

## Karimnagar Municipal Corporation

January 31, 2019

### Summary of Rated Instrument:

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

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

### Rationale

ICRA has moved the long term ratings for the bank facilities of Karimnagar Municipal Corporation (KMC) 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 best available/dated/ 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](#)

### About the company:

The KMC was upgraded to a municipal corporation in 2005 from a selection-grade municipality. KMC is governed by the Andhra Pradesh Municipal Corporations Act 1994 (Act). It manages the municipal services in Karimnagar town, in the Karimnagar district of Telangana. The KMC covers an area of 23.85 square kilometers (sq. km.) and serves a population of 2.6 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. Divided into 50 municipal wards, an elected body, headed by a Mayor, administers the corporation while the Commissioner acts as the executive head overseeing its everyday functioning.

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

### Key financial indicators:

Not applicable

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