the GoAP
Consolidation/Standalone	Standalone

About the company

VMC was upgraded to a municipal corporation in 1981 from a selection grade municipality and is governed by the Andhra Pradesh Municipal Corporations Act 1994 (Act). It manages municipal services in Vijayawada city in the Andhra Pradesh Capital Region (area of 8,603 square kilometre (sq. km.) surrounding the new capital, Amaravati). Vijayawada city is situated on the

banks of River Krishna in Krishna district of Andhra Pradesh, which is one of the main trading and business centres in the state. VMC covers an area of 61.88 sq. km. and serves a population of 10.4 lakh (as per Census 2011). Its major functions include water supply, solid waste management and construction, repair and maintenance of roads and streetlights in its area. The Council, which governs the ULB, comprises 64 Ward Councillors and is headed by a Mayor, who is elected by the Ward Councillors. The regular operations of the corporation are supervised by the Commissioner, who is appointed by the state government and is supported by the heads of various departments.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Current Year			Chronology of rating history for the past 3 years					
	FY2025			FY2024		FY2023		FY2022	
	Type	Amount Rated (Rs Crore)	March 28, 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based – Term Loan	Long-term	97.67	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	Dec 21, 2023	[ICRA]BBB (Stable)	Oct 31, 2022	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING	Jul 16, 2021	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING
Unallocated limits	Long-term	78.33	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	Dec 21, 2023	[ICRA]BBB (Stable)	Oct 31, 2022	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING	Jul 16, 2021	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term fund-based – Term Loan	Simple
Long-term – Unallocated	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	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term fund-based – Term Loan	FY2011	NA	FY2028	20.98	[ICRA]BB+(Stable); ISSUER NOT COOPERATING
NA	Long-term fund-based – Term Loan	FY2019	NA	FY2033	76.69	[ICRA]BB+(Stable); ISSUER NOT COOPERATING
NA	Long-term – Unallocated	NA	NA	NA	78.33	[ICRA]BB+(Stable); ISSUER NOT COOPERATING

Source: Company;

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis: Not applicable

ANALYST CONTACTS

Ashish Modani

+91 22 6169 3328

ashish.modani@icraindia.com

Suprio Banerjee

+91 22 6114 3443

supriob@icraindia.com

Manish Pathak

+91 124 4545397

manishp@icraindia.com

Devansh Jain

+91 124 4545 856

devansh.jain@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

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

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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.

For more information, visit www.icra.in

ICRA Limited



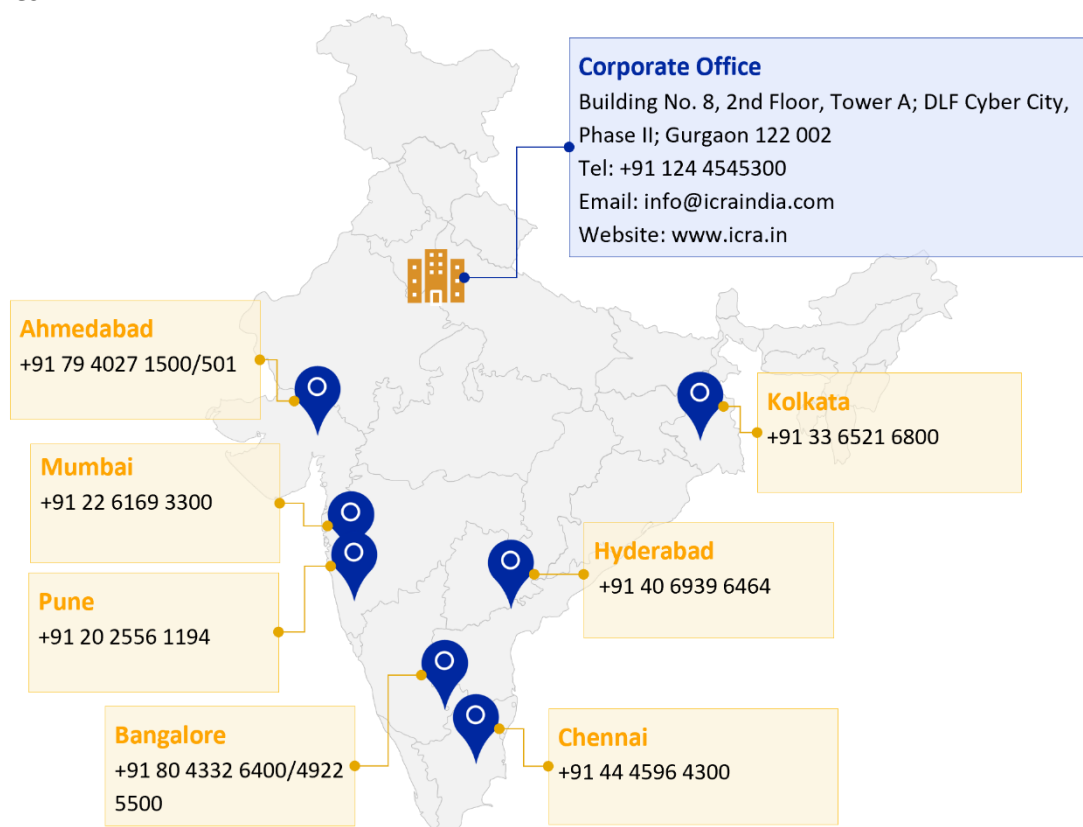
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.