

Fatehpur Nagar Palika Parishad

Issuer Credit Research

Rating

Long Term Issuer Rating IND BB-

Outlook

Long Term Issuer Rating Stable

Financial Data

Fatehpur Nagar Palika Parishad

Particulars	FY16	FY15
	Actuals	Actuals
Operating revenue (INR million)	336.57	344.06
Revenue surplus (INR million)	158.85	199.88
Operating margin (%)	47.16	58.09

Key Rating Drivers

Poor Civic Infrastructure: India Ratings and Research (Ind-Ra) assigned rating to Fatehpur Nagar Palika Parishad (FPNPP) in June 2017. Fatehpur city has inadequate civic infrastructure. It does not have an underground sewerage system and sewage treatment plant. At the same time, inadequate water supply, drainage network, proper solid waste management and collection facilities constrain the rating. The lack of these adequate basic civic services as reflected by Service Level Benchmark (SLB) reports calls for an immediate attention. However, civic infrastructure is expected to improve due to its selection under Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme.

Multiplicity of agencies: Urban civic services delivery is also hampered by the multiplicity of authorities providing these services. Besides FPNPP, the other state agencies such as Uttar Pradesh Jal Nigam, Public Works Department are involved in provision of civic services. The transfer of some of the services from these agencies to the council can speed up improvement in service delivery.

Limited Tax Revenue: Fatehpur jurisdiction is only 56.9sqkm with a population of 193,193. Economic activities in the town are not buoyant and taxes on average contributed 2.65% to the total revenue over FY12-FY16. Along with tax revenues, FPNPP's revenue sources comprise non-tax revenue, grants & contribution and other income. The municipality's non-tax revenue mainly emanates from various fees & charges and rental income from municipal properties, which contributed 6.27% on an average to the total revenue income over FY12-FY16.

State Government Dependence: FPNPP has a high level of dependence on the state government. It receives compensation in lieu of stamp duty and revenue grants for development purposes. Revenue compensation and revenue grants cumulatively contributed 89.81% to the total revenue income during FY12-FY16.

Moderate Financial Performance: FPNPP reported a moderate financial performance in FY16. Its revenue receipts increased to INR336.57 million in FY16 from INR171.08 million in FY12, at a CAGR of 18.43%. Also, its revenue balance improved to INR177.72 million in FY16 from INR107.14 million in FY12.

Rating Sensitivities

Positive: A significant improvement in FPNPP's operating performance, delivery of civic services and timely execution of AMRUT projects would be positive for the rating.

Negative: Significant delays in the execution of urban civic service projects and deterioration in the financial performance of FPNPP would be negative for rating.

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Profile

Fatehpur is a city and a municipal council in Fatehpur district in the state of Uttar Pradesh. It is well connected with most of the major Indian cities through railways and roadways. Fatehpur is well known for its monuments and holy places. FPNPP is responsible for provisioning of civic services in Fatehpur City.

Institutional Framework

The functions of the municipality are devolved into six departments: Public Works, Public Health, Tax, Street Lighting, Advertisement and License. All these departments are under the control of a Executive Officer who is the executive head. The council comprises of 30 elected ward members.

According to Uttar Pradesh Municipality Act 1916 as amended, key roles and responsibilities are civic service delivery which involves preparation and implementation of supply of portable water, sewage disposal schemes, provision of basic sanitation through solid waste collection and disposal, low cost sanitation and surface drainage, street lighting facilities, urban road development and facilities for public convenience.

Other responsibilities include:

- Administrative services such as issuing various certificates, maintaining public amenities, providing and maintain public utility services and providing ambulance services.
- Regulatory services such as issuing licences and permits, registration of births, deaths, marriage, and private hospitals, issuing notices and certificates for taxation purposes, maintaining records and registers of all municipal transactions.

Socio-Economic Profile of FPNPP

According to 2011 census, Fatehpur had a population of 193,193 with average literacy of the 76.48% and sex ratio of 908 females per 1000 males.

Out of total population, 57,928 were engaged in work or business activity. Of this 47,506 were males while 10,422 were females. Of total 57928 working population, 77.53 % were engaged in Main Work while 22.47 % of total workers were engaged in Marginal Work.

Civic Services

Water Supply

Water supplied throughout Fatehpur is mainly drawn from underground by 47 tube wells and is supplied to consumers through direct pumping and elevated reservoirs. The total quantity supplied is 30MLD and presently corporation has a storage capacity of 16.4ML. Chlorination process is used to purify water.

