

	<p align="center"><b>U.P. Power Corporation Limited</b>  (Govt. of Uttar Pradesh Undertaking)  <b>Shakti Bhawan, 14-Ashok Marg, Lucknow - 226 001</b>  <b>CIN: U32201UP1999SGC024928</b></p>
---	--

### TERM SHEET


1.	<b>Security Name</b>	UPPCL State Government Serviced Bonds Series I/2022
2.	<b>Issuer</b>	U. P. Power Corporation Limited (UPPCL), a company wholly owned by the Government of Uttar Pradesh
3.	<b>Type of Instrument</b>	Secured, Rated, Listed, Redeemable, Taxable, Government of Uttar Pradesh serviced Non-Convertible Bonds; supported by Unconditional & Irrevocable Guarantee by the Government of Uttar Pradesh as a principal debtor & not merely as a surety.
4.	<b>Nature of Instrument (Secured or Unsecured)</b>	Secured
5.	<b>Seniority (Senior or Subordinated)</b>	Senior
6.	<b>Mode of Issue</b>	Private Placement
7.	<b>Eligible Investors</b>	The Eligible Investors are: (a) individuals; (b) Hindu Undivided Family; (c) trust; (d) limited liability partnerships; (e) partnership firm(s); (f) portfolio managers registered with SEBI; (g) association of persons; (h) companies and bodies corporate including public sector undertakings; (i) scheduled commercial banks; (j) regional rural banks; (k) financial institutions; (l) insurance companies; (m) mutual funds; (n) foreign portfolio investors; and (n) any other investor eligible to invest in these Debentures in accordance with applicable law.
8.	<b>Listing</b>	Proposed on the Wholesale Debt Market (WDM) Segment of BSE
9.	<b>Rating of the Instrument</b>	Provisional A+ (CE) with [Stable] outlook by [CRISIL Ratings Limited] for an amount up to INR 8,000 Crores vide its letter dated 14-03-2022 and the Debentures have been rated Provisional A+ (CE) with [Stable] outlook by India Ratings & Research Private Limited for an amount up to INR 8,000 Crores vide its letter dated 14-03-2022
10.	<b>Issue Size</b>	INR 2,000 crore plus green shoe option to retain over-subscription up to INR 6,000 crore i.e. for an aggregate issue size of INR 8,000 crore
11.	<b>Minimum Subscription</b>	INR 80 lakhs (comprising 1 bond of INR 10 lakhs Face Value in each Sub-Series A to H) and in multiples thereof.
12.	<b>Option to retain oversubscription amount (Amount)</b>	Green shoe option to retain over-subscription up to INR 6,000 crore i.e. for an aggregate issue size of INR 8,000 crore
13.	<b>Final Issue Size Post EBP Allocation</b>	INR 3951.20 Crore
14.	<b>Objects of the issue / purpose for which there is requirement of funds</b>	The net proceeds out of the issue after deduction of issue related expenses would be used by issuer for augmenting the long term resources of the Company for meeting their gross operational funding and working capital requirements.

	<p align="center"><b>U.P. Power Corporation Limited</b>  (Govt. of Uttar Pradesh Undertaking)  <b>Shakti Bhawan, 14-Ashok Marg, Lucknow - 226 001</b>  CIN: U32201UP1999SGC024928</p>
---	---


15.	<b>Details of the utilization of the Proceeds</b>	As mentioned above															
16.	<b>Coupon Rate</b>	<b>9.70%</b>															
17.	<b>Step Up/Step Down Coupon Rate</b>	Not applicable															
18.	<b>Coupon Payment Frequency</b>	Quarterly															
19.	<b>Coupon payment dates</b>	First coupon would be paid on 30th June 2022 & thereafter as on dates stipulated in the Information Memorandum															
20.	<b>Coupon Type (Fixed, floating or other structure)</b>	Fixed															
21.	<b>Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)</b>	Not applicable															
22.	<b>Day Count Basis</b>	Actual / Actual															
23.	<b>Interest on Application Money</b>	Not applicable															
24.	<b>Default Interest Rate</b>	<p>Including but not restricted to the following:</p> <ul style="list-style-type: none"> <li>In case of default in payment of interest and/or principal redemption on the due dates, additional interest of @ 2% p.a. over the Coupon Rate will be payable by the issuer for the defaulting period on defaulted amount.</li> <li>In the event the security stipulated is not created and perfected within the timelines as stipulated in the column titled 'Security', additional interest of 1% (one percent) per annum or such higher rate as may be prescribed by law, shall be payable on the principal amount of the Debt Securities till the date of perfection of the security interest.</li> <li>In case of delay in listing beyond 4 (four) Business Days from the Issue Closing Date, the Company will pay additional interest of 1% p.a. over the Coupon Rate to the Debenture Holders from the deemed date of allotment till the listing of Debt Securities. Further, the Company shall be permitted to utilise proceeds of its subsequent two privately placed issues, only after receiving final listing approval from the Stock Exchange.</li> </ul>															
25.	<b>Tenor</b>	<p>Series A to H, for tenor 3 years to 10 years, with equal quarterly redemption in each Series, with the first redemption scheduled in the 9th quarter: <i>(Please refer to Principal Redemption Schedule)</i></p> <table border="1"> <thead> <tr> <th>Sub-Series</th><th>As %age of Issue</th><th>Amount as per base issue size INR in crore</th></tr> </thead> <tbody> <tr> <td>A</td><td>12.50%</td><td>250</td></tr> <tr> <td>B</td><td>12.50%</td><td>250</td></tr> <tr> <td>C</td><td>12.50%</td><td>250</td></tr> <tr> <td>D</td><td>12.50%</td><td>250</td></tr> </tbody> </table>	Sub-Series	As %age of Issue	Amount as per base issue size INR in crore	A	12.50%	250	B	12.50%	250	C	12.50%	250	D	12.50%	250
Sub-Series	As %age of Issue	Amount as per base issue size INR in crore															
A	12.50%	250															
B	12.50%	250															
C	12.50%	250															
D	12.50%	250															

