India Ratings Upgrades U.P. Power Corporation’s NCDs (Series 1) to ‘IND AA(CE)’/Stable; Affirms Other Ratings

Jun 21, 2024 | Power Distribution

India Ratings and Research (Ind-Ra) has taken the following rating actions on U.P. Power Corporation Limited’s (UPPCL) non-convertible debentures (NCDs):

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Non-convertible debentures (Series 1) *,^	-	-	-	INR40,530.00 (reduced from INR49,997.50)	IND AA(CE)/Stable	Upgraded
Non-convertible debentures (Series 2 Tranche 1) *,^	-	-	-	INR18,522 (reduced from INR21,168.00)	IND A+(CE)/Stable	Affirmed
Non-convertible debentures (Series 2 Tranche 2) *,^	-	-	-	INR24,225 (reduced from INR29,070.00)	IND A+(CE)/Stable	Affirmed
Non-convertible debentures (Series 3 Tranche 1) *,^	-	-	-	INR39,512.00	IND A+(CE)/Stable	Affirmed
Non-convertible debentures (Series 3 Tranche 2)*,^	-	-	-	INR34,880.00	IND A+(CE)/Stable	Affirmed

^Credit ratings with (CE) suffix indicate that the instruments are supported by an external explicit credit enhancement. Please refer to section DISCLOSURES FOR CE RATING for additional details as per Securities Exchange Board of India’s (SEBI) Master Circular dated 6 July 2023.
*Details in the annexure

Analytical Approach

All the three series of NCDs are backed by an unconditional, irrevocable, pre-default guarantee from the government of Uttar Pradesh (GoUP), which is the principal debtor for timely debt servicing throughout the bond tenor. Also, NCDs have a trustee monitored structured payment mechanism, wherein UPPCL’s daily collections flow into a designated receipt account (DRA) on a first priority basis and then flow into the designated UPPCL bond servicing account (UBSA) of each series on a daily basis, so that sufficient funds are built up 15 days from the due date of debt servicing (T-15).

For Series 1 bonds: Ind-Ra has factored in the state’s consolidated fund support for the timely payment of debt servicing and the replenishment of the debt service reserve account (DSRA); this is almost similar to the comfort available to state development loan investors. This extraordinary cushion available to investors of Series-1 is reflected in the two-notch rating differential from Series-2 and Series-3 bonds.

For Series 2 bonds: Ind-Ra has factored in the structured payment mechanism, adequate liquidity buffer and escrow mechanism to trap the UPPCL’s subsidy receipts from the GoUP to replenish DSRA, in case it falls below the requirement.

For Series 3 bonds: Ind-Ra has factored in the structured payment mechanism, the commitment by the GoUP to extend budgetary support for the repayment of bonds and the escrow mechanism to trap the UPPCL’s revenue receipts from the irrigation and agriculture departments of the state government against power sales to replenish DSRA, in case it falls below the requirement.

Detailed Rationale of the Rating Action

The upgrade of Series 1 NCDs rating reflects an improvement in the corporate governance structure and the management's prudent actions towards strengthening the existing standard operating procedure and setting up a graded plan of action to ensure timely debt servicing of the bond interest and principal payment, without any interpretational issue regarding any of the clauses of the bond's term sheets.

UPPCL had taken the stock of the situation and from a control perspective, has established the processes and the policies which would help the company to avert any such event. The company has set up a standard operating procedure (SOP) and strengthened its internal control mechanism to ensure strict adherence to the required compliances and payments as per schedule. The default of one day interest payment for ISINs INE540P07087, INE540P07095, INE540P07103 and INE540P07079 of Series-I NCDs during November 2023 did not occur because of deterioration in the credit quality, or willingness and ability to pay, but on account of procedural or system issues or human errors (often termed as technical defaults). Ind-Ra therefore believes the new SOP along with the regular monitoring of the bond debt servicing and compliance to the term sheet would help UPPCL to avert any kind of delay in the bond debt servicing.

UPPCL’s unsupported rating continues to be based on the credit profile of the GoUP, its ongoing support and the strength of the linkages between the corporation and the state government.

