

Brickwork Ratings assigns an Issuer Credit Rating of BWR BB (Outlook: Stable) to Ambikapur Municipal Corporation.

Particulars:

Name of the ULB	Rating Type	Rating¹
Ambikapur Municipal Corporation	Issuer Rating	BWR BB (Outlook: Stable) (Pronounced BWR Double B)

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

BWR has essentially relied upon the Budget financials of **Ambikapur Municipal Corporation (AMC)** up to FY2016-17, SLIP, SAAP for FY15 and FY16, 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, high literacy rate, progress made by AMC in implementing key reforms, favorable infrastructure, revenue surplus from past three financial year and moderate revenue receipts levels. These rating strengths are partially offset by substantial shortfalls as against the benchmark levels of service lines as stipulated by MOUD, large requirement of infrastructure investments, increasing dependence on state and central government grants and improved but moderate collection efficiency for holding tax.

Rationale/Description of Key Rating Drivers/Rating sensitivities:

Ambikapur has an average literacy rate of 77.10%, higher than the national average of 74.04% and the city is well connected to capital city and large urban centers of the State. Ambikapur is an industrial town and its economy depends on mining and allied activities with agriculture. Other driving factors of town's economy growth are commercial and trading activities. Improvement in piped water supply coverage, absence of sewerage, formal urban transport system, inadequate solid waste collection and improvement in storm water drain coverage are the key rating sensitivities.

About the Municipal Corporation

Ambikapur Municipal Corporation comes under Surguja district of Chhattisgarh. Till 2003, Ambikapur was a Nagar Parishad and subsequently, it got converted into Municipal Corporation in the year 2003. Area of the Municipal Corporation has been revised to 35.369 Sq. Km by including 4 nearby Gram Panchayat in the Municipal Corporation. There are 40 municipal wards under Ambikapur Municipal Corporation with a population of 1.25 Lakhs. Ambikapur is situated on the banks of the confluence River Banki, which is the main source of water for the city.

The city is well connected to capital city and large urban centers of the State. The dominant industry of the district is mining of coal, bauxite, graphite, lime stone, iron ore etc with agriculture.

Financial Performance – Ambikapur Municipal Corporation

As per the actuals for FY 2014-15, AMC has reported total revenue receipts of Rs. 24.31 Crs as against the total receipts of Rs. 61.26 Crs.

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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 ₹ 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

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.