

Press Release

Garhwa Nagar Parishad

25 April 2017

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

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

Name of the ULB		Rating ¹
Garhwa Nagar Parishad	Issuer Rating	BWR B (Outlook: Stable) (Pronounced BWR 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, moderate literacy rate, progress made by GNP 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 Garhwa city is 80.57 %, which is higher than state average of 66.41 %. In Garhwa, male literacy is around 87.43 % while female literacy rate is 72.81 %. The city is well connected to capital city and large urban centers of the State.

About the Municipality

The jurisdiction of Garhwa Nagar Parishad has a total area of 4044 Sq. km. with 3 wards. The Parishad had a population of 77,408 persons as per 2011 census. The erstwhile Garhwa subdivision of Palamu district comprising 8 Blocks was separated from Palamu district as an independent district "Garhwa" with effect from 1st April 1991.

Financial Position – Garhwa Nagar Parishad

Grants account for 79.23% of the Revenue receipts (RR) of Garhwa Nagar Parishad. Revenue Expenditure has decreased from Rs 3.03 Crs in 2013-14 to Rs 2.95 Crs in 2014-15. Nagar Parishad reported revenue deficit of Rs 0.40 Crs during FY214 against revenue deficit of Rs 0.73 Crs in FY 2015.

Analytical Contacts	Media
<u>Ashwini Mital</u> Sr. General Manager (Ratings) analyst@brickworkratings.com	media@brickworkratings.com
	Relationship Contact bd@brickworkratings.com
Phone: 1-860-425-2742	

For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

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 ₹ 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

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.