List of Key Rating Drivers

- UP's sustained revenue surplus in FY24

Weaknesses

- State's moderate economic performance

Detailed Description of Key Rating Drivers

Strengthening of SOP and Internal Control Mechanism to Ensure Timely Bond Servicing: UPPCL has constituted a committee to review the credit event of "One Day Shortfall in Interest due to Preponement of the Payment Date to 14 November 2023 instead of the due date of 15 November 2023 (on account of bank holiday in Uttar Pradesh)" for Series-I Bonds amounting INR65,100 million. Also, it has set up an SOP and strengthened its internal control mechanism for the payment of coupon/full/part redemption to the bond holders on the due date to ensure timely and correct payments. The SOP constitutes of 15 clauses, identified in the aspects of procedural or system-related issues and of bond sheet and debenture trust deed, wherein there is a risk of misinterpretation, leading to a similar situation of default. These clauses are adhered to before each payment. Also, the management has set up the maker-checker concept, which is to be followed invariably for the validation of calculations internally.

Furthermore, to ensure that the calculation for each payment is correct and in line with the term sheet and regulatory guidelines, UPPCL must on T-5 date send the calculation sheet/interest register to the respective debenture trustees to validate the adherence/compliance, adequacy and other requirements, as per the debenture trust deed. The debenture trustees must revert to UPPCL on or before T-3 so as to enable smooth execution of transactions. The intimation to the bank, for the processing of the payment, is to be sent on T-2. The sign-off for executing transaction by the bank is to be accorded by the officer heading the bond cell of UPPCL.

The SOP had been put in place in December 2023 and as per the management and debenture trustees, the SOP has been adhered to and the new process for ensuring the timely and correct payment to the bond holders has been ensured.

Ind-Ra believes as the default had occurred on account of procedural or system issues or human errors (often termed as technical defaults), and not due to any deterioration in the credit profile of the company, the SOP and the managerial strict adherence to the new process should help UPPCL avert any such situation in the medium to long term. Also, since the issuance of the bonds in 2017, there has not been any instance of non-adherence to the structured payment mechanism, or the invocation of the pre-default guarantee given by the GoUP. Also, the consolidated fund of the GoUP has not been utilised for debt servicing of Series 1 bonds so far.

Adherence to Servicing Mechanism: Ind-Ra notes barring one instance of human error on 15 November 2023, UPPCL has adhered to the structured payment mechanism since the issuance of Series-1 bonds and expects it would continue to do so. The ratings continue to be supported by the presence of a well-orchestrated debt servicing mechanism to ensure the timely servicing of bonds. The mechanism, which has been ensuring a daily pre-defined transfer of funds from UPPCL's daily collections to the respective debt servicing accounts of different bonds, is being duly adhered to for all the bond series.

Rolling DSRA Coverage for All Three Bond Series: Ind-Ra believes the rolling DSRA provision in all three bond series would continue to protect investors' interest. The rating upgrade for Series 1 NCDs and affirmation for Series 2 and Series 3 NCDs are supported by the adequate liquidity buffer available for bond servicing in the form of a rolling DSRA. The account, at all times, has to be maintained at an amount equivalent to the total debt servicing obligation (principal and interest) for the next one quarter for Series 1 and two quarters for Series 2 and Series 3 NCDs. UPPCL has been maintaining comfortable coverages, based on the structure payment mechanism, for both DSRAs and bond servicing accounts.

Strong DSRA Replenishment Mechanism for All Three Bond Series: All three series have strong DSRA replenishment features to provide safety to the bond holders. Series 1 NCDs are backed by the consolidated fund of the state for DSRA replenishment (in case DSRA is utilised). The DSRA replenishment in Series 2 NCDs is from the GoUP's subsidy receipts. The DSRA replenishment in Series 3 NCDs is from the power revenue received by UPPCL from the agriculture and irrigation departments of the state government.

Furthermore, Series 3 NCDs are secured by way of a charge on the residual current assets, including receivables of the company after considering prior charges in favour of the existing secured lenders, and provides additional support to the bond holders. The charge with a minimum cover of 1.0x has to be maintained during the tenure of the bonds. The receipts for supplying power from the irrigation and agriculture departments and the assigned revenue inflows from urban domestic divisions (if required to be allocated) carry the first charge and are also hypothecated (to the extent of INR6 billion) in favour of the trustee. The charge pertaining to hypothecated assets is filed with the offices of Registrar of Companies and other appropriate agencies.

Till date, there has not been any instance of DSRA utilisation in any of the three bond series.

