

Press Release

Kulgaon Badlapur Municipal Council

12th Jul y 2017

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Name of the ULB	Rating ¹	
Kulgaon Badlapur Municipal Council	Issuer Rating	BWR BBB – (Outlook: Stable) (Pronounced BWR Triple B Minus Outlook Stable)

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 KBMC in key reforms . 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 KBMC is 82.35% higher than district average of 80.67 %. In KBMC, Male literacy is around 84.67 % while female literacy rate is 79.84%. The city is well connected to Mumbai suburbs and Pune. Most of the population in Badlapur working in Mumbai and MIDC area in Badlapur. The Maharashtra Industrial Development Corporation (MIDC) has developed an industrial area within the area governed by the KBMC. Badlapur MIDC has benefited by various government policies, most of the Industrial units had settled their functional operation and production capacity. Such as Industrial, Investment & Infrastructure Policy of Maharashtra, 2006. It was to achieve higher and sustainable economic growth with emphasis on balanced regional development and employment generation through greater private and public investment in industrial and infrastructure development.

Water supply covers 100% of the city. The Kulgaon Badlapur Municipal Corporation's water supply is managed and controlled by Maharashtra Jeevan Pradhikaran, Water Supply and Sanitation Department of Maharashtra state. The source for Water Supply is Ulhas River. It flows north skirting Badlapur where it receives the run-off from Chikhholi Dam (4 Kms frm Badalpur). Near Raw water pump house of MIDC, Jambhul village, the river meets Barvi Dam (18 Kms approx. frm Badalpur) where discharge water also called as Barvi River. The storage capacity of Barvi Dam is 176,940 km³ .

The Sewerage generated in city is around 18 MLD. The construction of 22 MLD STP completed in May 2016. As per DPR, the composite 24 hrs sampling done at various places in the city indicate that the incoming sewage is in the range of 200 – 250 mg/l BOD (Biological Oxygen Demand) and as per the process design of the STP(Sewerage Treatment Plant) and environment laws the treated effluent shall have BOD under 30 mg/l and for reuse of treated sewage less than 5 mg/l.

About the Municipality:

Kulgaon Badlapur Municipal Council (established in 1992) in Thane district in the state of Maharashtra, India. The Badlapur city is divided into 47 wards and area covered under city is 35.68 sq. km. Badlapur city encompasses the old Badlapur village, Kulgaon, Manjarli, Balavli, katrap and many other small villages. The present road network comprises of State Highway = SH 35 and SH 43, Major District roads and the ULB roads. MIDC pipe line road (SH 43) connected to Navi Mumbai and SH 35 is connected to Karjat. The road network in Badlapur is a combination of small, and narrow roads with total Road Length in City is 158 Kms. Badlapur railway station (Central Railway) is well connected to other Mumbai suburbs.

There are many places around the city, famous for recreation, cultural activities and personal and spiritual development. Kondeshwar water fall, Matheran range, Barvi Dam, Chikhaloli Dam, Samarthwadi, Maghi Ganapati Mahotsav, Moolgaon Khandoba Temple, Shiva Temple (Ambarnath) etc are some places to visit in Badlapur.

Financial Position – Kulgaon Badlapur Municipal Council:

Revenue receipts (RR) of Kulgaon Badlapur Municipal Council is mainly contributed by Grants, Municipal Taxes, Recovery under Special Notification and Rental Income from Municipal Co-operative, accounting for approximately 96.73% of the total receipts in FY16. Revenue from grants contributes to 78.80% of the total RR as compared to 21.19% from other income and Non-tax revenues. Total income increased from Rs. 121.81 Cr in FY15 to Rs. 266.68 Cr in FY16.

Kulgaon Badlapur Municipal Council revenue increased during FY13-FY16. Municipality reported surplus of Rs.79.95 Crs during FY16 against surplus of Rs 57.68 Crs in FY15.

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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.

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