	<p align="center"><b>U.P. Power Corporation Limited</b>  (Govt. of Uttar Pradesh Undertaking)  <b>Shakti Bhawan, 14-Ashok Marg, Lucknow - 226 001</b>  <b>CIN: U32201UP1999SGC024928</b></p>
---	--


		E	12.50%	250	
		F	12.50%	250	
		G	12.50%	250	
		H	12.50%	250	
		<b>Total</b>	<b>100.00%</b>	<b>2,000</b>	
26.	<b>Redemption Date</b>	<p>The issue of INR 2,000 crore (plus green-shoe option for an aggregate amount of up to INR 8,000 crore) would comprise of 8 Sub-Series (A to H) as mentioned above of sequentially, redeemable bonds in equal quarterly amount.</p> <p>Each of the Sub-Series 'A' to Sub-Series 'H' would be redeemable in 4 equal quarterly instalments of 3.125% (INR 62.50 crore considering the base issue size) of the aggregate issue size, with redemption of Sub-Series 'A' commencing from the end of 9<sup>th</sup> quarter, Sub-Series 'B' commencing from the end of 13<sup>th</sup> quarter and so on.</p> <p><i>Please refer Principal Redemption Schedule</i></p>			
27.	<b>Redemption Amount</b>	At par (INR 10 Lakhs) per bond under each Sub-Series			
28.	<b>Redemption Premium/ Discount</b>	At par (INR 10 Lakhs) per bond under each Sub-Series			
29.	<b>Issue Price</b>	At par (INR 10 Lakhs) per bond under each Sub-Series			
30.	<b>Discount at which such security is offered and the effective yield as a result of such discount.</b>	Not applicable			
31.	<b>Put Date</b>	N.A.			
32.	<b>Put Price</b>	N.A.			
33.	<b>Call Date</b>	N.A.			
34.	<b>Call Price</b>	N.A.			
35.	<b>Put Notification Time (Timelines by which the investor needs to intimate Issuer before exercising the put)</b>	N.A.			
36.	<b>Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)</b>	N.A.			
37.	<b>Face Value</b>	Bonds under each Sub-Series would have a face value of INR 10 Lakhs each			
38.	<b>Minimum Application and in multiples of thereafter</b>	INR 80 lakhs (comprising 1 bond of INR 10 lakhs Face Value in each Sub-Series A to H) and in multiples thereof.			
39.	<b>Issue Timing</b>	09.30 a.m. to 11:30 a.m.			
40.	<b>Issue Opening Date</b>	March 29, 2022			
41.	<b>Issue Closing Date</b>	March 29, 2022			

	<p align="center"><b>U.P. Power Corporation Limited</b>  (Govt. of Uttar Pradesh Undertaking)  <b>Shakti Bhawan, 14-Ashok Marg, Lucknow - 226 001</b>  <b>CIN: U32201UP1999SGC024928</b></p>
---	--


42.	<b>Date of earliest closing of the issue, if any</b>	March 29, 2022
43.	<b>Pay-in Date</b>	March 30, 2022
44.	<b>Deemed date of allotment</b>	March 30, 2022
45.	<b>Settlement mode of the Instrument</b>	Demat only
46.	<b>Depository</b>	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)
47.	<b>Disclosure of Interest /dividend/redemption redemption dates</b>	As mentioned in cash flow
48.	<b>Record date</b>	15 days prior to each Coupon Payment Date and Redemption Date. In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.
49.	<b>All covenants of the issue (including side letters, accelerated payment clause, etc.)</b>	<ol style="list-style-type: none"> <li>Unconditional and irrevocable guarantee from the Government of Uttar Pradesh for timely servicing of these bonds including providing quarterly funding support for bond servicing through budgetary allocation.</li> <li>Debt Service Reserve Account to the extent of fully covering the servicing requirement of two quarters as liquidity support.</li> <li>Default Escrow Covenant (Enumerated below) to take care of DSRA Impairment</li> <li>Stipulation for invocation of Government Guarantee for impairment in DSRA to a level below the servicing requirement for the immediate servicing quarter.</li> </ol>
50.	<b>Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security interest to the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in the Placement Memorandum</b>	<p>The bonds would be secured by way of</p> <ol style="list-style-type: none"> <li>Exclusive Charge on the UPPCL BOND SERVICING ACCOUNT SERIES I 2022 and on the amount transferred therein to be utilized only for servicing of the bonds on quarterly servicing dates.</li> <li>Exclusive Charge on the UPPCL DEBT SERVICING RESERVE ACCOUNT BOND SERIES I 2022 and the funds lying there-in.</li> <li>First charge on UPPCL DESIGNATED RECEIPT ACCOUNT BOND SERIES 2022 and UPPCL STATE GOVERNMENT FUNDING RECEIPT ACCOUNT BOND SERIES 2022 and any present and future amount, received by way of Government of Uttar Pradesh funding for servicing these bonds and on account of supply of power from Irrigation and Agriculture departments of the State to the extent of INR 600 crores per quarter. This first charge would be pari-passu only with the debenture holders in respect of the aggregate issue size of up to Rs 8,000 crores.</li> <li>Charge on the residual current assets including book debts and receivables of the company after taking into account prior charges created in favour of the existing secured lenders. The book value of such assets would provide 100% security cover on the outstanding bonds</li> </ol>