Figure 1
Population Growth – FPNPP

Year	Population
1991	117,675
2001	150,078
2011	193,193

Source: Census 2011, Ind-Ra

Applicable Criteria

Sector Specific criteria on Local and State Government Rating Criteria, 11 September 2015

Figure 2
Service Levels

	Benchmark	March 2016 level	March 2017 target
Coverage of water supply connections (%)	100	14.6	15
Per capita supply of water (lpcd)	135	40.8	43
Extent of metering of water connections (%)	100	0	0
Extent of non-revenue water (%)	20	10.1	10
Continuity of water supply (hrs)	24	6	7
Quality of water supplied (%)	100	100	100
Efficiency in redressal of customer complaints (%)	80	100	80
Cost recovery in water supply services (%)	100	9.7	10
Efficiency in collection of water supply related charges (%)	90	73.1	77

Source: SLB, FPNPP, Ind-Ra

City is divided in three zones. Current average daily per capita supply is 40.8 litres which is inadequate to meet the present day requirement of the city. The total length of water supply distribution pipeline is of 114.57km.

Presently, there is no ongoing project in the city. However, under AMRUT, FPNPP has been sanctioned an amount of INR50 million which will be spent up to FY20 mainly for extending distribution network further by 7.44km, implementing online billing, water testing and monitoring system.

Sewerage and Septage Management

The city does not have an underground sewerage system. Almost 100% of sewage flows in natural streams as effluent from the septic tanks is discharged in them and low lying areas. There is no sewage treatment plant and around 24MLD sewage waste is generated in the city. Out of the total occupied residential houses, about 85% have toilets in their premises.

Figure 3

Sewerage and Septage Service Level Benchmarks

Service levels (%)	Benchmark	March 2014 level	March 2015 level	March 2016 level	March 2017 target
Coverage of toilets	100	96	96	85	89
Coverage of sewage network services	100	0	0	0	0

Source: SLB, FPNPP, Ind-Ra

Presently, there is no ongoing project in the city. However, it is planned to establish sewerage network of 122km and one sewage treatment plant with a capacity of 24MLD. Under, AMRUT, around INR2,019.5 million would be incurred up to FY20 for the development and improvement of sewerage and septage systems.

Solid Waste Management

FPNPP has no proper mechanism to collect solid waste in the city. It is collected from internal roads and streets by hand carts. Collected waste is stored at different open collection points. There is no scientific method for the disposal of solid waste in the city.

Figure 4

Solid Waste Management Service Level Benchmarks

Service levels (%)	Benchmark	March 2014 level	March 2015 level	March 2016 level	March 2017 target
Household Level coverage of solid waste management services	100	-	-	-	-
Efficiency of collection of municipal solid waste	100	98	98	100	100
Extent of segregation of municipal solid waste	100	-	-	-	-
Extent of municipal solid waste recovered	80	100	100	-	-
Extent of scientific disposal of municipal solid waste	100	20	20	-	-
Efficiency in redressal of customer complaints	80	99	99	100	80
Extent of cost recovery in solid waste management services	100	-	-	-	-
Efficiency in collection of solid waste charges	90	-	-	-	-

Source: SLB, FPNPP, Ind-Ra

Strom Water Drainage

The city has proper drainage system. Moreover, there was no incidence of water logging/flooding in FY16.

Figure 5
Strom Water Drainage Indicators

Service levels	Benchmark	March 2014 level	March 2015 level	March 2016 level	March 2017 target
Coverage of storm water drainage network (%)	100	88	88	100	100
Incidence of water logging/flooding (nos.)	0	2	2	0	0

Source: SLB, FPNPP, Ind-Ra

Green Spaces and Parks

Under AMRUT, INR17.3 million would be incurred for development of parks and green spaces over FY17-FY20 period.

AMRUT Projects for Fatehpur City

The city has given importance to improvement in sewerage and septage management system and has sanctioned a total capital investment plan of INR2086.8 million over five years (FY16-FY20).

Figure 6
AMRUT Investment Plan

S. no.	Particulars	Amount (INR million)
1	Water supply	50.0
2	Sewerage & septage management	2,019.5
3	Drainage	0
4	Urban transport	0
5	Others (green spaces, parks, etc.)	17.3
	Total	2,086.8

Source: State Annual Action Plan FY15-16 – Government of Uttar Pradesh, Ind-Ra

FPNPP will receive 50% of project cost as grants from the government of India (GoI) and remaining 50% will be shared by the state and municipal council. Out of remaining 50%, GoUP will provide 30% as grants and municipality has to raise remaining 20% of the project cost (INR417.36 million) of its own.

