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CARE Ratings assigns first credit rating for a designated ‘SMART CITY’ – New Delhi Municipal Council

CARE Ratings has assigned an issuer rating of ‘CARE AA+ (Is)’ to New Delhi Municipal Council (NDMC), one of the 20 cities selected under the Government of India’s Smart City Mission to receive the first round of funds designated for the mission.

The Smart City Mission is an urban renewal programme formulated by the Government of India, aiming at covering 100 cities over 5 years. It is being implemented by the Ministry of Urban Development in collaboration with the state governments of the respective cities.

Commenting on the rating **D. R. Dogra, MD & CEO of Care Ratings** said, *‘CARE Ratings has always been at the forefront of Urban Local Bodies (ULBs) and Sub Sovereign credit ratings, having a leadership position in this segment. The credit rating of such entities not only highlights their intrinsic financial strengths and weakness, but also gives due consideration to various qualitative and subjective aspects, most of which form the essence of the smart city initiative’.*

The rating factors in the financial strengths, infrastructure and coverage & efficiency in service delivery of NDMC. The Municipal Council has been found to be fiscally strong, debt free, self-reliant and has had a healthy growth in revenues over the years, while maintaining a substantial cash reserve. It also has in place good infrastructure and maintains a good record in terms of coverage and service delivery of civic amenities.

Commenting on the approach taken towards the rating of this ULB, **Rajesh Mokashi, DMD, CARE Ratings** said, *‘We are pleased to be the first rating agency to have rated NDMC. The credit rating exercise involved an in-depth and rigorous analysis of not just the financial parameters but also the subjective aspects relating to policies, infrastructure, service delivery and management strengths’.*

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About CARE Ratings

Credit Analysis and Research Limited (CARE Ratings) is the second largest full service rating Company in India. CARE Ratings offers a wide range of rating and grading services across a diverse range of*

instruments and has over 20 years of experience in the rating of debt instruments and related obligations covering wide range of sectors. The Company's list of clients includes banks and other financial institutions, private sector companies, central public sector undertakings, sub-sovereign entities, small and medium enterprises ("SMEs") and micro-finance institutions, among others. The Company also provides issuer ratings and corporate governance ratings and has rated innovative debt instruments, such as perpetual bonds. CARE Ratings is recognized for being knowledge based Company and has continued to work towards deepening the base. The company's global venture, 'ARC Ratings', has commenced operations. CARE also has a subsidiary CARE (Ratings) Africa Private Limited (CRAF) in Mauritius which was launched on 3rd August 2015.

The Company has its registered office in Mumbai, and branches in Ahmedabad, Bengaluru, Chandigarh, Chennai, Coimbatore, Hyderabad, Jaipur, Kolkata, New Delhi, and Pune. The subsidiary CRAF has an office in Mauritius.

**** In terms of rating income***