

Panvel City Municipal Corporation (Revised)

April 01, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Issuer rating	0.00	CARE AA-; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The issuer rating assigned to Panvel City Municipal Council (PMC) reflects its robust financial profile, marked by strong growth in revenue receipts, consistent revenue surplus generation, a debt-free balance sheet, and its strategic location within the Mumbai Metropolitan Region (MMR).

PMC's revenue receipts have demonstrated strong momentum, registering a compounded annual growth rate (CAGR) of 61% from ₹231 crore in FY21 to ₹1,566 crore in FY25. In the same period, PMC consistently generated revenue surplus, which increased sharply from ₹113 crore in FY21 to ₹759 crore in FY25, supporting its financial flexibility. The corporation has relatively high Revenue surplus/Revenue Receipts (RS/RR) of 48.48% led by growth in revenue receipts and low establishment expenditure. Establishment expenditure is expected to increase with filling in vacancies; however, RS/RR is expected to continue to remain strong.

The rating also derives comfort from PMC's nil term debt position, supported by substantial liquid reserves (₹2,112 crore as on March 31, 2025), which enhance its ability to absorb contingencies and fund capital expenditure.

PMC benefits from its inclusion within the MMR, leveraging strong locational advantages and proximity to key economic hubs. Its jurisdiction includes prominent national and multinational corporations, major commercial complexes, and established markets, which support a diversified and buoyant revenue base. PMC maintains strong service level benchmarks, with coverage of essential infrastructure and civic services across its jurisdiction.

PMC received an interim order from the Supreme Court of India permitting collection of property tax arrears from assessment year 2021–22 onwards. Pursuant to this, PMC implemented the *Abhaya Yojana*, offering rebates on penal charges, which supported improved property tax collections to ₹517 crore in 11MFY26 compared to ₹335 crore in FY25.

However, rating strengths are moderated by relatively modest overall collection efficiency, variability in the quantum of revenue surplus, and dependence on state government grants in the form of Goods and Services Tax (GST) compensation. The own revenue share of PMC has been an average 49.49% from FY23–25 with high dependence on GST compensation grants. However, comfort is derived from timely receipts of such grants on a monthly basis.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in revenue receipts to over ₹2,500 crore with sustained revenue surplus generation on a consistent basis.

Negative factors

- Material reduction in revenue surplus by over 25% on a sustained basis.
- Reduction in GST compensation from State Government impacting the overall revenue receipts.
- Incremental debt weakening the Debt / RR beyond 0.5x.

Analytical approach: Standalone

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Outlook: Stable

PMC is expected to maintain a comfortable financial profile with steady growth in revenue receipts, consistent revenue surplus generation, and strong liquidity.

Detailed description of key rating drivers:**Key strengths****Favourable Economic base with Locational advantages and good infrastructure**

Panvel benefits from strong strategic locational advantages, being positioned within the Mumbai Metropolitan Region (MMR). The jurisdiction encompasses major industrial and commercial establishments and hosts several national and multinational corporations, prime commercial complexes, and established wholesale and retail markets. These factors support a stable and diversified revenue base for the Corporation.

PMC's key revenue streams comprise property tax, revenue grants, and user charges, providing diversification in revenue sources. Panvel's expanding urban economy is supported by its proximity to major industrial zones such as the Taloja Maharashtra Industrial Development Corporation (MIDC) area, warehousing and logistics hubs, a growing base of small and medium enterprises (SMEs), and vibrant trade markets. Operationalisation of the Navi Mumbai International Airport is expected to accelerate commercial development, expand the tax base, and support higher property values in the medium term.

PMC maintains a strong track record in infrastructure coverage and service delivery. As of March 31, 2025, the corporation achieved ~97% coverage in water supply, 80% coverage in sewerage systems, 100% coverage in solid waste collection, and 85% coverage in storm water drainage, reflecting favourable service-level benchmarks and supporting sustained urban growth.

Consistent growth in revenue and revenue surplus position

The corporation's revenue receipts registered a strong CAGR of 61%, increasing from ₹231 crore in FY21 to ₹1,566 crore in FY25. This growth has been driven by higher tax revenues, improved user charges, and increased grant inflows.

In FY24, PMC received revenue grant arrears amounting to ₹623 crore, followed by ₹200 crore in FY25. However, arrears of ~₹865.90 crore remain outstanding, which are expected to be received gradually in a phased manner up to FY29/FY30, providing revenue visibility in the medium term.

PMC has consistently reported a revenue surplus in the last five years. Surplus increased from ₹113 crore in FY21 to ₹1,225 crore in FY24 and ₹703 crore in FY25. Elevated surplus in FY24 was due to substantial receipt of revenue grant arrears, while the surplus normalized in FY25 in line with regular revenue receipts. Own revenue accounted for ~51% of total revenue in FY25, reflecting moderate dependence on grants and improving revenue autonomy.