	<p align="center"><b>U.P. Power Corporation Limited</b>  <b>(Govt. of Uttar Pradesh Undertaking)</b>  <b>Shakti Bhawan, 14-Ashok Marg, Lucknow - 226 001</b>  <b>CIN: U32201UP1999SGC024928</b></p>
---	---


		<p>throughout its entire tenure. This charge would also be on pari-passu basis only with the debenture holders in respect of the aggregate bond amount of INR 8,000 crores. No further encumbrance would be created on these current assets which in any way shall be senior to the charge of the bondholders mentioned above.</p> <p>Further, the receipts for supply of power from Irrigation &amp; Agriculture departments of Rs 600 crores per quarter flowing into UPPCL STATE GOVERNMENT FUNDING RECEIPT ACCOUNT BOND SERIES 2022 both present &amp; future as well as assigned revenue inflows from urban division(s) (as applicable) (which are required to be deposited if the funds from the Irrigation &amp; Agriculture departments is lower than the stipulated amount), to the extent of INR 600 crores per quarter would be hypothecated in favour of the Trustee acting on behalf of debenture holders for the aggregate issue size of INR 8,000 crores.</p> <p>The charges pertaining to all the above hypothecated assets would be filed with the office of the concern Registrar of Companies and other appropriate agencies.</p>
51.	<b>Transaction Documents</b>	<p>Placement Memorandum,          Debenture Trustee Agreements          Debenture Trust Deed          Deeds of Hypothecation and other security documents          Deed of Guarantee          Accounts Agreement &amp; Funding Receipt Accounts Agreement          Board resolution authorising issue the NCDs / Bonds and relevant shareholders resolutions          Consent of Debenture Trustee and Registrar          Security Documents for creation of charge          Tripartite agreements with NSDL and CDSL          Rating letters and Rating rationale          In-principle approval letter issued by BSE</p>
52.	<b>Conditions Precedent to Disbursement</b>	<p>Customary to such type of NCD Issuance, including but not limited to:</p> <ol style="list-style-type: none"> <li>1) Certified copies of the Government Order (in English) certified by the Company</li> <li>2) Certified copies of constitutional documents of the Issuer</li> <li>3) Board resolution and shareholders resolution for the Issue</li> <li>4) Certificate from the Issuer confirming</li> <li>5) Execution of transaction documents to be executed before payin</li> <li>6) Provisional rating letter</li> <li>7) In principle approval from the stock exchanges</li> <li>8) Depository arrangements with NSDL and CDSL and RTA</li> <li>9) Due diligence (of security proposed to be offered) by Debenture Trustee and the certificate thereon</li> </ol>

	<p align="center"><b>U.P. Power Corporation Limited</b>  <b>(Govt. of Uttar Pradesh Undertaking)</b>  <b>Shakti Bhawan, 14-Ashok Marg, Lucknow - 226 001</b>  <b>CIN: U32201UP1999SGC024928</b></p>
---	---

