

Brickwork Ratings assigns an Issuer rating of BWR B (Outlook: Stable) to Phusro Nagar Parishad.

Particulars:

Name of the ULB		Rating ¹
Phusro Nagar Parishad	Issuer Rating	BWR B (Outlook: Stable) (Pronounced BWR Single B)

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

BWR has essentially relied upon the certified financial statement of **Phusro Nagar Parishad (PNP)** up to FY2014-15, , publicly available information and information/ clarifications provided by the Municipal Corporation.

The rating reflects moderate economic base, favorable legislative framework, proximity to major commercial & administrative centers, better transport connectivity, high literacy rate, progress made by PNP in implementing key reforms, moderate cash and bank balance and year on year growth in the revenues. These rating strengths are partially offset by non-completion of property tax assessment low revenues, revenue deficit, substantial shortfalls as against the benchmark levels of service lines as stipulated by MOUD, large requirement of infrastructure investments and high dependency on state and central government grants.

Rationale/Description of Key Rating Drivers/Rating sensitivities:

Phusro city has an average literacy rate of 78.12%, higher than the national average of 74.04% and the city is well connected to capital city and large urban centers of the State. Phusro is an Industrial town with mining and agriculture as main industry. Piped water supply coverage is only at 10.00%, 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

Phusro is a Municipal Council with population of 89,178 (as per census 2011) with 16571 households in Bokaro District in the state of Jharkhand. The Municipal Council is divided into 28 wards having a total Nagar Parishad area of 45.00 sq.km.

Financial Position – Phusro Nagar Parishad

Revenue receipts (RR) of Phusro Nagar Parishad is mainly contributed by Grants, Contribution and Subsidies and non-tax revenues in FY15. Total receipts of the ULB have increased from Rs. 1.41 Crs in FY14 to Rs. 1.79 Crs in FY15. Phusro Nagar Parishad has a revenue deficit of Rs. 0.43 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.

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.

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