

Brickwork Ratings assigns an Issuer rating of BWR BB (Outlook: Stable) to Bhusawal Municipal Council.

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Name of the ULB	Rating ¹	
Bhusawal Municipal Council	Issuer Rating	BWR BB (Outlook: Stable) (Pronounced BWR Double B)

1Please refer to BWR website www.brickworkratings.com for definition of the ratings assigned.

The rating reflects moderate economic base, favorable legislative framework, proximity to major commercial & administrative centers, high literacy rate, progress made by BMC in implementing key reforms and year on year growth in the revenues. These rating strengths are partially offset by low revenues, revenue deficit, substantial shortfalls as against the benchmark levels of service lines as stipulated by MOUD, large requirement of infrastructure investments and increasing dependence on state and central government grants.

Rationale/Description of Key Rating Drivers/Rating sensitivities:

Literacy rate of BMC is 88.96% higher than district average of 78.20 %. In BMC, Male literacy is around 92.49 % while female literacy rate is 83.82 %. The city is well connected to capital city and large urban centers of the State. Most of the population in Bhusawal earn their living working through the Central railway or by farming. The banana cultivation is also the major factors that adds to the income of the people in the city. About 60% of the city's economy is dependent on agriculture and hence factors like flooding, low rainfall affect the economy. Development of the city leading to Ordnance factories and Thermal power plants have greatly added to the economy.

Water supply covers 70% of the city and storm water drains cover 50% of the city. The Bhusawal Municipal Council does not have Sewerage System for the city.

About the Municipality

Bhusawal Municipal Council (established in 1882) in Jalgaon district in the state of Maharashtra, India. The Bhusawal city is divided into 47 wards and area covered under city is 13.38 sq. km. Bhusawal, is located on the bank of Tapi river, is the biggest Taluka of Jalgaon district, and situated on National Highway No. 6 (NH6). Bhusawal railway junction is one of the largest railway yards of the Indian subcontinent. The hinterland of Bhusawal is famous for banana cultivation. World Heritage famous Ajanta is about 60 km (Via Jamner) from Bhusawal.

Financial Position – Bhusawal Municipal Council

Revenue receipts (RR) of Bhusawal Municipal Council is mainly contributed by Grants, Contribution and Subsidies, accounting for approximately 69.54% of the total receipts in FY14. Revenue from tax contributes to 21.11% of the total RR as compared to 9.35% from other income and Non-tax revenues. Total income increased from Rs. 28.96Cr in FY13 compared to Rs. 35.29Cr in FY14.

Bhusawal Municipal Council revenue surplus/deficit fluctuated during FY13-FY14. Municipality reported increased revenue surplus of Rs.1.41 Crs during FY13 against revenue deficit of Rs 3.68 Crs in FY14.

Analytical Contacts	Media
<u>Dinesh Mahabal</u> General Manager-Ratings analyst@brickworkratings.com	media@brickworkratings.com
	Relationship Contact bd@brickworkratings.com
Phone: 1-860-425-2742	

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

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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 ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

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