Financial Performance

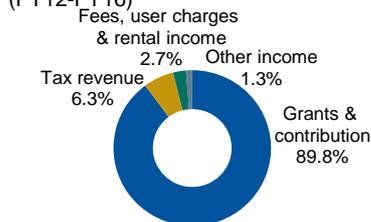
Revenue Income

FPNPP's own revenue source mainly comprise tax revenue and non-tax revenue. FPNPP's tax revenue average contribution to the total revenue income was 2.65% from FY12-FY16 and non-tax revenue average contribution to the total revenue income was 6.27% from FY12-FY16.

Revenue grants average contribution to the total revenue income was 89.81% from FY12-FY16 are used mainly for maintenance of the city, reimbursement expenses, implementing state government schemes.

Figure 7

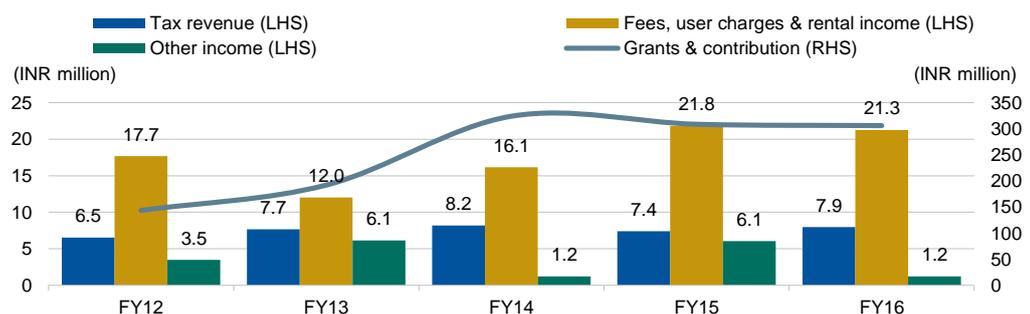
FPNPP Average Revenue Breakup (FY12-FY16)



Source: FPNPP, Ind-Ra

Figure 8

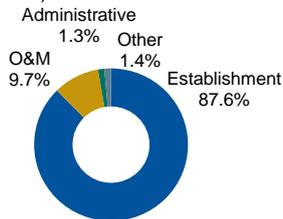
FPNPP Revenue Streams



Source: FPNPP, Ind-Ra

Figure 9

FPNPP Average Expenditure Breakup (FY12-FY16)



Source: FPNPP, Ind-Ra

FPNPP's revenue receipts increased to INR336.57 million in FY16 from INR171.08 million over FY12-FY16 which grew at a CAGR of 18.43%.

Revenue Expenditure

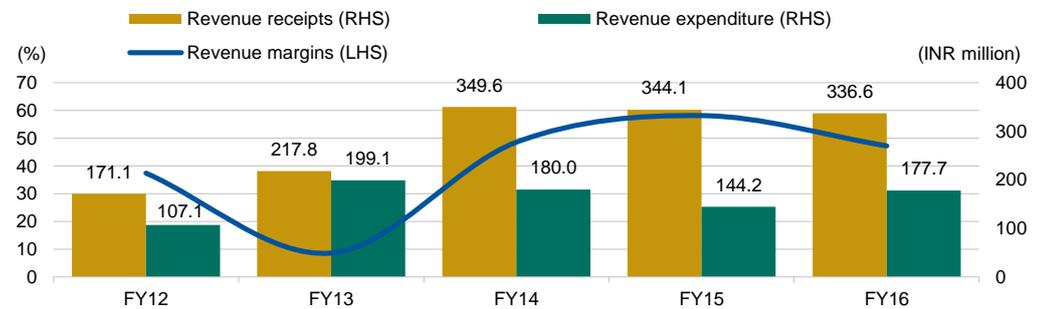
Establishment expenditure made 87.6% of the total current expenditure during FY12-FY16, growing at a CAGR of 15.52%. Establishment expenditure comprises mainly salary and pension to the employees. Operation and maintenance expenditure on the various services accounted for 9.7% of total current expenditure during FY12-FY16. The total current expenditure increased to INR177.72 million in FY16 from INR107.14 million in FY12 which grew at a CAGR 13.49%.

Revenue Balance

FPNPP's revenue balance increased to INR158.85 million in FY16 from INR63.94million in FY12. It peaked in FY15 at INR199.88 million.