		10) Creation of DSRA
53.	<b>Condition Subsequent to Disbursement</b>	<ol style="list-style-type: none"> <li>1) Copies of all corporate actions allotting the bonds</li> <li>2) Creation of security within stipulated timelines</li> <li>3) Security perfection</li> <li>4) Filing of return of allotment with ROC</li> <li>5) Within 30 (thirty) days of the Deemed Date of Allotment, providing a certificate from the auditors of the Company in relation to utilisation of the Proceeds of the issue of the Bonds by the Company.</li> <li>6) Within 4 (four) trading days from the Issue Closing Date, obtaining the final listing approval from the Stock Exchange and listing the Bonds on the wholesale debt market segment of the relevant Designated Stock Exchange.</li> <li>7) Credit of bonds in the demat accounts of the debenture holders</li> <li>8) Others as shall be detailed in the Debenture Trust Deed</li> </ol>
54.	<b>Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement)</b>	<ol style="list-style-type: none"> <li>1. Non-payment of any bond servicing obligation on due date.</li> <li>2. Any failure on behalf of Issuer 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, Debenture Trust Deed, Deed of Guarantee, Debenture Trustee Agreement and all other transaction documents which in opinion of the Trustee is incapable of remedy.</li> <li>3. Failure by the Government of Uttar Pradesh to provide timely funding support through necessary provisions in the annual State Budget, for any 3 consecutive servicing cycles throughout the tenure of the bonds.</li> <li>4. Failure to honour invocation of Government of Uttar Pradesh Guarantee for DSRA replenishment within stipulated timelines.</li> <li>5. Application for 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 7 days from the date of such filing.</li> <li>6. Other events of default which are typical for transactions of this nature and/or set out in the Debenture Trust Deed</li> </ol>
55.	<b>Creation of recovery expense fund</b>	The Issuer has created the Recovery Expense Fund for a maximum limit of INR 25,00,000 (Indian Rupees Twenty-Five Lakh) in accordance with the SEBI REF Circular with the BSE Limited.
56.	<b>Conditions for breach of covenants (as specified in Debenture Trust Deed)</b>	Conditions amounting to breach of covenants, their cure period, breaches which constitute Events of Default and their consequences shall be as mentioned in the Debenture Trust Deed
57.	<b>Provisions related to Cross Default Clause</b>	Not Applicable
58.	<b>Role and Responsibilities of Debenture Trustee</b>	As per SEBI (Debenture Trustees) Regulations, 1993, SEBI NCS Regulations, Companies Act, the simplified listing agreement(s), the Debenture Trust Deed,


	<p align="center"><b>U.P. Power Corporation Limited</b>  <b>(Govt. of Uttar Pradesh Undertaking)</b>  <b>Shakti Bhawan, 14-Ashok Marg, Lucknow - 226 001</b>  <b>CIN: U32201UP1999SGC024928</b></p>
---	---

		the Debenture Trustee Agreement or other SEBI circulars, notifications, regulations, as applicable, each as amended from time to time
59.	<b>Risk factors pertaining to the Issue</b>	Detailed in this Placement Memorandum in Point No xvii B
60.	<b>Governing Law and Jurisdiction</b>	The Debentures are governed by and shall be construed in accordance with the Indian laws. Any dispute arising thereof will be subject to the exclusive jurisdiction of Uttar Pradesh (unless otherwise specified in the respective Transaction documents)
61.	<b>SEBI Electronic Book Mechanism Guidelines</b>	<p>The final subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI under the SEBI Electronic Book Mechanism Guidelines by placing bids on the electronic book platform during the Issue period.</p> <p>Minimum Bid Lot: INR 80 lakhs (comprising 1 bond of INR 10 lakhs Face Value in each Sub-Series A to H) and in multiples thereof.</p> <p>Manner of bidding: Closed Book</p> <p>Manner of Allotment: Uniform Price</p> <p>Manner of Settlement: Through ICCL  Settlement Cycle: T+ 1 (T= Bidding date i.e. 29.03.2022)</p>
62.	<b>Government Guarantee</b>	The Government of Uttar Pradesh will provide unconditional and irrevocable guarantee for all payment obligations in respect of these bonds
63.	<b>Servicing from Government of Uttar Pradesh</b>	Additionally, the Government of Uttar Pradesh, through budgetary allocation has committed to provide quarterly funding support for servicing of bonds throughout the tenure
64.	<b>Business Day Convention</b>	<p>If the coupon payment date falls on a Sunday or a holiday, the coupon payment shall be made on the next working day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the offer document.</p> <p>If the maturity date of the debentures, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day.</p> <p>If a leap year (i.e. February 29) falls during the tenor of the debentures, then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for the entire year, irrespective of whether the interest/ dividend is payable annually, half yearly, quarterly or monthly.</p>


	<p align="center"><b>U.P. Power Corporation Limited</b>  <b>(Govt. of Uttar Pradesh Undertaking)</b>  <b>Shakti Bhawan, 14-Ashok Marg, Lucknow - 226 001</b>  <b>CIN: U32201UP1999SGC024928</b></p>
---	---

