



Credit Rating of Urban Local Bodies gain Momentum

94 cities assigned Credit Ratings as Smart Cities and AMRUT cities gear up to issue Municipal Bonds

59% cities get Investment Grade rating

NDMC, Navi Mumbai and Pune lead with AA+ Rating

Ahmedabad, Visakhapatnam, Hyderabad come next with AA Rating

Kolkata-A+, Bhopal and Jaipur-A-, Thiruvananthapuram and Panaji-BBB, Ranchi-BBB-, all investment grade

Shri M.Venkaiah Naidu reviews progress of Credit Rating of Smart Cities and AMRUT cities

Posted On: 26 MAR 2017 2:30PM by PIB Delhi

With the exercise of Credit Rating of cities and towns gaining momentum, 94 of the 500 cities included in Smart City Mission and Atal Mission for Rejuvenation and Urban Transformation (AMRUT) have obtained such ratings which are necessary for issuing Municipal Bonds for mobilization of resources.

During the review of progress of Credit Rating exercise taken by Minister of Urban Development Shri M.Venkaiah Naidu yesterday, it was revealed that 55 of these cities have got 'Investment Grade' ratings. Shri Naidu noted that 59% of cities assessed getting Investment Grade rating was better than what was thought of about the financial situation of Urban Local Bodies in the country.

The 94 cities that have so far been assigned Credit Ratings are spread across 14 States. Ministry of Urban Development is promoting Credit Rating of cities as one of the five Transformational Reforms under which about 500 cities and towns that account for about 65% of total urban population were to be given Credit Ratings during this year.

Of the total 20 ratings ranging from AAA to D, BBB⁻ is the 'Investment Grade' ratings and cities rated below BBB⁻ need to undertake necessary interventions to improve their ratings for obtaining positive response to the Municipal Bonds to be issued.

Credit Ratings are assigned based on assets and liabilities of Urban Local Bodies, revenue streams, resources available for capital investments, Double Entry Accounting practice and other governance practices. Besides the Credit Rating of Urban Local Bodies, ratings for individual projects for which resources are to be mobilised through Municipal Bonds would have a bearing on the response to such bonds.

Details of cities and towns and respective Credit Ratings are as below:

Credit Rating	Cities/Towns
AA ⁺ (3)	New Delhi Municipal Council (NDMC), Navi Mumbai and Pune
AA (3)	Ahmedabad, Visakhapatnam and Greater Hyderabad Municipal Corporation
AA ⁻ (4)	Surat, Nashik, Thane and Pimpri-Chindwad
A ⁺ (5)	Indore, Kishanganj(Rajasthan), Kolkata, Vadodara(Gujarat) and Warangal(Telangana)
A (1)	Jhunjhunu (Rajasthan)

A ⁻ (8)	Alwar, Bhiwadi, Beawar, Jaipur(Raj), Bhopal,Jabalpur(MP), Mira Bhayandar(Maha) and New Town Rajarhat(W.Bengal)
BBB ⁺ (5)	Ajmer , Kota and Udaipur(Rajasthan), Ludhiana(Punjab) and Jamnagar(Guj)
BBB (14)	Kakinada, Anantapur, Kurnool and Tirupati (Andhra Pradesh), Davanagere and Hubballi-Dharwar(Karnataka), Kochi and Trivendrum (Kerala), Panaji (Goa), Kolhapur and Nagpur(Maharashtra), Jodhpur, Nagaur and Tonk(Rajasthan)
BBB ⁻ (12)	Amaravati (Maharashtra), Belgavi (Karnataka), Bharuch and Bhavnagar (Gujarat), Bharatpur, Bhilwara, Bikaner and Hanumangarh(Rajasthan), Chittor and Cuddapah (Andhra Pradesh), Cuttack (Odisha), Ranchi (Jharkhand).
BB ⁺ (14)	Proddatur, Nandyal and Nellore (Andhra Pradesh), Kollam and Kozhikode (Kerala), Kalol, Nadiad and Navsarai (Gujarat), Nanded and Solapur (Maharashtra), Gangapur City, Dhaulpur, Pali and Sawai Madhopur (Rajasthan)
BB (14)	Adoni and Tadipatri (Andhra Pradesh), Dwaraka (Gujarat), Aizawal (Mizoram), Thrisur (Kerala), Berhampur, Rourkela and Sambhalpur (Odisha), Bundi, Churu, Chittorgarh, Hindaun, Jodhpur and Sujangarh (Rajasthan)
BB ⁻ (7)	Adityapur, Chas, Deogarh and Giridh (Jharkhand), Mori (Gujarat), Baran and Jhalawar (Raj)
B ⁺ (3)	Baripada and Puri (Odisha) and Hazaribagh (Jharkhand)
B (1)	Bhadrak (Odisha)

As per the reforms timelines suggested by the Ministry of Urban Development, 39 cities that have got Credit Ratings below the investment grade (BBB⁻) have to undertake necessary interventions for improving the ratings in one year.

AAR/KM

March 26, 2017

(Release ID: 1485712) Visitor Counter : 51