UP's Sustained Revenue Surplus in FY24: Ind-Ra expects UP to continue to report revenue surplus, which will help the state to increase its capex to address various social and physical infrastructure needs. Post witnessing a deficit in its revenue account after a span of 14 years in FY21, UP's revenue account has consistently been in a surplus for three years. As per the revised estimates (RE) for FY24, the revenue surplus of the state improved to 3% of GSDP from the budget estimate (BE) of 2.8%. The fiscal deficit has been estimated at 3.5% of GSDP in FY24 (RE), same as budgeted. The state has budgeted the revenue surplus and fiscal deficit for FY25 at 3.0% and 3.5% of GSDP, respectively. The debt burden of the state in FY25 has been budgeted at 32.7% of GSDP, marginally lower than the indicative debt path provided by the 15th Finance Commission.

State's Moderate Economic Performance: UP's long-term growth performance is marginally better than the national average. During FY12-FY24, the gross state value added (GSVA, at FY12 prices) of UP grew at 5.9% CAGR (led by the industrial and services sectors), higher than the national growth rate of 5.7%. The overall economic structure of UP is similar to the national economic structure. The share of services in the Indian economy increased to 54.7% in FY24 from 49.0% in FY12. During the same period, the share of services in UP's economy rose to 47.5% from 45.5%. The trend was similar in agriculture. The share of agriculture in the national economy declined to 14.5% in FY24 from 18.5% in FY12. In case of UP, it declined to 22.1% from 26.9% but remained much higher than the national economy. The share of industrial sector in UP was 30.4% in FY24 compared with 30.8% the national level.

Liquidity

Rating Sensitivities

Positive: An improvement in the UP's credit profile will lead to a positive rating action.

Negative: Any one or all of the following will result in a negative rating action:

- any deviation from the terms of the bonds or the structured payment mechanism (particular Series)
- a weakening of the credit profile of the state

Disclosures for CE Rating

1) UNSUPPORTED RATING

Ind-Ra has affirmed the unsupported rating at 'IND BBB+'/Stable.

ANALYTICAL APPROACH

Ind-Ra views UPPCL as a dependent entity, in line with its criteria for Rating Public Sector Entities, based on the corporation's strong financial and operational ties with the GoUP, its strategic importance to the state, and the tight control exerted by the state on the corporation. Ind-Ra continues to take a fully consolidated view of UPPCL and its five subsidiaries Madhyanchal Vidyut Vitran Nigam Limited, Purvanchal Vidyut Vitran Nigam Limited, Pashchimanchal Vidyut Vitran Nigam Limited, Dakshinanchal Vidyut Vitran Nigam Limited and Kanpur Electricity Supply Company Limited to arrive at the ratings.

It is the holding company of the five subsidiaries and holds 100% shares in them. UPPCL undertakes business of power distribution through its five subsidiaries.

DETAILED RATIONALE OF THE RATING ACTION

UPPCL is 100% owned by the GoUP. It has a monopoly over power distribution in Uttar Pradesh. The tariffs are fixed by the state regulator, thus mitigating large fluctuations in its financial performance. However, insufficient and infrequent tariff revisions have been impacting UPPCL's financial performance. The last tariff hike of 11.69% was allowed in FY20.

The GoUP provides revenue subsidy to UPPCL for supplying power to below-poverty-line families and agriculture consumers. The projects implemented by UPPCL are supported by capital grants under various schemes sponsored by the state and centre governments. UPPCL has been regularly receiving grants/equity from the GoUP, which have helped it manage its repayment obligations on time. During FY19-FY23, the GoUP had extended equity support of INR272 billion to UPPCL. Furthermore, in FY24, the GoUP had extended equity support of INR133 billion and has budgeted INR155 billion for FY25.

Furthermore, in terms of revenue subsidy, UPPCL had received INR431 billion from the GoUP during FY19-FY23. UPPCL had received revenue subsidy of INR129 billion for FY24, and has budgeted INR120 billion for FY25. Also, the GoUP has been providing support for the loss funding under Revamped Distribution Sector Scheme. The loss will be taken over by GoUP in a phased manner, and 100% loss funding would be given by FY26. UPPCL received a loss-funding subsidy of INR254.29 billion during FY19-FY23, and INR97 billion in FY24. For FY25, the GoUP has budgeted INR65 billion for loss funding.