65.	<b>UPPCL Bond Servicing Account</b>	<p>The Issuer would be required to open a designated escrow account - “UPPCL BOND SERVICING ACCOUNT SERIES I 2022” exclusively for the benefit and charged to the Debenture Trustee (on behalf of the bondholders of this Series).</p> <p>This is a Regular Escrow Account and all funds in this account would be solely utilized for bond servicing throughout the tenor of the bonds.</p>
66.	<b>Debt Service Reserve Account (DSRA)</b>	<p>The Issuer would be required to open a designated escrow account - “UPPCL DEBT SERVICING RESERVE ACCOUNT BOND SERIES I 2022” exclusively for the benefit and charged to the Debenture Trustee (on behalf of the bondholders).</p> <p>An amount equivalent to the total servicing obligation (Principal &amp; Interest) of the outstanding bonds for the next 2 quarters would need to be maintained by the Issuer in the DSRA account on rolling basis and the initial DSRA amount so calculated would need to be deposited atleast one day prior to the date of pay in.</p> <p>Prior to commencement of principal redemption (from the end of 9<sup>th</sup> and 10<sup>th</sup> quarter), the DSRA would need to be suitably augmented within 15 days after the expiry of the 7<sup>th</sup> and 8<sup>th</sup> quarter to take care of this enhanced servicing liability.</p> <p>Further, as the servicing liability would progressively come down after the peak, the Issuer would be permitted to take out the excess amount from DSRA progressively under intimation to the Debenture Trustee, subject to no unresolved breach of any covenant.</p> <p>The DSRA would be in the form of cash or cash equivalent (investment in Permitted Instruments and would remain escrowed in favour of the Debenture Trustee).</p>
67.	<b>Permitted Investments</b>	<p>The funds in this Escrow Account and DSRA till such time being utilized would be allowed to be invested in permitted investments i.e. (i) Fixed Deposits with Scheduled Commercial Banks with a minimum Credit Rating of AA, and/ or (ii) in units of liquid mutual funds having the highest possible investment grade rating. These investments are to be pledged in favour of the Debenture Trustee.</p> <p>These investments would be made &amp; liquidated by the Debenture Trustee as per the instruction of the issuer from time to time. However, any investment of funds of Bond Servicing Account other than in Bank FDs would be compulsorily liquidated by the Trustee on T-3 days if not liquidated earlier. The investment in Bank FDs, out of funds lying in UPPCL BOND SERVICING ACCOUNT SERIES I 2022 should have a maturity date at least 1 day prior to the next bond servicing date.</p>



	<p align="center"><b>U.P. Power Corporation Limited</b>  <b>(Govt. of Uttar Pradesh Undertaking)</b>  <b>Shakti Bhawan, 14-Ashok Marg, Lucknow - 226 001</b>  <b>CIN: U32201UP1999SGC024928</b></p>
---	---

		<p>Similarly, in case of any shortfall persisting in the UPPCL BOND SERVICING ACCOUNT SERIES I 2022 on T-9 days, the trustee should ensure availability of adequate funds to meet such shortfall in cash form in the DSRA, if required, through need-based liquidation of investments.</p>
68.	<b>Collateral Support Structure</b>	<p>The bonds would have further collateral support, by way of Unconditional &amp; Irrevocable guarantee as a continuing obligation, of the Government of Uttar Pradesh as a principal debtor &amp; not merely as a surety.</p> <p>Further, the Deed of Guarantee should also specifically provide for funding support by the Government of Uttar Pradesh for quarterly servicing of the bonds to be made available between 45 and 15 days prior to the relevant quarterly bonds servicing date.</p>
69.	<b>Default Escrow Account</b>	<p>The Issuer would be required to open a designated bank account “UPPCL STATE GOVERNMENT FUNDING RECEIPT ACCOUNT BOND SERIES 2022”.</p> <p>The Government of Uttar Pradesh has undertaken to provide necessary funds for quarterly servicing of these bonds on a continuing basis till the final redemption. In terms of the above, the Government of Uttar Pradesh would provide funding support to the Issuer to meet its quarterly servicing obligations in each quarterly payout cycle anytime between 45 and 15 days prior to the bonds servicing date (T-45 to T-15) which would get credited to this account. This amount would be transferred to the UPPCL BOND SERVICING ACCOUNT SERIES I 2022 to the extent required as mentioned under Structured Payment Mechanism. This funding support would be by way of Budgetary Allocation from the Government of Uttar Pradesh and would form an integral part of the Deed of Guarantee.</p> <p>Further, the Issuer has been receiving on an average an amount of around INR 4,000 crores per annum for supply of power from irrigation &amp; agriculture departments of Government of Uttar Pradesh in varying monthly instalments. At present the quarterly receipt is around INR 1,000 crores. The issuer would be required to give an undertaking that out of the above, an amount of INR 600 crores per quarter would directly get credited (by way of an irrevocable standing instruction) to UPPCL STATE GOVERNMENT FUNDING RECEIPT ACCOUNT BOND SERIES 2022 throughout the tenure of the bonds.</p> <p>The Issuer would be required to give an undertaking that the said account would be kept free of any encumbrance at all points of time. In the event of certain specified conditions, the Debenture Trustee will have a right to create escrow on such account.</p> <p>The Issuer would be required to inform the Debenture Trustee the amount of quarterly flow of funds received from the Government of Uttar Pradesh as mentioned above through this account at the end of every quarter along with the</p>

	<p align="center"><b>U.P. Power Corporation Limited</b>  <b>(Govt. of Uttar Pradesh Undertaking)</b>  <b>Shakti Bhawan, 14-Ashok Marg, Lucknow - 226 001</b>  <b>CIN: U32201UP1999SGC024928</b></p>
---	---