Figure 10

Revenue Margins



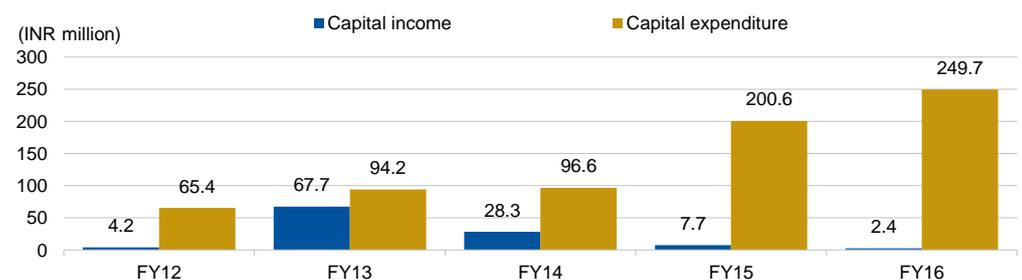
Source: FPNPP, Ind-Ra

Capital Income & Expenditure

Capital Income has shown fluctuating trend over the last five years (FY12-FY16). However, capital expenditure has increased consistently leading to higher capital deficit.

Figure 11

FPNPP Capital Income and Expenditure



Source: FPNPP, Ind-Ra

Debt

FPNPP was debt free over FY12-FY16 and this supports the credit profile. However, the city requires huge investments to improve the quality of its civic services in coming years. Ind-Ra believes while the projects proposed under AMRUT will help in improving the quality of civic services in the city, it will exert pressure on the fragile fiscal profile of the city.

Figure 12

Financial Summary – Fatehpur Nagar Palika Parishad

Particulars (INR million)	Actuals				
	FY12	FY13	FY14	FY15	FY16
Revenue income					
Tax revenue	6.52	7.66	8.17	7.38	7.94
Non-Tax revenue	17.68	12.01	16.14	21.85	21.26
Charges	0.56	0.65	0.10	0.08	0.29
Fees	16.80	10.40	15.78	19.59	19.90
Rental income	0.32	0.95	0.26	2.19	1.07
Grants, contributions and subsidies	143.40	192.06	324.14	308.78	306.15
Other income	3.47	6.12	1.19	6.05	1.22
Total	171.08	217.85	349.64	344.06	336.57
Revenue expenditure					
Establishment expenditure	87.36	184.09	155.82	124.97	155.54
Administrative expenditure	1.55	0.38	2.69	3.66	2.51
O & M expenditure	15.25	14.64	19.12	11.61	17.78
Other expenses	2.99	0.00	2.37	3.94	1.88
Total	107.14	199.12	180.00	144.18	177.72
Revenue surplus/(deficit)	63.94	18.73	169.64	199.88	158.85
Capital income and borrowings					
Grants/contributions for capital works	4.17	67.68	28.28	0.17	0.11
Backward Regions Grant Fund	0.00	0.00	0.00	7.51	2.30
Total	4.17	67.68	28.28	7.68	2.41
Capital expenditure					
Capital works	65.36	94.17	86.66	200.61	249.73
Other expenditure	0.00	0.00	9.96	0.00	0.00
Total	65.36	94.17	96.62	200.61	249.73
Capital surplus/(deficit)	-61.19	-26.49	-68.34	-192.93	-247.32
Overall balance	2.75	-7.76	101.30	6.95	-88.47

Source: FPNPP, Ind-Ra

Figure 13
Financial Ratios

Particulars	Actuals				
	FY12	FY13	FY14	FY15	FY16
Income ratios (%)					
Tax revenue to total revenue income ratio	3.81	3.52	2.34	2.15	2.36
Non tax revenue to total revenue income ratio	10.33	5.51	4.62	6.35	6.32
Assigned revenues & grants to total revenue income ratio	83.82	88.16	92.71	89.75	90.96
Own income to total revenue income	14.15	9.03	6.95	8.50	8.68
Expense ratios (%)					
Establishment expenses to total revenue income ratio	51.06	84.50	44.57	36.32	46.21
Operations & maintenance to total revenue income ratio	8.91	6.72	5.47	3.37	5.28
Establishment expenditure to total revenue expenditure ratio	81.53	92.45	86.57	86.68	87.52
Capital expenditure to total expenditure ratio	37.89	32.11	34.93	58.18	58.42
Operating ratio (times)					
Ratio of revenue expenditure to revenue income	0.63	0.91	0.51	0.42	0.53
Debt servicing ratio					
Debt payment to total revenue income ratio (%)	-	-	-	-	-
Debt service coverage ratio (times)	-	-	-	-	-
Capital utilisation ratio (times)					
Ratio of capital expenditure to capital income	15.66	1.39	3.42	26.11	103.68
Dependency ratio (%)					
Total grant income (both capital and revenue grants) to total income	84.21	90.97	93.25	87.83	90.35
Net income profitability ratios (%)					
Cash surplus/deficit to total income ratio	1.57	-2.72	26.80	1.97	-26.10
Net cash surplus (net of unspent capital proceeds)/(deficit) to total revenue income	1.61	-3.56	28.97	2.02	-26.29