LIST OF KEY RATING DRIVERS

Strengths

· Reducing power losses; improvement in collection efficiency

· UP's sustained revenue surplus in FY24

Weaknesses

· Credit metrics weakened due to provisioning
· State's moderate economic performance

Detailed Description of Key Rating Drivers

Reducing Power Losses; Improvement in Collection Efficiency: Ind-Ra believes UPPCL's consistent improvement collection efficiency and prudence to step-up its investments in the distribution infrastructure and feeder segregation and pre-paid metering under the Revamped Distribution Sector Scheme, will help in bringing down the losses its aggregate technical and commercial (AT&C) losses below 15% in the near to medium term. The agreed milestone of AT&C losses is 15% under the Ujjwal DISCOM Assurance Yojana. UPPCL's collection efficiency improved to 94.74% in FY24 (FY23: 93.41%). To increase its collection efficiency further, UPPCL is changing its billing agencies, increasing the payment gateways and enabling more mobile billing and payment options for consumers. Also, the billing efficiency of UPPCL improved to 85.34% in FY24 (FY23: 83.35%). The AT&C losses declined over FY20-FY24 to 18.95% in FY24 (FY23: 22.14%). However, they are still high.

Credit Metrics Weakened due to Provisioning: UPPCL's EBITDA was positive during FY22; however, it turned negative in FY23, due to higher losses because of higher bad debt provisioning. This has been the result of an impairment in investments due to doubtful receivables from discoms. The net profit margins were negative over FY19-

but remained much higher than the national economy. The share of industrial sector in UP was 30.4% in FY24 compared with 30.8% the national level.

RATING SENSITIVITIES

Positive: The following developments can lead to a positive rating action:

- an improvement in the GoUP's credit profile

- UPPCL's sustaining positive EBITDA (consolidated) at least for two consecutive years

- UPPCL's debt/EBITDA (consolidated) staying below 8.0x for two consecutive years

Negative: Events that could, individually or collectively, lead to a negative rating action include:
- a significant deterioration in the GoUP's credit profile
- any weakening of UPPCL's linkages with the GoUP
- a delay in the receipt of subsidy from the GoUP (subsidy receivables exceeding 90 days for two consecutive years)

2) INSTRUMENT COVENANTS

Covenants (Series 1 NCDs):

· Default in payment: In case of any event of default in the payment of interest and/or principal redemption on the due dates, additional interest of at least 2% p.a.* over the coupon rate will be payable by the company for the defaulting period.
· Delay in listing: In case of any delay in the listing of the debt securities beyond 30 days from the deemed date of allotment, the company will pay penal interest of at least 1% p.a.* over the coupon rate from the expiry of 20 days from the deemed date of allotment till the listing of such debt securities to the investor.
· Security creation (where applicable): In case of a delay in the execution of trust deed and a change in documents, the company will refund the subscription with agreed rate of interest or will pay penal interest of at least 2% p.a.* over the coupon rate till these conditions are complied with at the option of the investor.
* The interest rates mentioned in the above cases are the minimum interest rates payable by the company and are independent of each other.

Covenants (Series 2 NCDs):

· The non-payment of any bond servicing obligation on due date
· Any failure on UPPCL's behalf to perform or comply with one or more of its material obligations in relation to the bonds issued in pursuance of terms and conditions stated in the disclosure document and debenture trustee agreement, which, in opinion of the trustee, is incapable of remedy

Covenants (Series 3 NCDs):

· Non-payment of any bond servicing obligation on due date
· Any failure on behalf of UPPCL to perform or comply with one or more of its material obligations in relation to the bonds issued in pursuance of terms and conditions stated in the disclosure document and debenture trustee agreement which in opinion of the trustee is incapable of remedy
· Failure by the GoUP to provide timely funding support through necessary provisions in the state budget, every year throughout the tenure of the bonds
· Failure to honour invocation of GoUP guarantee for DSRA replenishment within stipulated timelines
· Application for the initiation of any insolvency proceedings against the issuer under any applicable bankruptcy/insolvency/winding up or other similar law (including the IBC) filed any time during the pendency of the bonds and not stayed or dismissed within seven days from the date of such filing
Other events of default which are typical for transactions of this nature.