		<p>bank statement of the account supporting the same.</p> <p>In the event the flow of such funds from the Irrigation &amp; Agriculture departments is found to be less than INR 500 crores per quarter on an average for any 2 consecutive quarters, the Issuer would be required to assign the revenue flow from one or more of urban division(s) of any of the DISCOMs to this account so as to restore the quarterly fund flow to atleast INR 600 crores. The revenue flow from these division(s) should be free from any kind of encumbrance. These additional receivables, when assigned would also need to be hypothecated in favour of the Debenture Trustee in the same manner as stipulated above. An irrevocable, legally binding undertaking to this effect would be obtained from the Issuer.</p> <p>Any amount, both present and future, received by way of Government of Uttar Pradesh funding for servicing of these bonds and on account of supply of Power from Irrigation and Agriculture Departments to the extent of INR 600 crores per quarter and flowing through UPPCL STATE GOVERNMENT FUNDING RECEIPT ACCOUNT BOND SERIES 2022, would remain hypothecated in favour of the Debenture Trustee. The charge would be filed with the office of the concern Registrar of Companies and other appropriate agencies. This charge would be on a parri passu basis with any future issuance of the bonds by the issuer in one or more tranches, with similar terms and conditions subject to an aggregate limit of INR 8,000 crores.</p> <p>Further the amount in this account would be available proportionately towards the debt service requirements for the present series and above mentioned future issuances, if any, subject to the aggregate limit of INR 8,000 crores.</p>
70.	<b>Structured Payment Mechanism</b>	<p>All the collections from the various divisions are transferred to the bank accounts of UPPCL – UPPCL Receipt Accounts.</p> <p>The Issuer would identify/ create one such receipt account with any particular bank- UPPCL DESIGNATED RECEIPT ACCOUNT BOND SERIES 2022 where there would be a flow of atleast INR 9 crores on every working day (for the maximum issue size of INR 8,000 crore or pro-rata as per the actual issue size) which should be free from any encumbrance/ escrow from any of the existing/future lenders or creditors. It would undertake that starting from the 1<sup>st</sup> day of each quarter, it would remit on every working day an amount on pro-rata basis to UPPCL Bond Servicing Account from the said UPPCL DESIGNATED RECEIPT ACCOUNT BOND SERIES 2022 on first priority basis by way of an irrevocable standing instruction to the concerned bank such that the entire fund required for servicing the debt obligation of these bonds falling due on the next servicing date gets built up within a period of 75 days (T-15) i.e. 15 days prior to the quarterly servicing date. Shortfall of transfer, if any, on any particular day would get cumulated &amp; carried forward to the next day on a rolling basis. The</p>



**U.P. Power Corporation Limited**  
(Govt. of Uttar Pradesh Undertaking)  
**Shakti Bhawan, 14-Ashok Marg, Lucknow - 226 001**  
**CIN: U32201UP1999SGC024928**

issuer would be free to utilize on a daily basis the balance amount, if any, remaining in the account after effecting such transfer with intimation to Debenture Trustee.


In terms of the Deed of Guarantee, the Government of Uttar Pradesh would be providing funding support for servicing of the bonds by way of requisite fund infusion in the UPPCL STATE GOVERNMENT FUNDING RECEIPT ACCOUNT BOND SERIES 2022 anytime between 45 and 15 days prior to the every quarterly bond servicing date. The Issuer would need to give an undertaking that on receipt of the said funds, it would immediately transfer the requisite funds to UPPCL BOND SERVICING ACCOUNT SERIES I 2022 on next working day to ensure full build-up of servicing amount for the next payout date. Thereafter, no daily transfer of funds would be required and the balance amount out of Government of Uttar Pradesh funding would be available to the Issuer for its regular use.

The Debenture Trustee should independently monitor the adequacy of collection in the UPPCL BOND SERVICING ACCOUNT SERIES I 2022 on T-14<sup>th</sup> day and inform the Uttar Pradesh Government of Uttar Pradesh and, through written communication, to fund the short-fall if any by T-10<sup>th</sup> day in terms of their obligation for providing servicing support in terms of the Deed of Guarantee. This should also be intimated to the concerned Credit Rating agencies.

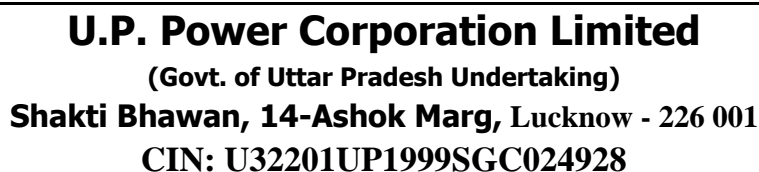
In the event of such shortfall in UPPCL BOND SERVICING ACCOUNT SERIES I 2022 not getting fully bridged through payments by Government of Uttar Pradesh by T-10<sup>th</sup> day, the Debenture Trustee would call upon the Government of Uttar Pradesh Guarantee on T-9<sup>th</sup> day for failure of providing timely funding support and to immediately make good such shortfall latest by T-3<sup>rd</sup> day. The Deed of Guarantee would specifically provide for this obligation on the part of the Government of Uttar Pradesh to fund the shortfall in UPPCL BOND SERVICING ACCOUNT SERIES I 2022 within stipulated timelines when called upon by the Debenture Trustee in line with its commitment for providing financial support for servicing of these bonds.

On T-2<sup>nd</sup> day, if the shortfall still persists, then Debenture Trustee would meet such shortfall by transferring funds from the UPPCL DEBT SERVICING RESERVE ACCOUNT BOND SERIES I 2022 and make the necessary payments to the debenture holders on the due date.