Source: FPNPP, Ind-Ra

Annexure I – AMRUT

Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme, launched on 25 June 2015, aimed at providing basic services to households and build amenities in cities to improve the quality of life, especially the poor and the disadvantaged. AMRUT focuses on ensuring water supply, sewerage and septage management, storm water drainage, urban transport and availability of green and open spaces, reform management and support, and capacity building.

The total central government outlay for AMRUT is INR500 billion for five years from FY16 to FY20. The project fund will be divided among States/UTs at the beginning of each year. The Central Assistance (CA) for the projects will be in three instalments of 20:40:40 of the approved cost.

The use of state funds will be recommended by the State High Power Steering Committee (SHPS) through State Annual action Plan (SAAP). The funds allocated to Ministry of Urban Development (MoUD) will be utilised at the National Mission Directorate level (including the Urban Transport Division) for capacity building, Mission Directorate, convening national and regional workshops, giving awards and recognition of best practices, up-scaling and replication of best practices and smart solutions, commissioning of research and applied studies through institutions such as Centres of Excellence, and international cooperation for individual and institutional capacity building and technology development.

Planning

Under AMRUT, the following components have been introduced for better implementation of the project:

Service Level Improvement Plan (SLIP)

SLIP assesses the service level gap and the Urban Local Body (ULB) develops a plan to correct these gaps. After planning, a cost is estimated, and prioritizing of projects and zones is done. Financing of projects, including the Operation and Management (O and M) costs will be planned through the SLIPs.

State Annual Action Plan (SAAP)

The States decide on the inter-ULB allocation based on gap analysis and financial strength of ULBs. Typically the ULBs selected have higher gaps in provision of water supply and sewerage. At the State level the SAAP contains projects where the project cost is linked with revenue sources. Funds are provided by AMRUT to ULBs through the States.

Resource Person

A Project Development and Management Consultant (PDMC) will be stationed in cities having population greater than five lakh and serving all surrounding AMRUT cities having population below five lakh. Each PDMC will have one state office. The scope of PDMC under the proposed mission will be divided into four broad components namely Planning, Design and Supervision and Project Management.

Programme Management

National Level

Mission will be supervised by an Apex Committee (chaired by the Secretary, MoUD), which would be responsible for approving State Annual Action Plan (SAAP) and allocate and release funds to states/UTs/Mission Directorate on formulating threshold of physical progress of project.

It would monitor and supervise the mission, and act as an advisory committee on innovative ways for resource mobilization, private financing and land leveraging. The committee is also held accountable to confirm appointment of organizations, institutions or agencies for third party monitoring; and delegate some of its functions to the Mission Director.

State Level

The mission would be steered by a State Level High Powered Steering Committee (chaired by the State Chief Secretary), which would identify the gaps in infrastructure based on State Level Benchmarks, need for individual and institutional capacity building, ways and means to achieve urban reforms, finalisation of financial outlays, etc. of the Mission Cities/Towns. It would also approve and plan the fund flow of projects.

The committee will supervise and monitor the progress of project, recommend proposals for release of instalment of funds, recommend roadmap and milestones for implementation of reforms in the state/ULBs, and audit the release of funds and review Action Taken Reports.

City Level

The Urban Local Bodies will be responsible for implementation of the mission through development of Detailed Project Reports (DPRs) and bid documents for projects in the approved SAAP, procurement of implementation agencies and ensuring timely completion of work.

The ULBs are responsible for developing a roadmap for Reform Implementation and Capacity Building, and building coordination and collaboration among stakeholders for timely completion of projects without escalation of project cost.

