Notice of Withdrawal

Bathinda Municipal Corporation

09 Sept 2019

Brickwork Ratings places the Issuer Rating of BWR BBB - (Stable) assigned to Bathinda Municipal Corporation on Notice of Withdrawal for a period of 3 months

Brickwork Ratings had assigned an Issuer Rating of BWR BBB- (Stable) to Bathinda Municipal Corporation for which the last press release was made on 19 May 2017. The rating has already completed the period of 12 months from the one-time rating exercise, as per terms & conditions of the rating agreement drawn with Punjab Municipal Infrastructure Development Company. BWR had sent an intimation regarding the notice of withdrawal to the corporation vide email.

Hence, in accordance with BWR's policy on Withdrawal of Issuer Ratings, the said rating has been placed on the notice of withdrawal and will be withdrawn on completion of 3 months' notice period.

Rating Rationale (As per last press release dated 19 May 2017):

The rating of Bhatinda Municipal Corporation (BMC) has factored in the high civic standards maintained by the BMC and its focus on cleanliness, including efforts made under the Swachh Bharat Mission for improving sanitation and public awareness by constructing and maintaining several modern public toilets around the city, besides establishment of several parks and green spaces. BMC also operates a sewage disposal plant and has established a third party operated solid waste management plant producing refuse derived fuel (RDF) and compost.

BMC has also implemented Geographic Information System (GIS) for augmentation of property database to increase property tax collection efficiencies and other usage charges in the current year. Besides this, BWR has also factored in the progress made by BMC in implementing various projects funded by HUDCO's aided on-going schemes, and various initiatives taken by the city's administration to reach out to the city's citizens in general, such as launch of mobile phone based e-Nagrik application for public grievance, 24*7 hour toll-free number service for receiving complaints, in addition to online monitoring of daily work related to sanitation, amongst others, through mobile based applications.

The rating is, however, constrained by moderate revenues of BMC, increased from Rs. 101.32 Crs in FY15 to Rs. 103.21 Crs in FY16 while its revenue surplus declined from Rs. 22.64 Crs in FY15 to Rs. 11.40 Crs in FY16 owing to increase in O&M expenses & debt servicing. Besides this, low coverage of storm water drainage system, absence of metering of water connections, low sewerage waste collection efficiency of 46% were factors which were considered for assigning the rating.

About the Corporation (As available in May 2017):

Bathinda was upgraded from a small committee to Municipal Corporation on 10th April 2003 under the Punjab Municipal Act, 1911. The Municipality is supervised by an elected body, the Council, comprising ward councilors, who are elected for a term of five years. The town is divided into 50 wards and representatives are elected from each ward. The administrative body is headed by the Commissioner and consists of Joint Commissioner and departmental heads of Building & Roads department and Operations & Maintenance department, besides other functionaries.

Rating History for the last three years:

Sl. No.	Facility	Current Rating (Sep 2019)			Rating History		
Issuer Rating		Type	Amount (Rs Crs)	Rating	2018	2017	2016
1.	Issuer Rating	Long Term	NA	*Placed on Notice of Withdrawal*	No Rating Change	BWR BBB - (Stable)	NA

Hyperlink/Reference to Applicable Criteria:

- **General Criteria**
- **Approach to Financial Ratios**

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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, 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 leading public sector 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, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

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.