However, the T-9<sup>th</sup> day notice to the Government of Uttar Pradesh to fund the shortfall would continue to remain active and if such funding is received subsequently, the same shall be transferred to UPPCL DEBT SERVICING RESERVE ACCOUNT BOND SERIES I 2022 to make good the impairment.

	<p align="center"><b>U.P. Power Corporation Limited</b>  <b>(Govt. of Uttar Pradesh Undertaking)</b>  <b>Shakti Bhawan, 14-Ashok Marg, Lucknow - 226 001</b>  <b>CIN: U32201UP1999SGC024928</b></p>
---	---

		<p>Further, such notice(s) to the Government of Uttar Pradesh would continue to get served if required, as per the same timelines for subsequent and future servicings. If any overdues on account of past servicing from UPPCL DEBT SERVICING RESERVE ACCOUNT BOND SERIES I 2022 continues to remain, then such overdue amount would be added in the subsequent notice.</p> <p>If any of the milestone days mentioned in the T-structure above happens to be a holiday/ bank's closing day, the immediate preceding bank working day would be the deemed date for execution of the relevant action.</p>
71.	<p><b>Remedial Action Consequential to Impairment of DSRA</b></p>	<p>In the event of any impairment of DSRA:</p> <ul style="list-style-type: none"> <li>(i) the escrow mechanism on UPPCL DESIGNATED RECEIPT ACCOUNT BOND SERIES 2022 and UPPCL STATE GOVERNMENT FUNDING RECEIPT ACCOUNT BOND SERIES 2022 would get activated on the next working day through an instruction from the Debenture Trustee to the concerned bank to the effect that all funds available/ received would get immediately transferred to UPPCL DEBT SERVICING RESERVE ACCOUNT BOND SERIES I 2022.</li> <li>(ii) all amounts lying to the credit of the UPPCL BOND SERVICING ACCOUNT SERIES I 2022 shall be transferred to the UPPCL DEBT SERVICING RESERVE ACCOUNT BOND SERIES I 2022 on an ongoing basis until the DSRA is replenished. Until such time the Issuer will not be entitled to utilize any cashflows available into the UPPCL DESIGNATED RECEIPT ACCOUNT BOND SERIES 2022.</li> </ul> <p>This would remain in force till such time the DSRA gets fully replenished and the full requisite amount for servicing of the bonds for the next quarterly payout date gets built-up in the UPPCL BOND SERVICING ACCOUNT SERIES I 2022.</p>
72.	<p><b>Remedial Action for shortfall in DSRA built-up</b></p>	<p>The Issuer should get the DSRA enhanced within 15 days after the expiry of 7<sup>th</sup> and 8<sup>th</sup> quarter for an amount equivalent to the total servicing obligation (Principal &amp; Interest) of the outstanding bonds for the next 2 quarters. In the event the DSRA enhancement not getting completed within the timeline stipulated above the Debenture Trustee on the next working day would activate the escrowing mechanism on the UPPCL DESIGNATED RECEIPT ACCOUNT BOND SERIES 2022 and UPPCL STATE GOVERNMENT FUNDING RECEIPT ACCOUNT BOND SERIES 2022 through a written instruction to the concerned banker to the effect that all funds available/ received would get immediately transferred to DSRA. This would remain in force till the full augmentation of DSRA gets completed.</p> <p>Simultaneously the Debenture Trustee would also intimate the Government of Uttar Pradesh and request to ensure suitable DSRA augmentation within a period of next 15 days if the buildup is not completed through a flow of funds from the UPPCL STATE GOVERNMENT FUNDING RECEIPT ACCOUNT BOND SERIES 2022.</p>



### ILLUSTRATION CASH FLOW PER BOND

[illegible]




**U.P. Power Corporation Limited**  
(Govt. of Uttar Pradesh Undertaking)  
**Shakti Bhawan, 14-Ashok Marg, Lucknow - 226 001**  
**CIN: U32201UP1999SGC024928**

