ICRA

North Delhi Municipal Corporation

April 30, 2019

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Issuer rating	NA	NA	[ICRA]BB+ (stable); ISSUER NOT COOPERATING; Withdrawn

*Instrument details are provided in Annexure-1

Rating action

ICRA has withdrawn the long-term issuer rating of [ICRA]BB+[1] (pronounced ICRA double B Plus)[2] ISSUER NOT COOPERATING with a stable outlook assigned to the North Delhi Municipal Corporation (NDMC).

Rationale

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

Outlook: Not applicable

Key rating drivers has not been captured as the rated instrument is being withdrawn

Liquidity Position: Not applicable

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	Rating Methodology for Urban Local Bodies
Parent/Group Support	NA
Consolidation / Standalone	Standalone

About the company:

The NDMC, being an urban local body (ULB), provides civic services in the northern 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 NDMC, covering an area of 636.37 sq. km., serves a total population of 62.5 lakh (Census 2011).

[1] *"With effect from Sep 1, 2017, ICRA has aligned the symbols and the definitions of ratings pertaining to the Issuer Rating Scale with that of the Long-Term Rating Scale. The change in the symbol is not to be construed as a change in the credit rating. Please refer to ICRA's website for more details."*

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

The NDMC 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 NDMC, along with the other two ULBs (South Delhi Municipal Corporation and East Delhi Municipal Corporation) are governed as per the provisions of the DMC Act and the subsequent Amendment Act.

The highest decision-making authority of the ULB is its Council, which is formed every five years by electing Ward Councillors from each of the 104 municipal wards. The Council is headed by a Mayor, who is elected by the Ward Councillors. The Council is supported by various committees, members of which are nominated from among the Councillors. The overall operations of the ULB are managed by the Municipal Commissioner (MC), who is appointed by the supervising authority as per the provision of the Act. The Heads of the respective departments support the MC in managing the services of the NDMC.

The key services extended by the ULB are SWM, construction and maintenance of roads and drains, street lights and amenities such as shopping stalls, community hall, playgrounds, parks/gardens etc. The ULB also provides health and education services.

Key financial indicators (audited): Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

		Current Rating (FY2020)				Chronology of Rating History for the Past 3 Years		
						Date & Rating in FY2019	Date & Rating in FY2018	Date & Rating in FY2017
	Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating April 2019	March 2019	January 2018	-
1	Issuer rating	Long Term	NA	**NA**	**[ICRA]BB+ (Stable); ISSUER NOT COOPERATING/ Withdrawn**	**[ICRA]BB+ (Stable); ISSUER NOT COOPERATING**	**[ICRA]BB+ (Stable); Assigned**	**-**

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]BB+ (Stable); ISSUER NOT COOPERATING/ Withdrawn

Source: New Delhi Municipal Corporation

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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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