



Press Release
MEGHALAYA ENERGY CORPORATION LIMITED
January 16, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
BOND	630.00	ACUITE A- CE Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	630.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long term rating of **ACUITE A- (CE) (read as ACUITE A minus (Credit Enhancement))** on the existing bonds of 630 Cr. of Meghalaya Energy Corporation Limited. The outlook is 'Stable'.

Rationale for the rating

The rating takes into cognizance an unconditional and irrevocable guarantee by the Government of Meghalaya (GoMe) backed up by a structured payment mechanism, thereby ensuring timely debt servicing for bonds issue (rated instrument). Acuite also derives comfort from the stable fiscal position of the Government of Meghalaya, which is expected to provide timely funding support to MeECL, as and when necessary. Further, the rating on MeECL takes into account a gradual improvement in the business risk profile of the company coupled with a cost plus based tariff mechanism. These strengths are partly offset by the below average financial risk profile of the company and inherently regulated nature of operations in the electricity business.

About the Company

The Meghalaya Energy Corporation Limited. (MeECL) is a Government Company, wholly owned by the Government of Meghalaya, incorporated in the year 2009 and inherited its business from the erstwhile Meghalaya State Electricity Board (MeSEB) in the year 2010. It has wholly owned three subsidiary Companies namely, Meghalaya Power Generation Corporation Limited. (MePGCL), Meghalaya Power Transmission Corporation Limited. (MePTCL) and Meghalaya Power Distribution Corporation Limited. (MePDCL) responsible for Generation, Transmission and Distribution of Electricity respectively throughout the State as State Utilities. The erstwhile Meghalaya State Electricity Board (MeSEB) was formed in the year 1975 after the formation of new State of Meghalaya from undivided State of Assam. The first Hydro Electric project in Meghalaya had started its operation in the year 1921, thereafter different Hydro Electric projects are being constructed throughout the State of Meghalaya utilising the natural water resources. The directors of the company are Mr. Ramakrishna Chitturi, Mr. Merilyn Nellie Nampui, Mr. Leadingson Mangsang Sangma, Mr. Sanjay Goyal and Ms. Iadashisha Majaw.

About the Group

Meghalaya Power Generation Corporation Limited

Meghalaya - Based, Meghalaya Power Generation Corporation Limited incorporated in 2009. The company is engaged in the business of generation of electricity in the state of Meghalaya. The directors are Mr. Ramakrishna Chitturi, Mr. Sanjay Goyal, Mr. Dipsambor Hynniewta, Mr. Merilyn Nellie Nampui, Mr. Leadingson Mangsang Sangma and Mr. Macarius Rymbai.

Meghalaya Power Transmission Corporation Limited

Meghalaya – Based, Meghalaya Power Transmission Corporation Limited incorporated in 2009. The company is engaged in distribution of electricity in the state of Meghalaya. The directors are Mr. Ramakrishna Chitturi, Mr.

Sanjay Goyal, Mr. Dipsambor Hynniewta, Mr. Merilyn Nellie Nampui, Mr. Leadingson Mangsang Sangma and Mr. Apbor Kharpan.

Meghalaya Power Distribution Corporation Limited

Meghalaya – Based, Meghalaya Power Distribution Corporation Limited incorporated in 2009. The company is

engaged in the business of distribution of electricity in the state of Meghalaya. The directors are Mr. Ramakrishna Chitturi, Mr. Sanjay Goyal, Mr. Dipsambor Hynniewta, Mr. Marilyn Nellie Nampui, Mr. Leadingson Mangsang Sangma and Mr. Moonstar Shangpliang.

Unsupported Rating

ACUITE B/ Stable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

To arrive at the rating, Acuité has considered the consolidated business and financial risk profile of MeECL with its wholly owned subsidiaries namely, Meghalaya Power Generation Corporation Ltd. (MePGCL), Meghalaya Power Transmission Corporation Ltd. (MePTCL) and Meghalaya Power Distribution Corporation Ltd. (MePDCL) and notched up the rating by factoring in the Credit Enhancement available in the form of guarantee extended by the Government of Meghalaya which is embedded within a well defined Structured Payment Mechanism.

