

Brickwork Ratings assigns an Issuer rating of BWR B+ (Outlook: Stable) to Chatra Nagar Parishad.

Particulars:

Name of the ULB	Rating ¹	
Chatra Nagar Parishad	Issuer Rating	BWR B+ (Outlook: Stable) Pronounced BWR Single B Plus)

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

BWR has essentially relied upon the certified financial statement of **Chatra Nagar Parishad (CNP)** up to FY2014-15, publicly available information and information/ clarifications provided by the Municipal Corporation.

The rating reflects moderate economic base, favorable legislative framework, proximity to major commercial & administrative centers, high literacy rate, progress made by CNP in implementing key reforms, moderate cash and bank balance 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 high dependency on state and central government grants.

Rationale/Description of Key Rating Drivers/Rating sensitivities:

Chatra has an average literacy rate of 80.00%, higher than the national average of 74.04% and the city is well connected to capital city and large urban centers of the State. Chatra is developing town and its economy largely depends on agriculture and its allied activities. Other driving factors of town’s economy growth are commercial and trading activities. Piped water supply coverage is only at 17.30%, which is very low, absence of sewerage and formal urban transport system, adequate solid waste collection but without segregation and treatment facilities need improvement.

About the Nagar Parishad

Chatra is a Nagar Parishad in district of Chatra, Jharkhand. The Chatra city is divided into 22 wards for which elections are held every 5 years. The Chatra Nagar Parishad has population of 49,985 of which 26,555 are males while 23,430 are females as per Census India 2011.

In Chatra Nagar Parishad, Sex Ratio is at 882 females per 1000 males against state average of 948 females per 1000 males. Chatra Nagar Parishad has administration over 5,808 households to which it supplies basic amenities like water and sewerage. It is also authorized to build roads within Nagar Parishad limits and impose taxes on properties coming under its jurisdiction.

Financial Position – Chatra Nagar Parishad

Grants account for 48.51% of the total Revenue receipts (RR) of Chatra Nagar Parishad. Revenue Receipts has increased from Rs. 1.20 Crs in 2013-14 to Rs. 1.26 Crs in 2014-15. Nagar Parishad has reported revenue deficit of Rs 1.65 Crs during FY2014-15.

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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

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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.

DISCLAIMER

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