

Municipal Corporation Newsletter: November 2020

This newsletter is a compilation of recent activities and developments that have taken place in the domestic and global Municipal Government / Urban Local Bodies (ULB) space.

Regulatory

- **SEBI comes out with uniform timeline for listing securities on private placement basis**

SEBI came out with a uniform time period for listing securities, including municipal bonds, issued on private placement basis. The timeline will be applicable for non-convertible redeemable preference shares, debt securities, securitized debt instruments and security receipts and municipal bonds. SEBI has decided that allotment of securities will be completed by T+2 trading days after receiving funds with T being closure of the issue. The issuer needs to make listing application to stock exchanges and obtain approval from the bourses by T+4 trading day.

ULB Bond Issuances

- **Lucknow Municipal Corporation's bonds debut on BSE, oversubscribed by 250%**

Under the flagship Smart Cities Mission of the Centre to expand the financial pool of the respective municipal bodies for launching self-sustaining infra and civil projects Lucknow Municipal Corporation raised bonds worth Rs. 200 crore. The municipal bonds floated by the LMC with 10 year tenure offers 8.5% interest. The funds raised by the LMC from these bonds will be invested in various infrastructure projects, including housing, in the state capital.

Measures Undertaken by Urban Local Bodies

- **BMC Plans Free Antigen Tests At Across All Municipal Hospitals**

Post festive season, the Brihanmumbai Municipal Corporation (BMC) has taken safety measures by increasing the number of COVID-19 tests in the city. To escalate the same, these tests are now being provided free of cost at Lokmanya Tilak, KEM, and Nair Hospitals under the administration.

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- **Ghaziabad Municipal Corporation to solve civic complaints in 3 days, app to be launched soon**

GMC has fixed a turnaround time of 24 to 72 hours to resolve most civic complaints from residents. Last month, the civic body had launched a website through which residents can lodge complaints related to sanitation, encroachment, street lights, drains and stray animals among other issues. Officials said now, the corporation plan to launch a mobile application for such complaints.

- **Municipal Corporation of Greater Mumbai proposing to settle its dues to its vendors and contractors in the form of credit notes**

Although the formal documentation is awaited, a report suggests that contractors and vendors can set off their dues, such as property tax and penalties imposed by MCGM using these credit notes. The credit notes are reportedly tradable as well. News reports have hailed this proposal as a step towards 'going-cashless' as the initiative will allow the MCGM to implement projects without paying any cash to vendors.

- **Thane municipal corporation grants 75% rent relief for 2 auditoriums, sops to follow**

The Thane municipal corporation announced slashing rents for its two auditoriums by massive 75% for all Marathi, English and regional plays staged this fiscal. This measure is announced for the revival of theater industry in the state post Covid-19.

- **Manesar to get Municipal Corporation**

To develop Gurugram as the “smartest city in the country,” the state government plans a new municipal corporation for Manesar, besides developing a new Gurugram city in the area, announced Haryana CM.

- **Municipal Corporation Amritsar approves 1,592 building plans online**

The municipal town planning (MTP) wing of the Municipal Corporation Amritsar (MCA), received 1,671 online applications for approval of building plans during the last three months. The MCA had initiated online approval of building plans on August 6 to bring transparency and save time of residents. Similarly, no-objection certificate (NOC) of plots and buildings were also being issued online.

- **Chandigarh Municipal corporation nets Rs 1 crore fee from vendors in 4 months**

The municipal corporation Chandigarh has started getting reasonable monthly fee from the vendors on regular basis, as the record shows that from 2700 to 4000 vendors deposited their monthly fee to the civic body authority as the vendors started returning to their allotted vending sites gradually after curfew and subsequent lockdown due to Covid-19 pandemic.

- **Srinagar municipal council to be turned into a corporation**

The state urban development department has approved the expansion of Srinagar (Garhwal) Municipal Corporation.

- **Greater Hyderabad Municipal Corporation proposes Rs 5,600 crore budget for 2021-22**

Greater Hyderabad Municipal Corporation (GHMC) on Thursday proposed Rs 5,600 crore budget for the financial year 2021-2022 and presented it to the standing committee. The proposed budget will be Rs 220 crore more than the current year's budget, Rs 5,380 crore. Records reveal income of the civic body has reduced, but its expenditure increased. In 2020-21, the civic body was expecting Rs 3,667 crore revenue and in 2021-22 it hopes to raise Rs 3,571 crore. In the revised budget estimates too, revenue income was reduced to Rs 3,296 crore.

Global Developments

- **US municipal bond issuances surge in October 2020 despite political uncertainty**

Municipal issuance saw a record setting month as issuers seek to capitalize on historically low interest rates. October's almost \$70 billion in new issue deals came to market against the backdrop of political uncertainty as municipalities rushed ahead of the election. Year-to-date supply was 26.6 percent higher than the same time last year, amounting to a total volume of nearly \$415 billion.

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