

Brickwork Ratings assigns an Issuer rating of BWR BB+ (Outlook: Stable) to Jalgaon City Municipal Corporation.

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Name of the ULB	Rating ¹	
Jalgaon City Municipal Corporation	Issuer Rating	BWR BB+ (Outlook: Stable) (Pronounced BWR Double B Plus)

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, high literacy rate, progress made by JCMC in implementing key reforms, revenue surplus and year on year growth in the revenues. These rating strengths are partially offset by low revenues, 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:

Jalgaon District is located in the north-west region of the state of Maharashtra. It is a major business center for tea, gold, pulses, cotton and bananas. According to the 2011 Census, population of the Jalgaon is 460,228. Male population is 52.39% while female population is 47.61%. Jalgaon has an average literacy rate of 88.96 percent. Male literacy is 93.30% and female literacy 84.26 percent. Moderate piped water supply, absence of sewerage and formal urban transport system, adequate solid waste collection but without segregation and treatment facilities are key shortcomings.

About the Municipality

Jalgaon Municipal Council was established on 24th November 1864. The State Government in its notification has announced the formation of Jalgaon City Municipal Corporation (JCMC) with effect from 21st March 2003. Jalgaon City Municipal Corporation serves an area of approximately 68.24 sq. km including the city and its peripheral areas and provides a range of civic services to citizens of the city of Jalgaon. The Jalgaon City Municipal Corporation has divided the city into 69 wards.

Financial Position – Jalgaon City Municipal Corporation

Revenue receipts grew at 22% CAGR during FY12 to FY16. In FY16, revenue receipts (RR) of Jalgaon City Municipal Corporation stood at Rs.140.22 Crores which is mainly contributed by Taxes, Grants, Contribution and Subsidies, accounting for approximately 77.62% of the total receipts in FY16. Revenue from tax contributes to 40% of the total RR as compared to 11.58% from other income and Non-tax revenues. Revenue Expenditure grew at 4% CAGR during FY12

to FY16. The corporation reported revenue surplus of Rs 17.97 Crs during FY16 against revenue deficit of Rs 9.69 Crs in FY15.

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

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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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