Key Rating Drivers

Strengths

Support from the government of Meghalaya

MeECL is a wholly-owned undertaking of the GoMe and a strategically important entity of the power sector infrastructure for the state of Meghalaya. The ownership structure provides adequate financial flexibility. It is also the nodal agency of the government for undertaking power generation, transmission and distribution activity in the state. Being the power generation, transmission and distribution licensee by MSERC, MeECL is mandated to ensure the generation of power from its installed capacity and for undertaking Rural Electrification (RE) task in the state with the objective of providing access of electricity to all rural households in line with the National Rural Electrification Policy. MeECL's credit profile is also supported by its access to funds at low cost and its ability to mobilise financial resources from several financial institutions and multilateral development institutions. The rating factors in the financial flexibility of MeECL. Acuité believes that MeECL, being a 100 per cent undertaking of GoMe, shall continue to benefit from the financial, operational and management support as and when required. The GoMe has demonstrated financial support by way of loans and grants to MeECL on a regular basis. Any changes in the ownership pattern of MeECL or any event that impinges GoMe's overall credit profile shall remain a key rating sensitivity.

Unconditional and irrevocable guarantee backed by a structured payment mechanism

The existing listed bonds of Rs. 630.00 Cr has an unconditional and irrevocable guarantee from the GoMe. The guarantee also has a 'T-7' structure payment mechanism to ensure the timely debt servicing of the debt issue and redemption. MeECL has to maintain a DSRA of two quarters throughout the tenure of the issue to secure the interest payment and a bond redemption reserve account, wherein the power department of Meghalaya will deposit an amount equivalent to 6.625% of the total outstanding bonds every year in a fixed deposit so that the annual deposits and interest are cumulatively sufficient to meet the redemption amount.

The structured payment mechanism, as enshrined in the trust deed, to ensure that the following timelines are followed with 'T' as the due date for payment:

The company shall, remit the Bond Payment Amounts to the Bond Servicing Account, such that the Bond Servicing Account is fully funded to the extent of the amounts due on the subsequent Due Date falling at the end of such Payment Period ("Due Amount") no later than 15 (fifteen) days prior to such relevant Due Date (as defined in the Debenture Trust Deed) **(T-15 days)** ("Funding Date"). The Account Bank shall independently monitor the adequacy of credit in the Bond Servicing Account. In the event the company has not funded the Bond Servicing Account to the extent of the Due Amount, above on or prior to any Funding Date, the Account Bank shall intimate the same to the Debenture Trustee on the day falling 14 days prior to the relevant Due Date **(T-14 days)** and the Debenture Trustee shall on receipt of such intimation issue a notice to the company and GoMe in writing in the form set out in Schedule II ("Shortfall Intimation Notice") on the day falling 12 days prior to the relevant Due Date **(T-12 days)** ("Shortfall Demand Date") to fund the Bond Servicing Account such that it is funded for no less than the Due Amount no later than 10 days prior to each Due Date **(T-10 days)** ("Shortfall Payment Date"). The GoMe irrevocably and unconditionally undertakes to fund the Bond Servicing Account. Upon failure of the Government of Meghalaya (GoMe) and the company to ensure that the Due Amount is collected and/or funded in the Bond Servicing Account on or prior to each Shortfall Payment Date, the Debenture Trustee shall call upon the Guarantee given by the GoMe in terms of this Deed by issuing the Demand Notice on the day falling immediately after the relevant Shortfall Payment Date **(T-9 days)** requiring the GoMe to make good the shortfall in the Bond Servicing Account by such amounts such that the Bond Servicing Account is funded for no less than the Due

Amount no later than 7 (seven) days prior to each Due Date (**T-7 day**) (“Final Funding Date”).

‘Cost plus’ tariff mechanism

The billing of MeECL are regulated and required the Annual Revenue Requirement (ARR) under ‘cost-plus’ based tariff mechanism. The regulator, Meghalaya State Electricity Regulatory Commission (MSERC) allows a post-tax return on equity of 15 per cent and other uncontrollable expenses are allowed to be passed through in tariff through Annual Performance Review (APR) process. Acuité derives comfort from the cost plus based tariff mechanism.

Weaknesses

Challenges in servicing non-guaranteed debt in subsidiaries

Acuite has noted that there had been delays by MeECL's subsidiaries in servicing debt obligations to Power Finance Corporation (PFC) and Rural Electrification Corporation Limited (REC) in past, which are not guaranteed by the GoMe. Acuité has constrained the unsupported rating of the entity and believes that timely servicing of their debt obligations would be a key monitorable. The liquidity position of consolidated MeECL will continue to remain a point of concern. However, Acuité derives comfort from the continuous support provided by the Government of Meghalaya (GoMe) and unconditional and irrevocable guarantee given by GoMe along with a structured payment mechanism for the bonds of Rs.630.00 Cr.

