



RATING RATIONALE

23 Apr 2024

GREATER CHENNAI CORPORATION

Brickwork Ratings downgrades the rating for the Bank Loan Facilities of Rs. 2500.00 Crs. of Greater Chennai Corporation based on the best available information, as the issuer did not cooperate.

Particulars

| Facility** | Amount (Rs. Crs.) | | Tenure | Rating# | |
|--------------|-------------------|----------------|---|--|---|
| | Previous | Present | | Previous (13 Oct 2023) | Present |
| Fund Based | 2500.00 | 2500.00 | Long Term | BWR BBB+/ Stable ISSUER NOT COOPERATING* /Downgrade | BWR BB+/ Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded |
| Total | 2500.00 | 2500.00 | Rupees Two Thousand and Five Hundred Crores Only | | |

#Please refer to Brickwork Ratings (BWR) website <https://www.brickworkratings.com> for the definition of the ratings

*Issuer did not cooperate; based on best available information.

**Details of Bank Loan facilities are provided in Annexure-I

RATING ACTION / OUTLOOK

Bank loan ratings of Greater Chennai Corporation (Corporation or the entity) were migrated to the ISSUER NOT COOPERATING* category on 13 Oct 2023. Brickwork Ratings (BWR) has taken up with the entity through emails and telephone calls to provide financial and operational information for the periodic monitoring and surveillance of the ratings. However, the entity has not shared the requisite information for the same. The entity is not sharing the monthly NDS in deviation from the extant regulations. Due to the continued lack of management cooperation and the absence of adequate information from the entity, BWR is unable to assess the entity's financial performance, its ability to service its debt and maintain a valid rating.

Hence, based on the best available information, continued non-cooperation by the entity, non-submission of NDS and in terms of extant regulatory requirements, BWR has downgraded the rating from BWR BBB+/Stable to BWR BB+/Stable and maintained it in the ISSUER NOT COOPERATING* category.

**Issuer did not cooperate; based on best available information.*

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally noncooperation by the rated entities to provide the required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should



therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

ABOUT THE ENTITY

| Macro Economic Indicator | Sector | Industry | Basic Industry |
|--------------------------|----------|-----------------|--------------------|
| Services | Services | Public Services | Urban Local Bodies |

The Greater Chennai Corporation (previously Madras) is the oldest municipal institution in India established on the 29th September 1688. The Parliamentary Act of 1792 gave the Corporation power to levy Municipal Taxes in the City. The Municipal Act has been amended from time to time introducing changes in the constitution and powers of the Corporation. The Madras Municipal Corporation Act, 1919 (as amended) provides the basic statutory authority for the administration now.

(As per the information available in Sep 2022)

KEY FINANCIAL INDICATORS:

| Key Parameters | Units | FY22 (Audited) | FY23 (Audited) | FY24 (Provisional) |
|--|----------|----------------|----------------|--------------------|
| Total Income | Rs. Crs. | NA | NA | NA |
| Total Expenditure | Rs. Crs. | NA | NA | NA |
| Surplus Before Interest and Depreciation | Rs. Crs. | NA | NA | NA |
| Municipal Fund and Reserves (excluding grants, contributions to specific purposes) | Rs. Crs. | NA | NA | NA |
| Loans to Reserve Ratio | Times | NA | NA | NA |

NA = Not Available

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY: Nil

ANY OTHER INFORMATION: Nil

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]:

| Sl. No. | Facility | Current Rating (Apr 2024) | | | Rating History | | | | | | |
|--------------|---------------|---------------------------|----------------|---|----------------|---|----------------|-------------------------------|----------------|--|--------|
| | | Bank Loan | Type | Amount Rated (Rs. Crs) | Rating | 2023 | | 2022 | | 2021 | |
| | | | | | | Date | Rating | Date | Rating | Date | Rating |
| 1 | Fund Based | Long Term | 2500.00 | BWR BB+/ Stable Continues to be in ISSUER NOT COOPERATING* category /Downgrade | 13 Oct 2023 | BWR BBB+/ Stable ISSUER NOT COOPERATING* /Downgrade | 08 Sep 2022 | BWR A/Stable Reaffirmed | 24 May 2021 | BWR A/Stable Reaffirmed | |
| 2 | Issuer Rating | Long Term | - | - | - | - | - | - | 24 May 2021 | BWR A/ Stable Reaffirmed/ Withdrawn | |
| Total | | | 2500.00 | Rupees Two Thousand and Five Hundred Crores Only | | | | | | | |

COMPLEXITY LEVELS OF THE INSTRUMENTS: Simple

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at <https://www.brickworkratings.com/download/ComplexityLevels.pdf>. Investors' queries can be sent to info@brickworkratings.com.

HYPERLINK/REFERENCE TO APPLICABLE CRITERIA

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Municipal & Urban Local Bodies](#)
- [Policy on Issuer Non-cooperation](#)

| Analytical Contacts | |
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**GREATER CHENNAI CORPORATION
ANNEXURE- I
Details of Bank Facilities rated by BWR**

| Sl. No. | Name of the Lender | Type of Facilities | Long Term (Rs. Crs.) | Short Term (Rs. Crs.) | Total (Rs. Crs.) |
|---|---------------------|---------------------|----------------------|-----------------------|------------------|
| 1 | State Bank of India | Cash Credit | 550.00 | - | 550.00 |
| | | Term Loan | 474.51 | - | 474.51 |
| 2 | TUFIDCO* | Term Loan | 208.38 | - | 208.38 |
| 3 | TNUDF**-KFW Loan | Term Loan | 781.39 | - | 781.39 |
| 4 | United Portion | Proposed Term Loans | 485.72 | - | 485.72 |
| Total | | | 2500.00 | - | 2500.00 |
| Total - Rupees Two Thousand and Five Hundred Crores Only | | | | | 2500.00 |

*TUFIDCO: Tamil Nadu Urban Finance and Infrastructure Development Corporation Ltd

**TNUDF: Tamil Nadu Urban Development Fund

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