Notice of Withdrawal

Ambikapur Municipal Corporation **Date: 22Oct2018**

Brickwork Ratings places the issuer rating of BWR BB (Outlook:Stable) of Ambikapur Municipal Corporation on 'Notice of Withdrawal' for a period of 3 months.

Brickwork currently has a issuer rating of BWR BB (Outlook:Stable) for Ambikapur Municipal Corporation for which the last press release was issued on 12 May 2017. BWR has sent an intimation regarding the notice of withdrawal through email dated 09 Oct 2018. Hence, in accordance with BWR's policy on Withdrawal of Issuer Ratings, the rating withdrawal follows the completion of 12 months from the one-time rating exercise as per terms and conditions of the rating agreement drawn with Local Self Government Department, Government of Chhattisgarh.

The said rating will now be withdrawn on completion of the 3 months' notice period.

Rationale/Description of Key Rating Drivers/Rating sensitivities
(As per last press release dated 12May2017)

Ambikapur has an average literacy rate of 77.10%, higher than the national average of 74.04% and the city is well connected to capital city and large urban centers of the State. Ambikapur is an industrial town and its economy depends on mining and allied activities with agriculture. Other driving factors of town's economy growth are commercial and trading activities. Improvement in piped water supply coverage, absence of sewerage, formal urban transport system, inadequate solid waste collection and improvement in storm water drain coverage are the key rating sensitivities.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the rating criteria detailed below (hyperlinks provided at the end of this rationale)

About the Municipal Corporation

Ambikapur Municipal Corporation comes under Surguja district of Chhattisgarh. Till 2003, Ambikapur was a Nagar Parishad and subsequently, it got converted into Municipal Corporation in the year 2003. Area of the Municipal Corporation has been revised to 35.369 Sq. Km by including 4 nearby Gram Panchayat in the Municipal Corporation.

There are 40 municipal wards under Ambikapur Municipal Corporation with a population of 1.25 Lakhs. Ambikapur is situated on the banks of the confluence River Banki, which is the main source of water for the city.

The city is well connected to capital city and large urban centers of the State. The dominant industry of the district is mining of coal, bauxite, graphite, limestone, iron ore etc with agriculture.

Financial Performance – Ambikapur Municipal Corporation

As per the actuals for FY 2014-15, AMC has reported total revenue receipts of Rs. 24.31 Crs as against the total receipts of Rs. 61.26 Crs.

Rating History for the last three years (including withdrawn/suspended ratings)

S.No	Entity	Current Rating (2018)		Rating History		
		Rating Type	Rating	12-05-2017	2016	2015
1	**Ambikapur Municipal Corporation**	Issuer	**BWR BB (Notice of Withdrawal) (Pronounced as BWR Double B)**	BWR BB (Outlook:Stable)	NA	NA

Hyperlink/Reference to applicable Criteria

- **General Criteria**
- **Public Finance- Municipal and Urban Local Bodies**

For any other criteria obtain hyperlinks from website

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For print and digital media
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Note on complexity levels of the rated instrument:
BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.