

## Eluru Municipal Corporation

July 27, 2018

### Summary of Rated Instrument:

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Issuer Rating	NA	NA	[ICRA] BBB(Stable) <sup>1</sup> ISSUER NOT COOPERATING*;  Rating moved to the 'Issuer Not Cooperating' category

\*Issuer did not co-operate; based on best available information.

### Rationale

ICRA has moved the issuer rating for Eluru Municipal Corporation (EMC) to the 'Issuer Not Cooperating' category. The rating is now denoted as "[ICRA]BBB (Stable) ISSUER NOT COOPERATING"

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. The current rating action has been taken by ICRA basis limited information on the issuers' performance. Accordingly the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity.

### Analytical approach

ICRA has applied its rating methodologies/policies as indicated below:

### Links to applicable criteria:

[Policy in respect of non-cooperation by the rated entity](#)

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<sup>1</sup> With effect from September 1, 2017, ICRA has aligned the symbols and the definitions of ratings pertaining to the Issuer Rating Scale with that of the Long-Term Rating Scale. The change in the symbol is not to be construed as a change in the credit rating

### About the entity:

In 1866, the urban local body (ULB) in Eluru was established as a municipality and was subsequently upgraded to a municipal corporation in 2005. The EMC is governed by the Andhra Pradesh Municipal Corporations Act 1994 (Act), which is administered by the Municipal Administration and Urban Development Department (DMA), GoAP. The EMC manages the municipal services in Eluru city, which is located in Godavari district of Andhra Pradesh. The EMC covers an area of 11.52 square kilometre (sq. km.) and serves a population of 2.18 lakh (as per Census 2011). The major functions of the EMC include water supply, solid waste management and construction, repair and maintenance of roads and streetlights in its area. The corporation is divided into 50 wards and is supervised by an elected body, the council, consisting of ward councillors, elected for a period of five years. The Council further elects a Mayor, who heads the deliberative wing of the corporation. The Commissioner, appointed by the State Government, heads the executive wing of the ULB, and is responsible for all the activities carried out by the Corporation.

The previous detailed rating rationale is available on the following link: [Click here](#)

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## About ICRA Limited:

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For more information, visit [www.icra.in](http://www.icra.in)

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