

## Kannur Municipal Corporation

December 31, 2018

### Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Issuer rating	NA	NA	[ICRA]BB+ (stable); ISSUER NOT COOPERATING; Withdrawn

\*Instrument details are provided in Annexure-1

### Rating action

ICRA has withdrawn the long-term issuer rating of [ICRA]BB+<sup>1</sup> (pronounced ICRA double B plus)<sup>2</sup> ISSUER NOT COOPERATING with a stable outlook assigned to the Kannur Municipal Corporation (KMC).

### Rationale

The rating withdrawal follows the completion of the one-time rating exercise as per terms and conditions of Rating Agreement drawn with the Kerala Sustainable Urban Development Project(KSUDP), Government of Kerala.

### Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Rating Methodology for Urban Local Bodies</a>
Parent/Group Support	Not Applicable
Consolidation / Standalone	Standalone

### About the company:

The Kannur Municipal Corporation (KMC), established in 1860 as a Municipality and upgraded to a Municipal Corporation in 2015 is governed under the Kerala Municipality Act 1994 (Act). The corporation manages the civic services in Kannur city, which serves as headquarter of Kannur district in Northern Kerala. According to Census 2011, the city had a total population of 232,486 and an area of 78.35 sq. km. The urban agglomeration (UA) of Kannur, which includes outer growth areas as well as adjacent villages and towns, had a total population of 4.98 lakh. The city is well connected by rail network since British rule. The city serves as the centre for trading of agriculture products for the district. Also, the presence of cantonment board in the city supports the growth in economic activities within the city.

<sup>1</sup> "With effect from Sep 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. Please refer to ICRA's website for more details."

<sup>2</sup> For complete rating scale and definitions, please refer to ICRA's website ([www.icra.in](http://www.icra.in)) or other ICRA rating publications

### Key financial indicators (Actuals)

	FY2015	FY2016
Revenue income (Rs. crore.)	22.8	27.8
Revenue expenditure (Rs. crore)	11.0	21.7
Revenue balance (Rs. crore)	11.8	6.1
Overall balance (Rs. crore)	2.9	-7.9
Revenue balance / Revenue income (%)	51.71%	21.95%
(Principal + Interest) / Revenue income (%)	-	-
(Revenue balance + Interest) / (Interest + Debt repayment) (%)	15.10	18.11
Debt / Revenue income (%)	-	-

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

### Rating history for last three years:

Current Rating (FY2019)					Chronology of Rating History for the Past 3 Years				
					Date & Rating in FY2018		Date & Rating in FY2017	Date & Rating in FY2016	
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	November 2017	September 2017			
1 Issuer rating	Long Term	NA	NA	December 2018 [ICRA]BB+ (Stable); ISSUER NOT COOPERATING/ Withdrawn	[ICRA]BB+ (Stable); Moved to ISSUER NOT COOPERATING category	[ICRA]BB+ (Stable)	-	-	

### Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

### 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	NA	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING; Withdrawn

Source: GMV

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