Below Average financial risk profile

The financial risk profile of MeECL is below average, marked by the net worth of Rs.(4121.27) Crores in FY24 and Rs.(4045.63) in FY23. The tangible net worth has been eroded due to continuous accumulated losses but partially supported by equity infusion. Further, the total debt stood at Rs.3212.58 Crore as on 31st March 2024 as against Rs.3142.10 Crore as on 31st March 2023. The capital structure of MeECL is marked by gearing ratio which stood constant at (0.78) times as on 31st March 2024 and 31st March 2023. Further, the coverage indicators are reflected by interest coverage ratio and debt service coverage ratio which stood at 0.45 times and 0.29 times respectively as on 31st March 2024 as against 0.43 times and 0.30 times respectively as on 31st March 2023. Acuite expects that the financial risk profile of MeECL will remain at a similar levels in near to medium term.

Regulated nature of operations

MeECL continues to be exposed to regulatory uncertainty, given that the revenues are influenced by the regulatory framework governing the power sector. The company operates through a cost-plus return on equity model laid down by MSERC. Any change/ reduction in return on equity or a tightening of the MSERC norms could result in lower operating cash flows. Acuité believes that the delay in finalisation of the tariff could result in cash flow mismatch in the medium term.

Assessment of Adequacy of Credit Enhancement (Applicable only for CE Ratings)

Government guarantee for DSRA replenishment

Until the bonds are finally and fully settled, if at any point in time, the amounts lying in the debt service reserve account are lower than the debt service reserve amount, the account bank shall intimate the same to the debenture trustee and the debenture trustee, on receipt of such intimation, shall issue a final notice (“DSRA Final Notice”) on the next working day requiring the GoM and the company to fund the debt service reserve account to the extent of such shortfall (as stated in the DSRA Final Notice) such that the debt service reserve account is funded fully for the debt service reserve amount within 10 (ten) days of the issuance of the DSRA Final Notice. In the event that the debt service reserve account is not funded, up to the required amount, on or prior to 10 (ten) days from the issuance of the DSRA Final Notice, the account bank shall intimate the same to the debenture trustee and the debenture trustee, on receipt of such intimation, shall invoke the guarantee provided by the GoM in terms of this deed, to the extent of the shortfall in the debt service reserve amount, by issuing the demand notice on the immediate next working day or thereafter. The GoM agrees and confirms that to make payments against such demand notice within 7 (seven) days of the date of such demand notice. It is hereby clarified that in case the shortfall in the debt service reserve amount has arisen on account of the utilization of the same towards the due amount and the demand notice issued is outstanding, and on account of aforesaid shortfall a demand notice has also been issued and outstanding, then the GoM shall be liable to make payment under either of such demand notices.

Stress case Scenario

Acuite believes that, given the adequacy of the structure and unconditional, irrevocable guarantee from the Government of Meghalaya (GoMe) which provides for adequate covenants to safeguard the interest of the investors along with adequate buffers and triggers available to initiate timely corrective action, MeECL will be able to effectively mitigate risk arising out of any funding gap and service its debt on time, even in a stress scenario.

ESG Factors Relevant for Rating

Not Applicable

Rating Sensitivities

- Timely support from the Government of Meghalaya
- Adherence to stipulated transaction structure
- Periodical tariff revision
- Movement in financial risk profile

All Covenants

The Company declares, represents and covenants as follows:

