

Brickwork Ratings assigns an Issuer rating of BWR BB- (Outlook: Stable) to Giridih Nagar Parishad.

Particulars:

Name of the ULB	Rating ¹	
Giridih Nagar Parishad	Issuer Rating	BWR BB- (Outlook: Stable) Pronounced BWR Double B Minus)

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

BWR has essentially relied upon the certified financial statement of **Giridih Municipal Council (GMC) or Giridih Nagar Parishad (GNP)** up to FY2014-15, SLIP, SAAP for FY15 and FY16, publicly available information and information/ clarifications provided by the Municipal Council/Nagar Parishad.

The rating reflects moderate economic base, proximity to the major commercial & administrative centers, tourism potential, high literacy rate, progress made by GNP in implementing key reforms and substantial 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 and modest collection efficiency of taxes.

Rationale/Description of Key Rating Drivers/Rating sensitivities:

Giridih has an average literacy rate of 83.67%, higher than the national average of 74.04% and The city is well connected to capital city and large urban centers of the State. Giridih economy depends primarily on agriculture and agro based industries, mining and tourism related activities. The city is a major religious destination for Jain community in the country and religious tourism is a major contributor to the local economy. Piped water supply coverage is only at 34.26%, which is very low, absence of sewerage and formal urban transport system, adequate solid waste collection but without segregation and treatment facilities.

About the Nagar Parishad

Giridih is a medium sized town in the state of Jharkhand. The population of Giridih was 114,533 according to Census of India 2011. GNP consists of 30 wards. Giridih was established in 1977 as a Nagar Parishad,

Financials Performance– Giridih Nagar Parishad

Grants account for 80.39% of the Revenue receipts (RR) of Giridih Nagar Parishad. Revenue Expenditure has increased from Rs 10.83 Crs in 2013-14 to Rs 19.68 Crs in 2014-15. Nagar Parishad has reported revenue deficit of Rs 5.68 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

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

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