3) ADEQUACY OF CE STRUCTURE

The GoUP has extended an unconditional and irrevocable guarantee for the rated bonds. The respective structures define the event for invocation of the guarantee by the trustee and other credit enhancers. Ind-Ra, in its analysis, has stressed the GoUP's credit profile by considering a sizeable portion of the guarantee to devolve. As per Ind-Ra's analysis, the guarantor, even in the stress scenario, was found to be meeting all the guaranteed debt obligations.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on UPPCL, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

About the Company

UPPCL is the power distribution company of the GoUP. UPPCL was incorporated on 30 November 1999 after the unbundling of UP State Electricity Board and became functional on 15 January 2000.

Key Financials Indicators

GoUP

Parameters as % of GSDP	FY25(BE)	FY24(RE)

UPPCL

Parameters (INR billion)	FY23	FY22
Total income	902	803
EBITDA	-42.40	53.6
EBITDA margin (%)	NM	6.7
net Debt/EBITDA (x)	NM	11.85
Interest service coverage ratio (x)	NM	0.64
Source: UPPCL, Ind-Ra NM = not meaningful		

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook				
	Rating Type	Rated Limits (million)	Rating	20 November 2023	11 October 2023	12 October 2022	31 March 2022	14 March 2022
Non-convertible debentures (Series-I)	Long-term	INR40,530	IND AA(CE)/Stable	IND A+(CE)/Stable IND D	IND AA(CE)/Stable	IND AA(CE)/Stable	IND AA(CE)/Stable	IND AA(CE)/Stable
Non-convertible debentures (Series 2 Tranche1)	Long-term	INR18,522	IND A+ (CE)/Stable	IND A+(CE)/Stable	IND A+ (CE)/Stable	IND A+ (CE)/Stable	IND A+ (CE)/Stable	IND A+ (CE)/Stable
Non-convertible debentures (Series 2 Tranche2)	Long-term	INR24,225	IND A+ (CE)/Stable	IND A+(CE)/Stable	IND A+ (CE)/Stable	IND A+ (CE)/Stable	IND A+ (CE)/Stable	IND A+ (CE)/Stable
Non-convertible debentures (Series 3 Tranche 1)	Long-Term	INR39,512	IND A+ (CE)/Stable	IND A+(CE)/Stable	IND A+ (CE)/Stable	IND A+ (CE)/Stable	IND A+ (CE)/Stable	Provisional IND A+ (CE)/Stable
Non-convertible debentures (Series 3 Tranche 2)	Long-Term	INR34,880	IND A+ (CE)/Stable	IND A+(CE)/Stable	IND A+ (CE)/Stable	IND A+ (CE)/Stable	Provisional IND A+ (CE)/Stable	Provisional IND A+ (CE)/Stable
Proposed Non-convertible debentures (Series 3)	Long-Term	INR5,608	-	-	WD	Provisional IND A+ (CE)/Stable	Provisional IND A+ (CE)/Stable	Provisional IND A+ (CE)/Stable
Unsupported Rating	Long Term	-	IND BBB+/Stable	IND BBB+/Stable	IND BBB+/Stable	IND BBB+/Stable	IND BBB+/Stable	IND BBB+/Stable

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Non-convertible debentures*	Medium

**The complexity indicator for the above instrument is categorised as medium as these instruments carry with a CE rating.
For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

Annexure

Instrument	ISIN Number	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/Outlook
Non-convertible debentures (Series 1)	INE540P07079	17 February 2017	8.97	15 February 2024	INR4,650.00	WD (Paid in full)