1. The activity for which the Bonds are being issued are within the purview of the object clause of the Company's Memorandum and Articles of Association and that the relevant approvals, consents, permissions as are necessary for or in connection with the issue of Bonds and the execution, performance, validity and enforceability of this agreement have been obtained.
2. That the Company shall execute all such deeds, documents and assurances and do all such acts and things as the Trustees may reasonably require for exercising the rights under these presents and the Bonds or for effectuating and completing the security if any hereby created and shall, from time to time and at all times after the Guarantee or the security hereby constituted shall become enforceable, execute and do all such deeds, documents, assurances, acts and things as the Trustees may require for facilitating realisation and for exercising all the powers, authorities and discretions hereby conferred on the Trustees and shall give all notices, orders and directions which the Trustees may think expedient and shall perform or cause to be performed all acts and things requisite or desirable for the purpose of giving effect to the exercise of any of the said powers, authorities and discretions and further shall, for such purposes or any of them make or consent to such application to any Government or local authority as the Trustee may require for the consent, sanction or authorization of such authority and it shall be lawful for the Trustees to make or consent to make any such application in the name of the Company and for the purposes aforesaid a certificate in writing signed by the Trustees to the effect that any particular assurance or thing required by them is reasonably required by them shall be conclusive evidence of the fact.

B. GENERAL COVENANTS

Affirmative Covenants:

The Company hereby covenants with the Trustees that the Company will at all times during the continuance of the Guarantee (except as may otherwise be previously agreed in writing by the Trustees):

1. The Company hereby appoints the Trustees as its constituted attorney to do all such acts, deeds, matters and things as may be necessary, reasonable and required upon the issuance of the notice by it in relation to, all further modalities for obtaining of the amounts from Guarantor, or as may otherwise be required by the provisions of the Guarantee Agreement, including if necessary, any arrangements or documents to be entered into and for executed in favour of the Trustees.
2. Carry out and conduct its business with due diligence and efficiency and in accordance with sound engineering, technical, managerial and financial standards and business practices with qualified and experienced management and personnel
3. Utilise the monies received towards subscription of the bonds for the purpose as stated in this agreement and at the end of each financial year shall furnish to the Trustees a statement showing the manner in which the aforesaid monies have been utilized from the Statutory auditor of the Company
4. Keep proper books of account as required by the Act and therein make true and proper entries of all dealings and transactions of business of the Company and keep the said books of account and all other books, registers and other documents relating to the affairs of the Company at its Registered Office or, where permitted by law, at other place or places where the books of account and documents of a similar nature may be kept and the Company will ensure that all entries in the same relating to the business of the Company shall at all reasonable times be open for inspection of the Trustees and such person or persons as the Trustees shall, from time to time, in writing for that purpose, appoint.
5. Give to the Trustees or to such person or persons as aforesaid such information as they or he or any of them shall require as to all matters relating to the business, property and affairs of the Company and furnish to the Trustees copy of every report, balance sheet, profit and loss account, circulars or notices, and the Trustees shall be entitled, if they think fit, from time to time, to nominate a firm of chartered accountants to examine the books of account, documents and property of the Company or any part thereof and to investigate the affairs thereof and the Company shall allow any such accountant or agent to make such examination and investigation and shall furnish him with all such information as he may require and shall pay all costs, charges and expenses of and incidental to such examination and investigation;
6. Permit the Trustees and such person, as they shall, from time to time in writing for that purpose appoint, to enter into or upon and to view the state and condition of all the assets pertaining to the Project and pay all travelling, hotel and other expenses of any person whom the Trustees may depute for the purpose of such inspection and if the Trustees shall, for any reason, decide that it is necessary to employ an expert, to pay the

