



Notice of Withdrawal

Korba Municipal Corporation

Date: 22Oct2018

Brickwork Ratings places the issuer rating of BWR BBB- (Outlook:Stable) of Korba Municipal Corporation on ‘Notice of Withdrawal’ for a period of 3 months.

Brickwork currently has a issuer rating of BWR BBB- (Outlook:Stable) for Korba Municipal Corporation for which the last press release was issued on 08 May 2017. BWR has sent an intimation regarding the notice of withdrawal through email dated 09 Oct 2018. Hence, in accordance with BWR’s policy on Withdrawal of Issuer Ratings, the rating withdrawal follows the completion of 12 months from the one-time rating exercise as per terms and conditions of the rating agreement drawn with Local Self Government Department, Government of Chhattisgarh.

The said rating will now be withdrawn on completion of the 3 months’ notice period.

Rationale/Description of Key Rating Drivers/Rating sensitivities (As per last press release dated 08May2017)

Korba has an average literacy rate of 83.38%, higher than the national average of 74.04% and the city is well connected to capital city and large urban centers of the State. Korba is an industrial town and its economy depends on mining, power, industrial and allied activities. Other driving factors of town’s economy growth are commercial and trading activities. Piped water supply coverage is only at 21.20%, which is very low, absence of sewerage and formal urban transport system, adequate solid waste collection but require to cover all the wards for door to door collection. Storm water drain coverage in the KMC is <25%.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the rating criteria detailed below (hyperlinks provided at the end of this rationale)

About the Municipal Corporation

Korba city is the district headquarters of Korba district. Till 1973, Korba was a Nagar panchayat which comes under Katghora Tehsil of Bilaspur district. On account of



availability of abundant coal and water, a special area development authority was constituted in 1973 which was dissolved in 1998 and the Municipal corporation was constituted. Area of the Municipal Corporation has been revised to 215.02 Sq.Km by including 56 nearby villages in the Municipal Corporation. Korba Municipal Corporation

is largest in the term of area in Chhattisgarh state. There are 58 municipal wards under Korba Municipal Corporation with a population of 3,63,390.

The city is well connected to capital city and large urban centers of the State. The district of Korba is the power capital of Chhattisgarh. The dominant industry of the district is coal mining, power sector, agriculture etc.

Financial Performance – Korba Municipal Corporation

As per the actuals for FY 2014-15, KMC has reported total revenue receipts of Rs. 112.05 Crs as against the total receipts of Rs. 188.51 Crs.

Rating History for the last three years (including withdrawn/suspended ratings)

S.No	Entity	Current Rating (2018)		Rating History		
		Rating Type	Rating	08-05-2017	2016	2015
1	Korba Municipal Corporation	Issuer	BWR BBB- (Notice of Withdrawal) (Pronounced as BWR Triple B Minus)	BWR BBB- (Outlook:Stable)	NA	NA

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Public Finance- Municipal and Urban Local Bodies](#)

For any other criteria obtain [hyperlinks](#) from website



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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 ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

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.