Thrust areas of the mission are:

- Water supply,
- Sewerage facilities and septage management,
- Storm water drains - to reduce flooding,
- Urban transport - pedestrian, non-motorized and public transport facilities, parking spaces, and
- Others - enhancing amenity value of cities by creating and upgrading green spaces, parks and recreation centres, especially for children

Fund Allocation

1. The total outlay for AMRUT is Rs. 50,000 crore for five years from FY 2015-16 to FY 2019-20 and the Mission will be operated as a Centrally Sponsored Scheme. The AMRUT may be continued thereafter in the light of an evaluation done by the MoUD and incorporating learnings in the Mission. The Mission funds will consist of the following four parts:
 - Project fund – 80% of the annual budgetary allocation
 - Incentive for Reforms – 10% of the annual budgetary allocation
 - State funds for Administrative & Office Expenses (A&OE) – 8% of the annual budgetary allocation
 - MoUD funds for Administrative & Office Expenses (A&OE) – 2% of the annual budgetary allocation

However, for FY 2015-16 the project fund would be 90% of the annual budgetary allocation as incentive for Reforms will be given only from FY 2016-17 onwards. The Mission funds would be allocated to States/UTs based on the following principles.

2. Project Fund: The project fund will be divided among States/UTs at the beginning of each year. An equitable formula will be used to distribute the annual budgetary allocation in which equal (50:50) weightage is given to the urban population of each State/UT (Census 2011) and the number of statutory towns in the State/UT. As the number of statutory towns are notified by States/UTs and will change during the Mission period, the formula will take into account changes in this number every year. The amount of project fund allocated will be informed to the States/UTs at the appropriate time. The Central Assistance (CA) for the projects will be in three instalments of 20:40:40 of the approved cost.

3. Incentive for Reform

One purpose of the Mission is to improve governance through a set of reforms. During the mission period, 11 reforms will be implemented. The list is given in Annexure 1. The following principles will govern the grant of incentives to States.

- Past experience shows that projects get delayed if release of project funds is linked to non-completion of reforms. Therefore, the AMRUT shifts from penalization to incentivisation. Ten percent of the annual budget allocation shall be kept aside and given to the States/UTs every year as incentive for achievement of reforms. The mission will give incentives for the previous year at the start of the succeeding financial year (FY). The States/UTs shall do the self-assessment in the prescribed procedure given in Table 5.5 of Annexure 2. The National Mission Directorate, on receipt of the self assessment, will announce the award of incentive to the states
- The incentive fund is an additionality that will be provided by the MoUD and no matching funds will be required to be given by the state/ULB
- The State High Power Steering Committee (SHPS) will decide the use of the incentive amount. The incentive award will only be used in Mission cities on admissible components of the AMRUT, including new projects. The SHPS will inform the MoUD of the use of incentive funds on projects
- The incentive cannot be used as the state share in project in the AMRUT, but can be used by the ULBs for their project funding
- Unutilised funds for Reform incentives will be transferred to Project Fund every year

4. State Fund (Administrative & Office Expenses)

- The funds will be allocated to all States/UTs on the equitable formula given in para 4.2.
- The use of these funds will be recommended by the SHPS and will form a part of the State Annual Action Plan (SAAP).
- This fund will be utilised for capacity building programmes and will not be used for purchase of vehicles, construction and maintenance of buildings, creation of posts, payment of salary and purchase of furniture and fixtures, etc.
- Hiring of professionals and support teams on contract to support the implementation of mission at all levels will be permissible as set out in the guidelines and after following fair and transparent procedures.
- The funds for capacity building will be released in similar instalments as given for project funds above.
- Taking up activities connected to E-Municipality as a Service (E-MAAS).
- Displaying the logo and tagline of AMRUT prominently on all projects.
- Institutional arrangements that support Mission implementation will be eligible to be funded from this fund, including ongoing comprehensive Capacity Building Programme and Independent Review & Monitoring Agencies.

5. MoUD Fund (Administrative & Office Expenses)

- The fund will be utilised at the National Mission Directorate level (including the Urban Transport Division) for capacity building, Mission Directorate, convening National and regional workshops, giving awards and recognition of best practices, up-scaling and replication of best practices and smart solutions, commissioning of research and applied studies through, say, Centres of Excellence and other institutions and international cooperation for capacity building and technology development
- Taking up activities connected to E-MAAS
- The Apex Committee will decide on the use of these funds for any other purpose

Components to be Funded

The funding pattern of projects indicating the share of Central Government/State Government/ULBs/private sector is given below.

