MoHUA Organises Stakeholder Dialogue on Municipal Bonds to Strengthen Urban Financing

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The Ministry of Housing and Urban Affairs (MoHUA) today organised a high-level consultation titled "Municipal Bonds Unpacked – A Dialogue with the Intermediaries" to deliberate on strategies for deepening the municipal bond market and strengthening alternative sources of financing for Urban Local Bodies (ULBs).

The session brought together senior officials from the Government of India, market regulators, credit rating agencies, transaction advisers and domain experts to exchange views on enhancing the ecosystem for municipal bond issuances and enabling cities to access capital markets in a sustainable and structured manner.

Secretary, MoHUA, Shri Srinivas Katikithala outlined the Government of India's vision for empowering cities through innovative financing mechanisms and emphasised the importance of municipal bonds as a key instrument for supporting urban infrastructure development and improving service delivery.

Additional Secretary, MoHUA, Ms. D. Thara presented the experience of municipal bond issuances by ULBs so far and highlighted the need for continued capacity building, improved financial management, and strengthening of institutional frameworks to enable more cities to tap the bond market.

The consultation provided perspectives from the regulatory and market side.

- Shri Pramod Rao, Former Executive Director, SEBI, shared the regulatory viewpoint on facilitating a conducive environment for municipal bond issuances.
- Shri Suprio Banerjee, Vice President & Co-Group Head, ICRA, spoke on credit rating of ULBs and the importance of fiscal discipline, transparency,accurate and timely financial reporting and robust revenue streams.
- Shri Umesh Khandelwal, Chief Business Officer, TIPSON Group, presented insights from the transaction advisory perspective, focusing on structuring of intermediaries transaction advisor and merchant bankers.
- Shri Sashi Krishnan, Director, NISM, set the broader context for developing a vibrant municipal debt market in India.

The programme was moderated by Dr. Dhiraj Jain, Professor, NISM.

The deliberations underscored the critical role of municipal bonds in mobilising resources for urban infrastructure, improving financial autonomy of cities and supporting the Government's vision of sustainable and resilient urbanisation. Stakeholders also discussed measures to expand investor confidence, standardise processes, enhance creditworthiness of ULBs and scale up issuances across more cities.

MoHUA reiterated its commitment to working closely with all stakeholders to create a robust municipal finance ecosystem and to promote greater participation of cities in capital markets.

This consultation is part of the Ministry's continuous efforts to explore innovative financing mechanisms and to strengthen capabilities of Urban Local Bodies for accessing the financial markets for meeting the growing infrastructure needs of India's rapidly urbanising landscape.

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