South Delhi Municipal Corporation

January 31, 2019

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Issuer rating	NA	NA	[ICRA]AA+ (stable); Withdrawn

*Instrument details are provided in Annexure-1

Rating action

ICRA has withdrawn the long-term issuer rating of [ICRA]AA+ (pronounced ICRA double A plus)[1] with a stable outlook assigned to the South Delhi Municipal Corporation (SDMC).

Rationale

The rating withdrawal follows the completion of the one-time rating exercise as per terms and conditions of Rating Agreement drawn with the South Delhi Municipal Corporation.

Outlook: Not Applicable

Key rating drivers:

Key Rating drivers has not been captured as the rated instrument is being withdrawn.

Liquidity Position:

Liquidity position has not been captured as the rated instrument is being withdrawn.

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	Rating Methodology for Urban Local Bodies
Parent/Group Support	Not Applicable
Consolidation / Standalone	Standalone

About the company:

The SDMC, being an urban local body (ULB), provides civic services in the southern part of the National Capital Territory of Delhi (NCTD/Delhi). Delhi is a Union Territory with State Legislative Assembly and therefore is also known as a city-state. The city is a major hub for political, administrative and economic activities. New Delhi, the capital of India, is located at the centre of the city. The city houses headquarter of various ministries, departments, public sector undertakings of the GoI. The city is also a major hub for commercial activities for the whole of the North India and also houses a large number of small and medium industries. The city had a population of 1.10 crore as per the Census 2011 and covered an area of 1,484 sq.km. Within the city, the SDMC, covering an area of 656.91 sq. km., serves a total population of 56 lakh (Census 2011).

[1] *For complete rating scale and definitions, please refer to ICRA's website (www.icra.in) or other ICRA rating publications*

The SDMC was carved out of the erstwhile Municipal Corporation of Delhi (MCD) in April 2012 by the GoNCTD. The erstwhile MCD was established and governed by the Delhi Municipal Corporation (DMC) Act 1957, which was passed in the Parliament of India and notified by the Ministry of Home Affairs (MHA), GoI. The erstwhile MCD was trifurcated into three separate ULBs as per an Amendment Act passed in the Legislative Assembly of the NCTD and notified by the Department of Urban Development, GoNCTD. Currently, the SDMC, along with the other two ULBs (North Delhi Municipal Corporation and East Delhi Municipal Corporation) are governed as per the provisions of the DMC Act and the subsequent Amendment Act.

Key financial indicators (Actuals)

	FY2016	FY2017
Revenue income (Rs. crore.)	3,269.51	3,954.97
Revenue expenditure (Rs. crore)	3,031.94	3,324.96
Revenue balance (Rs. crore)	237.57	630.01
Overall balance (Rs. crore)	204.88	543.21
Revenue balance / Revenue income (%)	9.33%	17.46%
(Principal + Interest) / Revenue income (%)	4.84%	3.51%
(Revenue balance + Interest)/ (Interest +Debt repayment) (%)	193%	497%
Debt / Revenue income (%)	18%	13%

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

		Current Rating (FY2019)				Chronology of Rating History for the Past 3 Years		
	Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating January 2019	Date & Rating in FY2018 October 2017	Date & Rating in FY2017 -	Date & Rating in FY2016 -
1	Issuer rating	Long Term	NA	**NA**	**[ICRA]AA+ (Stable); Withdrawn**	**[ICRA]AA+ (Stable)**	-	-

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Issuer rating	NA	NA	NA	NA	[ICRA]AA+ (stable); Withdrawn

Source: SDMC

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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