Figure 14

Component Funding Pattern

S. no.	Components	Funding pattern
1	Water supply: <ul style="list-style-type: none"> New, augmentation and rehabilitation of water supply system Rejuvenation of water bodies for water supply and recharge of ground water Special arrangements for difficult areas, hills and coastal cities 	One-third of the project cost as grant from Gol for cities with a population of above 10 lakh One-half of the projects cost as grant for cities/towns with population up to 10 lakh Balance funding by State Governments/ULBs or through private investment
2	Sewerage: <ul style="list-style-type: none"> New, augmentation and rehabilitation of sewerage systems and treatment plants Recycling water for beneficial purposes and Reuse of waste water 	(The contribution of State Government is minimum 20%. There is no upper limit on State share in SAAP) The tender will include O & M for five years based on user charges. For the purpose of calculation of the project cost, the O&M cost will be excluded; however, the States/ULBs will fund the O&M through an appropriate cost recovery mechanism in order to make them self-reliant and cost-effective. The SLIPs (refer para 6) will first provide for provision of water and sewerage connections to all households.
3	Septage: <ul style="list-style-type: none"> Faecal sludge management – (cleaning, transporting and treatment), particularly mechanical & biological cleaning of septic tanks and sewers 	
4	Storm water drains: <ul style="list-style-type: none"> Construction & improvement of drains and storm water drains 	
5	Urban transport: <ul style="list-style-type: none"> Sidewalks, foot over bridges, nonmotorised transport, buses, BRTS, multilevel parking, waterways and ferry vessels 	
6	<ul style="list-style-type: none"> Development of green spaces and parks with special provision for child-friendly components. For parks, ULBs will have to establish a system for maintenance with local resident participation 	One-half of the project cost by Gol and the total expenditure on these projects will not exceed 2.5% of the State Annual Action Plan (SAAP).
7	Capacity building and reforms support	Full (100%) by Gol, based on existing norms and unit costs set by the Apex Committee.
8	A&OE (PMU/PIU/DPR cost, etc.)	

Source: Ind-Ra

Figure 15
Reforms Milestones and Timelines for AMRUT Cities

S. No	Type	Milestones	Implementation timeline
1.	E-Governance	Digital ULBs	6 months
		<ol style="list-style-type: none"> Creation of ULB website Publication of e-newsletter 	6 months 6 months
		Digital India Initiatives	
		<ol style="list-style-type: none"> Support Digital India (ducting to be done on PPP mode or by the ULB itself) 	
		Coverage with E-MAAS (from the date of hosting the software)	24 months
		<ul style="list-style-type: none"> Registration of Birth, Death and Marriage Water & Sewerage Charges Grievance Redressal Property Tax Advertisement tax Issuance of Licenses Building Permissions Mutations Payroll Pension 	
		e-procurement	36 months
		<ul style="list-style-type: none"> Personnel Staff management and Project management 	
2.	Constitution and professionalization of municipal cadre	1. Establishment of municipal cadre	24 months
		2. Cadre linked training	24 months
		3. Policy for engagement of interns in ULBs and implementation	12 months
		4. The State will prepare a Policy for Right-sizing the number of municipal functionaries depending on, say, population of the ULB, generation of internal resources and expenditure on salaries	36 months
3.	Augmenting double entry accounting	1. Complete migration to double entry accounting system and obtaining an audit certificate to the effect from FY2012-13 onwards	12 months
		2. Appointment of internal auditor	24 months
		3. Publication of annual financial statement on website.	Every year
4.	Urban planning and city level plans	1. Preparation of Master Plan using GIS	48 months
		2. Preparation of Service Level Improvement Plans (SLIP), State Annual Action Plans (SAAP)	6 months 36 months
		3. Establish Urban Development Authorities	6 months
		4. Make action plan to progressively increase Green cover in cities to 15% in 5 years	Every Year
		5. Develop at least one Children Park every year in AMRUT cities	12 months
		6. Establish a system for maintaining of parks, playground and recreational areas relying on People Public Private Partnership (PPPP) model	24 months
		7. Make a State level policy to implement the parameters given in National Mission for Sustainable Habitat	
5.	Devolution of funds and functions	1. Ensure transfer of 14th FC devolution to ULBs	6 months
		2. Appointment of State Finance Commission (SFC) and making decisions	12 months
		3. Implementation of SFC recommendations within timeline	18 months
		4. Transfer of all 18 functions to ULBs	12 months
6.	Review of building by-laws	1. Revision of building bye laws periodically	12 months
		2. State to formulate a policy and action plan for having a solar roof top in all buildings having an area greater than 500 square meters and all public buildings	12-24 months
		3. State to formulate a policy and action plan for having Rain water harvesting structures in all commercial, public buildings and new buildings on plots of 300 sq. meters and above	12-24 months
		4. Create single window clearance for all approvals to give building permissions	12 months
7.	Set-up financial intermediary at state level	Establish and operationalize financial intermediary- pool finance, access external funds, float municipal bonds.	12-18 months
8.	Municipal tax and fees improvement	1. At least 90% coverage	12 months
		2. At least 90% collection	
		3. Make a policy to, periodically revise property tax, levy charges and other fees	
		4. Post Demand Collection Book (DCB) of tax details on the website	
		5. Achieve full potential of advertisement revenue by making a policy for destination specific potential having dynamic pricing module	
9.	Improvement in levy and collection of user charges	1. Adopt a policy on user charges for individual and institutional assessments in which a differential rate is charged for water use and adequate safeguards are included to take care of the interests of the vulnerable	12 months
		2. Make action plan to reduce water losses to less than 20 % and publish on the website	
		3. Separate accounts for user charges	
		4. At least 90% billing	
		5. At least 90% collection	