- fees and all travelling, hotel and other expenses of such expert;
7. Punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when the same shall become payable and when required by the Trustees produce the receipts of such payment and also punctually pay and discharge all debts and obligations and liabilities which may have priority over the Guarantee or any security created and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Company in respect of the business of the Company;
 8. Forthwith give notice in writing to the Trustees of commencement of any proceedings affecting the interest of the Bond Holders and or Trustee.
 9. Diligently preserve its corporate existence and status and all rights, contracts, privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business and that it will comply with each and every term of the said franchises and concessions and all acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable. PROVIDED THAT the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Bonds or the security for the Bonds is not thereby materially endangered or impaired. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal of or interest on the Bonds might or would be hindered or delayed.
 10. Pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Company may be required to pay according to the laws for the time being and in the event of the Company failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Trustees will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Trustees on demand.
 11. The Company shall pay to the Debenture Trustee so long as it holds the office of the Debenture Trustee, remuneration and all reasonable costs, charges and expenses as set out in the Debenture Trustee Consent Letter, for its services as the Debenture Trustee (hereinafter referred to as the "Debenture Trustee Fees"). Arrears of instalments of annual service charges, if any, shall carry interest at the rate specified in Consent Letter till the actual payment.
 12. Reimburse all sums paid or expenses incurred by the Trustees or any Receiver, Attorney, Manager, Agent or other person appointed by the Trustees for all or any of the purposes mentioned in these presents immediately on receipt of a notice of demand from them. the Company will, on demand, pay and satisfy or obtain the releases of such persons from such liabilities and if any sum payable under these presents shall be paid by the Trustees, the Company shall, forthwith on demand, reimburse the same to the Trustees and until payment or reimbursement of all such sums, the same shall be a charge upon the assets of the Company.
 13. Promptly inform the Trustees if it has notice of any application for winding up having been made or any statutory notice of winding up under the Act or otherwise of any suit or other legal process intended to be filed or initiated against the Company and affecting the title to the Company's properties or if a receiver is appointed of any of its properties or business or undertaking
 14. Promptly inform the Trustees of the happening of any labour strikes, lockouts, shut downs, fires or any event likely to have a substantial effect on the Company's profits or business and of any material changes in the rate of production or sales of the Company with an explanation of the reasons thereof
 15. Promptly inform the Trustees of any loss or damage which the Company may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties
 16. Submit to the Trustees its duly audited annual accounts after the finalization of the same within 6 (six) months from the end of the financial year
 17. Submit to the Trustees, on quarterly basis, the information sought by the Trustees in the format as may be specified which shall include but not be limited to following:
 1. list of the names, addresses along with other available details of the Bondholders;
 2. details of the interest due, but unpaid and reasons thereof;
 3. the number and nature of grievances received from the Bondholders and resolved by the Company and unresolved by the Company and the reasons for the same
 4. statement that the Security is sufficient to discharge the claims of the Bondholders as and when they become due
 18. Submit to the Trustees, at the end of each calendar quarter (or any other dates as may be requested by the Debenture Trustee), a certificate from the statutory auditors of the Company with respect to the use of the proceeds raised through the issue of Debentures
 19. A certificate duly certified by the Company's Auditors certifying that the Company has transferred a suitable sum to the debenture redemption reserve, as required under applicable law
 20. Notify the Trustee of any major change in the composition of its board of directors, which may amount to change in control as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 21. The Issuer shall furnish to the Trustee details of all grievances received from the Subscriber(s) and the steps taken by the Issuer to redress the same. At the request of the Subscriber(s), the Trustee shall, by notice to the

Issuer, call upon the Issuer to take appropriate steps to redress such grievance and shall, if necessary, at the request of any Subscriber(s) representing not less than one-tenth in value of the nominal amount of the Debentures for the time being outstanding, call a meeting of the Subscriber(s)

22. The Company is aware that in terms of Regulation 14 of the SEBI (Debenture Trustees) Regulations, 1993 as amended from time to time, the Trust Deed has to contain the matters specified in Section 71 of the Companies Act, 2013 and Form No. SH.12 specified under the Companies (Share Capital and Debentures) Rules, 2014. The Company hereby agrees to comply with all the clauses of Form No. SH.12 as specified under the Companies (Share Capital and Debentures) Rules, 2014 as if they are actually and physically incorporated herein in this deed.
23. The Company shall while submitting half yearly/annual financial results to the BSE/NSE, disclose the following line items along with the financial results accompanied by a certificate from the Debenture Trustee confirming that it has taken note of the said content and the same shall be communicated to the Debenture Holder(s) on a half yearly basis:
 1. Credit rating and change in credit rating, if any;
 2. Debt to equity ratio accompanied with a certificate of a practicing chartered accountant confirming the said debt-equity ratio;
 3. Previous due date for payment of interest/principal amount and whether same has to be paid or not
 4. Next due date for payment of interest/principal amount

Nominee Director

The Trustees shall have a right to appoint a Nominee on the Board of Directors of the Company (hereinafter referred to as "the Nominee Director"). The Company hereby agrees to amend the Articles of Association of the Company with the permission of the Government of Meghalaya to permit the Trustees to have a right to appoint a nominee on the Board of Directors in the event of:

1. Two consecutive defaults in payment of interest to the Bondholders; or
2. Default on redemption of the Bonds; or
3. Default in creation of security for bonds if any.

Such Nominee Director shall not be liable to retire by rotation nor required to hold any qualification shares.

