

December 28, 2021

Boduppall Municipal Corporation: Rating downgraded and continues to remain under Issuer Not Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Issuer Rating	-	-	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING*; Downgraded from [ICRA]BBB- (Stable) ISSUER NOT COOPERATING and continues to remain under 'Issuer Not Cooperating' category

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

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade and continuation under “Issuer Not Cooperating category” is because of lack of adequate information regarding Boduppall Municipal Corporation (BMC) performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its “Policy in respect of non-cooperation by a rated entity” available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Boduppall Municipal Corporation (BMC), ICRA has been trying to seek information from the entity so as to monitor its performance, but 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	Policy in respect of non-cooperation by the rated entity Rating Methodology for Urban Local Bodies
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the entity

Boduppall Municipal Corporation (BMC), an ULB, was initially established as a Municipality in 2016 by merging Boduppall and Chengicherla Gram Panchayats of Rangareddy district, Telangana. The ULB’s status was upgraded to a Municipal Corporation in 2019. The ULB provides urban infrastructure services to the city of Boduppall and is governed by the Telangana Municipalities Act 2019. The BMC covers an area of 20.53 sq. km. and serves a population of 1.45 lakh (projected as of 2021). Its main functions include solid waste management and construction, repair and maintenance of roads and streetlights. The ULB has

28 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: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in		Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019
					Dec 28, 2021	Jun 15, 2021			
1	Issuer Rating	Long-Term	-	-	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING *	[ICRA]BBB- (Stable) ISSUER NOT COOPERATING	[ICRA]BBB- (Stable)	-	-

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

Complexity level of the rated instrument

Instrument	Complexity Indicator
Issuer Rating	NA

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: www.icra.in

Annexure-1: Instrument details – Not Applicable

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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