Figure 15

Reforms Milestones and Timelines for AMRUT Cities (Cont.)

S. No	Type	Milestones	Implementation timeline
10	Credit rating	1. Complete the credit ratings of the ULBs	18 months
11	Energy and water audit	1. Energy (Street lights) and Water Audit (including nonrevenue water or losses audit)	12 months
		2. Making STPs and WTPs more energy efficient	12 months
		3. Optimize energy consumption in street lights by using energy efficient lights and increasing reliance on renewable energy	12 months
		4. Give incentives for green buildings (e.g. rebate in property tax or charges connected to building permission/development charges)	24 months
12	Swachh Bharat Mission	1. Elimination of open defecation	36 months
		2. Waste Collection (100%)	
		3. Transportation of Waste (100%)	
		4. Scientific Disposal (100%)	

Source: Ind-Ra

Annexure II – AMRUT Project Approvals – Uttar Pradesh

In AMRUT, State Annual Action Plan (SAAP) is approved by MoUD once a year and GoUP gives project sanctions and approval.

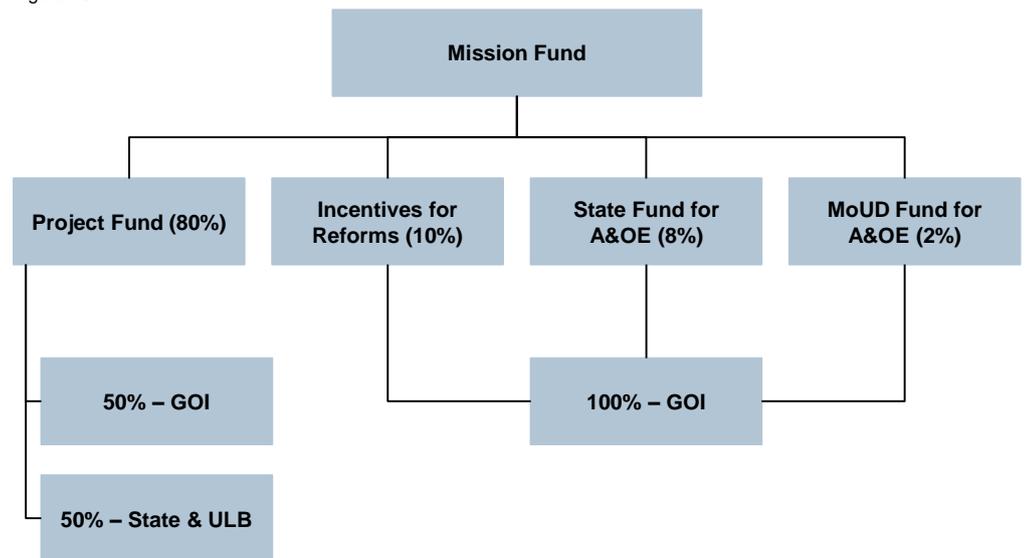
Process for project approval includes identification of different city level projects after consultations with stakeholder and Service Level Improvement Plans (SLIP). The identified projects are then put up to State Level Technical Committee (SLTC) for approval. The approved projects and SLIPs are aggregated to form State Annual Action Plan (SAAP). SAAP is submitted to State Level High Powered Steering Committee (SHPS) (chaired by the State Chief Secretary) for their consideration and is finally recommended to Apex Committee (chaired by the Secretary, MoUD), for their approval.

AMRUT Funding Pattern – Uttar Pradesh

For cities having population above one million, GOI, GOUP and ULB each will contribute 1/3 share and for cities having population up to 1 million GOI, GOUP and ULB will contribute 50%, 30% and 20% share respectively. Also for the water supply projects being executed by UP Jal Nigam, ULB share shall be borne by the concerned ULB.

For AMRUT fund, a dedicated bank account has been opened and GOI fund is transferred directly to this account including the matching share of the State and the ULB.

Figure 16



Source: Ind-Ra

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