Improving tax collections and grant receipts over the years

PMC adopted the capital value system (CVS) and issued property tax demands with arrears from FY16 onward. Housing societies challenged the legality of this retrospective recovery as City and Industrial Development Corporation of Maharashtra Limited (CIDCO) was also charging service charges till FY21. The matter reached Supreme Court of India, which in its interim order directed payment of tax only from assessment year 2021-22 onward, without enforcing full retrospective recovery.

Post passing of the judgement in the Supreme Court, the Corporation launched the Abhaya Yojana on April 29, 2024, providing relaxation in penalties levied (in slabs of 90%, 75%, and 50% depending on the payment timeline). Consequently, tax collections improved to over ₹517 crore in 11MFY26, compared to ₹335 crore in FY25.

Collection efficiency of current tax improved sharply from 19% in FY24 to 80.80% in FY25, indicating significant improvement in administrative efficiency and taxpayer compliance, which is expected to support stable tax collections in the near-to-medium term.

Comfortable financial position

As on March 31, 2025, PMC remains debt-free, providing significant financial flexibility. The corporation has undertaken construction of the Shilar Dam Project through Mumbai Metropolitan Region Development Authority (MMRDA), with an estimated funding commitment of ~₹3,673 crore from FY26-FY31. The project is proposed to be financed through borrowings of ₹600 crore, own funds of ₹3,073 crore. CareEdge also envisages support from Government for the large project on a need basis. Given its absence of debt and strong balance sheet, PMC retains the capacity to raise funds through term loans or municipal bond issuances to finance a portion of the project requirement, while maintaining robust leverage and coverage metrics.

Strong liquidity position

The corporation's consistent generation of healthy revenue surpluses supports its capital expenditure programme. PMC maintains substantial liquid reserves of ~₹2,112 crore as of March 31, 2025. These reserves provide a strong liquidity buffer and may be utilised to bridge funding gaps arising from capital commitments, including the Shilar Dam Project, supporting timely project execution.

Key weaknesses**Moderate collection efficiency with disputed debtors**

Overall collection efficiency remained moderate at ~21% (including arrears demanded) in from FY21 to FY25. While on current demand basis, the collection efficiency improved to ~81% in FY25; arrears have to be recovered. Arrears mostly pertain to disputed debtors, and thus, timeline of recovery cannot be ascertained by the corporation. CareEdge Ratings has not considered such inflow into consideration.

Dependence on state government grants in the form of GST compensation

Maharashtra had initially allocated and paid ₹7 crore per month as GST compensation grant to PMC. The corporation represented to the State Government for revision of the grant amount, following which the Government undertook multiple special audits.

Subsequently, revised GST grant was fixed at ₹36.24 crore per month for FY24, with an annual escalation of 8%, resulting in a grant of ₹42.28 crore per month in FY26. A due/drawn computation was carried out retrospectively from October 2016, pursuant to which total arrears aggregated to ~₹1,689 crore.

Of the total arrears, ₹623 crore was released in FY24 and ₹200 crore in FY25. The corporation continues to depend on timely receipt of GST compensation and balance grant arrears. Delays, deductions, or deviations from the expected release schedule could impact revenue visibility and liquidity.

Liquidity: Strong

PMC maintains a strong liquidity position, supported by investments of ₹1,697 crore and cash balances of ₹419 crore (aggregating to ₹2,112 crore) as on March 31, 2025. The council deploys its surplus liquid funds in fixed deposits, to generate stable investment income. Further, being debt-free, PMC does not have near-term repayment obligations.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Issuer Rating](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Urban Infrastructure Projects](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Public services	Urban local bodies

PMC is the first Municipal Corporation in Raigad district, ninth in the Mumbai Metropolitan Region and 27th in Maharashtra. PMC is formed by amalgamating 11 MMRDA revenue villages, 18 CIDCO villages and one Panvel old council area. The municipal corporation includes 29 revenue villages of Panvel taluka including CIDCO colonies of Taloja, Kharghar, Kalamboli, Kamothe, New Panvel covering area of 110 sq. km. It is headed by Mayor of city and governed by Commissioner and has been formed with functions to improve the infrastructure of town.

Per the census 2011, the population of PMC stood at 1,80,020 with 92,484 males and 87,536 females (sex ratio of 946 females per 1000 males). Child Sex Ratio in Panvel is ~904 compared to Maharashtra state average of 894. Literacy rate of Panvel city is 93.89% higher than state average of 82.34 %. In Panvel, Male literacy is ~95.97% while female literacy rate is 91.71%.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Reported revenue receipts	1713	1566
Reported revenue surplus	1225	759
Revenue surplus**	1225	759
Revenue surplus/Revenue receipts** (%)	71.52	48.48
Own revenue/Revenue receipts (%)	41.54	52.50

A: Audited; Note: these are latest available financial results

**Adjusted for incremental debtors and non-cash items.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Issuer Rating- Issuer Ratings		-	-	-	0.00	CARE AA-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Issuer Rating-Issuer Ratings	LT	0.00	CARE AA-; Stable				

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated: Not applicable

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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