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**PRESS RELEASE**

**UGVCL bags the highest A+ rating**

In July 2018, Ministry of Power, Government of India released its Sixth Annual Integrated Ratings of the state power distribution utilities under an integrated rating methodology.

According to these ratings, Uttar Gujarat Vij Company Limited (UGVCL) secured an A+ rating, making it the best state power distribution utility across India.

According to the journal released by Ministry of Power, Govt. of India recently, Gujarat Urja Vikas Nigam Limited's (GUVNL) other electricity distribution utilities, viz. Dakshin Gujarat Vij Company Ltd. (DGVCL), Madhya Gujarat Vij Company Ltd. (MGVCL) and Pashchim Gujarat Vij Company Ltd. (PGVCL) also secured A+ ratings, making them stand close to UGVCL.

The A+ ratings depict UGVCL's overall scorings between 80 to 100 and define the ratings as "Very High Operational and Financial Performance Capability".

It is noteworthy here that only five (5) electricity distribution companies secured an A+ rating, when compared and assessed among 41 electricity distribution companies of 22 states in our country.

According to these ratings, UGVCL has shown a consistent track record of profitable operations and a strong cost coverage ratio and has given satisfactory collection performance with cost-effective tariffs, among other parameters.

The Company has also exhibited an excellent Capital structure, led by improvement in AT&C/T&D Losses and has demonstrated a sound financial strength, for which the support and guidance of Government of Gujarat, Gujarat Electricity Regulatory Commission and Gujarat Urja Vikas Nigam Ltd. is commendable.

The integrated rating methodology for state power distribution utilities was developed by Ministry of Power and unveiled in the State Power Ministers Conference held in July 2012.

These integrated ratings aim to facilitate the realistic assessment of the performance of state power distribution utilities and would enable them to weigh their strength and weakness and then chart a path for improvements.



Till date, five integrated rating exercises covering FY 2012, FY 2013, FY 2014, FY 2015 and FY 2016 have been completed and the first integrated ratings were released by the Ministry of Power, Govt. of India in March 2013.

The revised methodology was developed by Ministry of Power, keeping in view the poor financial health of state distribution utilities and the need to base future funding exposures on an objective rating mechanism.

The Ministry of Power has mandated Power Finance Corporation to co-ordinate the rating exercise, which in turn has appointed ICRA Limited and Credit Analysis and Research Ltd. to carry out the rating exercise.

