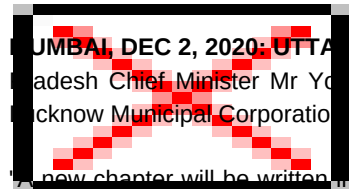


Lucknow Municipal Corporation bonds list on BSE

By TIOL News Service



MUMBAI, DEC 2, 2020: UTTAR

Pradesh Chief Minister Mr Yogi Adityanath rang the bell at the Bombay Stock Exchange (BSE) today for the listing of the Rs 200 crore Lucknow Municipal Corporation (LMC) bond.

"A new chapter will be written in the development history of UP," the chief minister's office tweeted, as Lucknow became the ninth city in the country to have raised municipal bonds and the first to do so since the launch of the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme.

The bonds issue will ensure that Lucknow will get Rs 26 crore to subsidise its interest burden. This upfront incentive amount equates to reducing interest burden by 2% on the municipal corporation.

This will "improve financial and municipal governance, make the city move on the path of self-dependence and provide support for developing civic infrastructure," said the Ministry of Housing and Urban Affairs (MoHUA).

On 13 November, the LMC launched its maiden municipal bond issue using the BSE Bond platform. It received 21 bids and was subscribed by 4.5 times. This bond issue is rated 'AA' by India Ratings and 'AA (CE)' by Brickwork Ratings.

The funds raised will be invested in a water supply project being implemented under AMRUT scheme and a housing project in the state capital.

The MoHUA said that Ghaziabad and then Varanasi, Agra and Kanpur will also issue municipal bonds in the coming months.