Friday,31March,2023	24,184	24,184	24,184	24,184	24,184	24,184	24,184	24,184	1,93,468
Friday,30June,2023	24,184	24,184	24,184	24,184	24,184	24,184	24,184	24,184	1,93,468
Friday,29September,2023	24,184	24,184	24,184	24,184	24,184	24,184	24,184	24,184	1,93,468
Friday,29December,2023	24,184	24,184	24,184	24,184	24,184	24,184	24,184	24,184	1,93,468
Friday,29March,2024	24,117	24,117	24,117	24,117	24,117	24,117	24,117	24,117	1,92,940
Monday,1July,2024	2,74,913	24,913	24,913	24,913	24,913	24,913	24,913	24,913	4,49,301
Monday,30September,2024	2,68,088	24,117	24,117	24,117	24,117	24,117	24,117	24,117	4,36,911
Tuesday,31December,2024	2,62,191	24,383	24,383	24,383	24,383	24,383	24,383	24,383	4,32,869
Monday,31March,2025	2,55,979	23,918	23,918	23,918	23,918	23,918	23,918	23,918	4,23,404
Monday,30June,2025		2,74,184	24,184	24,184	24,184	24,184	24,184	24,184	4,19,285
Tuesday,30September,2025		2,68,337	24,449	24,449	24,449	24,449	24,449	24,449	4,15,033
Wednesday,31December,2025		2,62,225	24,449	24,449	24,449	24,449	24,449	24,449	4,08,921
Tuesday,31March,2026		2,55,979	23,918	23,918	23,918	23,918	23,918	23,918	3,99,486
Tuesday,30June,2026			2,74,184	24,184	24,184	24,184	24,184	24,184	3,95,101
Wednesday,30September,2026			2,68,337	24,449	24,449	24,449	24,449	24,449	3,90,584
Thursday,31December,2026			2,62,225	24,449	24,449	24,449	24,449	24,449	3,84,471
Wednesday,31March,2027			2,55,979	23,918	23,918	23,918	23,918	23,918	3,75,568
Wednesday,30June,2027				2,74,184	24,184	24,184	24,184	24,184	3,70,918
Thursday,30September,2027				2,68,337	24,449	24,449	24,449	24,449	3,66,134
Friday,31December,2027				2,62,225	24,449	24,449	24,449	24,449	3,60,022
Friday,31March,2028				2,56,029	24,117	24,117	24,117	24,117	3,52,499
Friday,30June,2028					2,74,117	24,117	24,117	24,117	3,46,470
Friday,29September,2028					2,68,088	24,117	24,117	24,117	3,40,441
Friday,29December,2028					2,62,059	24,117	24,117	24,117	3,34,411
Friday,30March,2029					2,56,046	24,184	24,184	24,184	3,28,597
Friday,29June,2029						2,74,184	24,184	24,184	3,22,551
Friday,28September,2029						2,68,138	24,184	24,184	3,16,505
Monday,31December,2029						2,62,490	24,981	24,981	3,12,452
Friday,29March,2030						2,55,847	23,386	23,386	3,02,619
Friday,28June,2030							2,74,184	24,184	2,98,367
Monday,30September,2030							2,68,736	24,981	2,93,716
Tuesday,31December,2030							2,62,225	24,449	2,86,674
Monday,31March,2031							2,55,979	23,918	2,79,897
Monday,30June,2031								2,74,184	2,74,184
Tuesday,30September,2031								2,68,337	2,68,337
Wednesday,31December,2031								2,62,225	2,62,225
Monday,22March,2032								2,55,433	2,55,433
<b>Total</b>	<b>12,55,105</b>	<b>13,51,989</b>	<b>14,48,989</b>	<b>15,46,039</b>	<b>16,42,774</b>	<b>17,39,658</b>	<b>18,36,858</b>	<b>19,33,444</b>	<b>1,27,54,856</b>

**PRINCIPAL REDEMPTION SCHEDULE**

Dates	A	B	C	D	E	F	G	H	Total
Monday,1July,2024	2,50,000								2,50,000
Monday,30September,2024	2,50,000								2,50,000
Tuesday,31December,2024	2,50,000								2,50,000
Monday,31March,2025	2,50,000								2,50,000
Monday,30June,2025		2,50,000							2,50,000
Tuesday,30September,2025		2,50,000							2,50,000
Wednesday,31December,2025		2,50,000							2,50,000
Tuesday,31March,2026		2,50,000							2,50,000
Tuesday,30June,2026			2,50,000						2,50,000
Wednesday,30September,2026			2,50,000						2,50,000
Thursday,31December,2026			2,50,000						2,50,000

	<p align="center"><b>U.P. Power Corporation Limited</b>  (Govt. of Uttar Pradesh Undertaking)  <b>Shakti Bhawan, 14-Ashok Marg, Lucknow - 226 001</b>  CIN: U32201UP1999SGC024928</p>
---	---

Wednesday,31March,2027			2,50,000					2,50,000
Wednesday,30June,2027				2,50,000				2,50,000
Thursday,30September,2027				2,50,000				2,50,000
Friday,31December,2027				2,50,000				2,50,000
Friday,31March,2028				2,50,000				2,50,000
Friday,30June,2028					2,50,000			2,50,000
Friday,29September,2028					2,50,000			2,50,000
Friday,29December,2028					2,50,000			2,50,000
Friday,30March,2029					2,50,000			2,50,000
Friday,29June,2029						2,50,000		2,50,000
Friday,28September,2029						2,50,000		2,50,000
Monday,31December,2029						2,50,000		2,50,000
Friday,29March,2030						2,50,000		2,50,000
Friday,28June,2030							2,50,000	2,50,000
Monday,30September,2030							2,50,000	2,50,000
Tuesday,31December,2030							2,50,000	2,50,000
Monday,31March,2031							2,50,000	2,50,000
Monday,30June,2031								2,50,000
Tuesday,30September,2031								2,50,000
Wednesday,31December,2031								2,50,000
Monday,22March,2032								2,50,000
<b>Total</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>80,00,000</b>

**For U.P. Power Corporation Limited**

**Authorised Signatory**  
**Date: 29.03.2022**