



Notice of Withdrawal

Jalandhar Municipal Corporation

6 Sept 2019

Brickwork Ratings places the Issuer Rating of BWR BBB (Stable) assigned to Jalandhar Municipal Corporation on Notice of Withdrawal for a period of 3 months

Brickwork Ratings had assigned an Issuer Rating of BWR BBB (Stable) to Jalandhar Municipal Corporation for which the last press release was made on 24 May 2017. The rating has already completed the period of 12 months from the one-time rating exercise, as per terms & conditions of the rating agreement drawn with Punjab Municipal Infrastructure Development Company. BWR had sent an intimation regarding the notice of withdrawal to the corporation vide email.

Hence, in accordance with BWR's policy on Withdrawal of Issuer Ratings, the said rating has been placed on the notice of withdrawal and will be withdrawn on completion of 3 months' notice period.

Rating Rationale (As per last press release dated 24 May 2017):

The rating draws comfort from the relatively better civic services standards maintained by the corporation, vis-a-vis other urban local bodies in the state, higher than the state's average literacy rate, revenue surplus position over the past three years and progress made by JMC in implementing the key reforms. The rating also factors in the city's importance & contribution to the state's GDP, the city's positioning as the global hub for sports equipment and hand tools, its status as a Smart City, receipt of significant amount of grants during FY17 for various projects, besides initiatives undertaken by JMC to augment the level of services in the city.

JMC has been efficient in providing basic civic services to its citizens, with relatively higher coverage than most cities of Punjab in terms of water supply and sewerage networks. Water supply coverage was ~ 76% and sewerage network coverage was 97% in 2016. Efficiency of collection of solid waste is 100% and the city is also proposing to set up a waste treatment plant which will be an additional source of revenue for the corporation. The city has its own transportation network of buses. JMC has also proposed to increase the network of buses to 128 in the current financial year.

These rating strengths are partially offset by low collection efficiency of property tax with limited follow-up, low coverage of storm water drainage system, low level of metering of water connections, initial stages of implementation of solid waste management project, and large investment requirements of the city to implement various projects & reforms. The collection efficiency of sewerage waste is 65%, which needs improvement.

About the Corporation (As available in May 2017):

Jalandhar Municipal Committee was created in 1867 and was raised to Class-I in 1950 under the Punjab Municipal Act, 1911. It was further elevated to the status of Municipal Corporation in July 1977 under the Punjab Municipal Corporation Act, 1976.

The Municipality is supervised by an elected body, the Council, comprising ward Councillors, who are elected for a term of five years. The town is divided into 60 wards and representatives are elected from each ward. The administrative body is headed by the Commissioner and consists of Additional and Joint Commissioners and departmental heads of Building & Roads department and Operations & Maintenance department, besides other functionaries.

Rating History for the last three years:

Sl. No.	Facility	Current Rating (Sep 2019)			Rating History		
		Type	Amount (Rs Crs)	Rating	2018	2017	2016
1.	Issuer Rating	Long Term	NA	<i>Placed on Notice of Withdrawal</i>	No Rating Change	BWR BBB (Stable)	NA

Hyperlink/Reference to Applicable Criteria:

- [General Criteria](#)
- [Approach to Financial Ratios](#)

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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, 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 leading public sector 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, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER

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