Non-convertible debentures (Series 1)	INE540P07152	27 March 2017	8.48	14 March 2025	INR4,985.00	IND AA(CE)/Stable
Non-convertible debentures (Series 1)	INE540P07160	27 March 2017	8.48	13 March 2026	INR4,985.00	IND AA(CE)/Stable
Non-convertible debentures (Series 1)	INE540P07178	27 March 2017	8.48	15 March 2027	INR4,985.00	IND AA(CE)/Stable
Non-convertible debentures (Series 2 Tranche 1)	INE540P07236	5 December 2017	9.75	18 October 2024	INR2,646.00	IND A+(CE)/Stable
Non-convertible debentures (Series 2 Tranche 1)	INE540P07244	5 December 2017	9.75	20 October 2025	INR5,292.00	IND A+(CE)/Stable
Non-convertible debentures (Series 2 Tranche 1)	INE540P07251	5 December 2017	9.75	20 October 2026	INR5,292.00	IND A+(CE)/Stable
Non-convertible debentures (Series 2 Tranche 1)	INE540P07269	5 December 2017	9.75	20 October 2027	INR5,292.00	IND A+(CE)/Stable
Non-convertible debentures (Series 2 Tranche 2)	INE540P07319	27 March 2018	10.15	19 January 2024	INR3,230.00	WD (Paid in full)
Non-convertible debentures (Series 2 Tranche 2)	INE540P07327	27 March 2018	10.15	20 January 2025	INR4,845.00	IND A+(CE)/Stable
Non-convertible debentures (Series 2 Tranche 2)	INE540P07335	27 March 2018	10.15	20 January 2026	INR6,460.00	IND A+(CE)/Stable
Non-convertible debentures (Series 2 Tranche 2)	INE540P07343	27 March 2018	10.15	20 January 2027	INR6,460.00	IND A+(CE)/Stable
Non-convertible debentures (Series 2 Tranche 2)	INE540P07350	27 March 2018	10.15	20 January 2028	INR6,460.00	IND A+(CE)/Stable
Non-convertible debentures (Series 3 Tranche 1)	INE540P07368	30 March 2022	9.7	31 March 2025	INR4,939.00	IND A+(CE)/Stable
Non-convertible debentures (Series 3 Tranche 1)	INE540P07376	30 March 2022	9.7	31 March 2026	INR4,939.00	IND A+(CE)/Stable
Non-convertible debentures (Series 3 Tranche 1)	INE540P07384	30 March 2022	9.7	31 March 2027	INR4,939.00	IND A+(CE)/Stable
Non-convertible debentures (Series 3 Tranche 1)	INE540P07392	30 March 2022	9.7	31 March 2028	INR4,939.00	IND A+(CE)/Stable
Non-convertible debentures (Series 3 Tranche 1)	INE540P07400	30 March 2022	9.7	30 March 2029	INR4,939.00	IND A+(CE)/Stable
Non-convertible debentures (Series 3 Tranche 1)	INE540P07418	30 March 2022	9.7	29 March 2030	INR4,939.00	IND A+(CE)/Stable
Non-convertible debentures (Series 3 Tranche 1)	INE540P07426	30 March 2022	9.7	31 March 2031	INR4,939.00	IND A+(CE)/Stable
Non-convertible debentures (Series 3 Tranche 1)	INE540P07434	30 March 2022	9.7	22 March 2032	INR4,939.00	IND A+(CE)/Stable
Non-convertible debentures (Series 3 Tranche 2)	INE540P07442	7 October 2022	9.95	31 March 2025	INR4,360.00	IND A+(CE)/Stable
Non-convertible debentures (Series 3 Tranche 2)	INE540P07459	7 October 2022	9.95	31 March 2026	INR4,360.00	IND A+(CE)/Stable
Non-convertible debentures (Series 3 Tranche 2)	INE540P07467	7 October 2022	9.95	31 March 2027	INR4,360.00	IND A+(CE)/Stable
Non-convertible debentures (Series 3 Tranche 2)	INE540P07475	7 October 2022	9.95	31 March 2028	INR4,360.00	IND A+(CE)/Stable
Non-convertible debentures (Series 3 Tranche 2)	INE540P07483	7 October 2022	9.95	30 March 2029	INR4,360.00	IND A+(CE)/Stable
Non-convertible debentures (Series 3 Tranche 2)	INE540P07491	7 October 2022	9.95	29 March 2030	INR4,360.00	IND A+(CE)/Stable
Non-convertible debentures (Series 3 Tranche 2)	INE540P07509	7 October 2022	9.95	31 March 2031	INR4,360.00	IND A+(CE)/Stable
Non-convertible debentures (Series 3 Tranche 2)	INE540P07517	7 October 2022	9.95	22 March 2032	INR4,360.00	IND A+(CE)/Stable
Total					**INR1,57,669.00**	
Source: UPPCL						

APPLICABLE CRITERIA

Local and State Government Rating Criteria

Evaluating Corporate Governance

Policy for Credit Enhanced (CE) Ratings

Rating of Public Sector Entities

The Rating Process

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About India Ratings and Research: India Ratings and Research (Ind-Ra) is committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

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For more information, visit www.indiaratings.co.in.

Solicitation Disclosures

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