

**GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS**

**LOK SABHA UNSTARRED QUESTION NO. 559
TO BE ANSWERED ON JULY 22, 2021**

ISSUANCE OF MUNICIPAL BONDS

No. 559. SHRI HIBI EDEN:

WILL THE MINISTER OF HOUSING AND URBAN AFFAIRS be pleased to state:

- (a) whether the Government is promoting Cities/Urban Local Bodies (ULBs) to mobilize resources by issuing Municipal Bonds and if so, the details thereof including the consents to be obtained by Cities/Urban Local Bodies from various Governmental bodies in this regard;**
- (b) the steps to be completed by Cities/Urban Local Bodies before raising funds by issuing Municipal Bonds which are listed at stock exchanges in the country as well as abroad;**
- (c) the details of Municipal Corporations which have issued such bonds till date and the funds generated through such listings, State/UT-wise and ULB-wise;**
- (d) whether the Government has got any information/application/proposal to issue the Municipal Bonds for Cities/Urban Local Bodies of Kerala and if so, the details including the application/proposal from Cochin Municipal Corporation?**

ANSWER

**THE MINISTER OF STATE OF THE
MINISTRY OF HOUSING AND URBAN AFFAIRS
(SHRI KAUSHAL KISHORE)**

(a): Yes, Sir. Cities/Urban Local Bodies (ULBs) have been encouraged to mobilize resources by issuing Municipal Bonds.

Ministry of Housing & Urban Affairs has been providing incentive to ULBs for issuance of Municipal Bonds at the rate of ₹13 crore per ₹100 crore worth of bonds issued, not exceeding ₹26 crore per ULB.

(b): The steps to be completed by Cities/ULBs, before raising funds by issuing Municipal Bonds, are as under:

- **Project identification and Detailed Project Report (DPR) preparation for being funded by Municipal Bonds**
- **Preparing audited Balance Sheets for last five years**
- **Getting the Issuer Credit Rating**
- **Appointing a Merchant Banker**
- **Prepare a working team (Legal Counsel/ Trustee/ Transaction Advisors)**
- **Approvals from the Securities and Exchange Board of India (SEBI) on compliances**
- **Selection and signing of Stock Exchange Agreement**
- **Finalizing Escrow Account structure**
- **Investor Meet/ Roadshows**
- **Finalising Terms of Agreement**
- **Book building, Allotment and Information Memorandum signing**
- **Listing of Bonds**

(c): So far, ₹3,840 crore has been raised through issuance of Municipal Bonds for upgrading urban infrastructure by ten ULBs as under:

#	Name of city/ ULB	State	Amount of Municipal Bonds issued (₹ in crore)
1	Amaravati	Andhra Pradesh	2,000
2	Vishakhapatnam		80

3	Ahmedabad	Gujarat	200
4	Surat		200
5	Bhopal	Madhya Pradesh	175
6	Indore		140
7	Pune	Maharashtra	200
8	Hyderabad	Telangana	495
9	Lucknow	Uttar Pradesh	200
10	Ghaziabad		150
Total			3,840

(d): No, Sir.
