



Notice of Withdrawal

SAS Nagar Mohali Municipal Corporation

09 Sept 2019

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

Brickwork Ratings had assigned an Issuer Rating of BWR BBB (Stable) to SAS Nagar Mohali Municipal Corporation for which the last press release was made on 19 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BWR's policy on Withdrawal of Issuer Ratings, the said rating has been placed on the notice of withdrawal and will be withdrawn on completion of 3 months' notice period.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 19 May 2017):

BWR has factored in the high level of civic services, with 93% water supply coverage and 100% sewerage coverage, besides full coverage of underground storm water drainage systems in the city.

The rating also draws comfort from the comfortable financial risk profile backed by consistent growth in revenues and improving revenue surplus position over the past three years, high cash reserves along with absence of any term debt and implementation of Geographical Information System (GIS) augmented property database, which would help SMC to increase future property tax collection efficiencies and other usage charges.

These rating strengths are partially offset by high dependence on assigned revenues and compensation from the state, besides SMC's relatively short history of existence (established in 2011), and considering that SMC's functions remain limited to upgrading and maintaining the infrastructure already created by Greater Mohali Area Development Authority (GMADA). Further, there has been low recovery of costs in water supply services along with high extent of supply of non-revenue water against the benchmarks prescribed by MoUD, absence of operational solid waste management plant in the city and a substantial gap in desired level of services in motorized public transportation.

About the Corporation (As available in May 2017):

S.A.S. Nagar Municipal Corporation (SMC) was established in 7th January 2011 under the Punjab Municipal Act, 1911. The Municipality is supervised by an elected body, the Council, comprising ward councilors who are elected for a term of five years, and is headed by Mayor. The town is divided into 50 wards, and representatives are elected from each ward. The administrative body is headed by the

Commissioner and comprises Joint Commissioner, Additional Commissioner 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

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.