Additional Covenants

Default in Payment and Other Defaults

In case of default in payment of interest and/or principal redemption on the due dates or observance of any other terms, conditions or covenants as per this Deed, Disclosure Document(s) in respect of a relevant tranche/ series of the Debentures, additional interest/ default interest of atleast @ 2% p.a. or such other rate as may be prescribed under the Applicable Law over and above the applicable implicit yield/ Coupon Rate/ Interest Rate will be payable by the Issuer for the defaulting period in respect of such tranche /series of the debentures.

Delay in listing

In case of delay in listing of the debt securities, wherever applicable, beyond T+4 trading days as specified by the Securities and Exchange Board of India (SEBI) vide its circular dated 5th October, 2020 in respect of the relevant tranche of the Debentures, the Issuer will pay default/ additional interest of atleast 1 % p.a. over the coupon rate or such other rate as may be prescribed under the Applicable Law from the expiry of 30 (thirty) days from the Deemed Date of Allotment till the listing of such debt securities to the investor.

Liquidity Position

Stretched

MeECL's liquidity is stretched on account of accumulated losses driven by weak operating efficiencies and lack of adequate tariff revision. The current ratio stood below unity at 0.19 times as on March 31, 2024 as against 0.17 times as on March 31, 2023. However, The state government of Meghalaya has given unconditional and irrevocable guarantee for the bonds of Rs.630 Cr and in addition to this, GoMe has given guarantee to some loans borrowed from PFC and REC; which provides financial flexibility to the company. Further, MeECL has unencumbered bank deposits of Rs.194.13 Cr, investment for bond redemption reserve of Rs. 172.78 Cr and cash and bank balances of Rs. 113.71 Cr as on March 31, 2024. Acuité expects that going forward the liquidity position of MeECL may improve backed by the gradually improving business risk profile buoyed by continuously enhancing generation capacity and declining AT&C losses.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	1545.42	1340.10
PAT	Rs. Cr.	(395.79)	(380.05)
PAT Margin	(%)	(25.61)	(28.36)
Total Debt/Tangible Net Worth	Times	(0.78)	(0.78)
PBDIT/Interest	Times	0.45	0.43

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any Other Information

Audited figures for FY2023 has been restated by the company, hence the same has been taken into consideration during current rating exercise.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Explicit Credit Enhancements: <https://www.acuite.in/view-rating-criteria-49.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
17 Jan 2024	Bond	Long Term	40.30	ACUITE A- (CE) Stable (Reaffirmed)
	Bond	Long Term	50.00	ACUITE A- (CE) Stable (Reaffirmed)
	Bond	Long Term	100.00	ACUITE A- (CE) Stable (Reaffirmed)
	Bond	Long Term	50.00	ACUITE A- (CE) Stable (Reaffirmed)
	Bond	Long Term	50.00	ACUITE A- (CE) Stable (Reaffirmed)
	Bond	Long Term	49.00	ACUITE A- (CE) Stable (Reaffirmed)
	Bond	Long Term	50.00	ACUITE A- (CE) Stable (Reaffirmed)
	Bond	Long Term	240.70	ACUITE A- (CE) Stable (Reaffirmed)
17 Jan 2023	Bond	Long Term	50.00	ACUITE A- (CE) Stable (Assigned)
	Bond	Long Term	49.00	ACUITE A- (CE) Stable (Assigned)
	Bond	Long Term	50.00	ACUITE A- (CE) Stable (Assigned)
	Bond	Long Term	50.00	ACUITE A- (CE) Stable (Assigned)
	Bond	Long Term	100.00	ACUITE A- (CE) Stable (Assigned)
	Bond	Long Term	50.00	ACUITE A- (CE) Stable (Assigned)
	Bond	Long Term	40.30	ACUITE A- (CE) Stable (Assigned)
	Proposed Bond	Long Term	240.70	ACUITE A- (CE) Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	INE760I07011	Bond	11 Jun 2019	11.64	10 Jun 2029	40.30	Simple	ACUITE A- CE Stable Reaffirmed
Not Applicable	INE760I07029	Bond	28 Aug 2019	11.45	27 Aug 2029	50.00	Simple	ACUITE A- CE Stable Reaffirmed
Not Applicable	INE760I07037	Bond	14 Feb 2020	11.45	13 Feb 2030	100.00	Simple	ACUITE A- CE Stable Reaffirmed
Not Applicable	INE760I07045	Bond	21 Dec 2020	11.01	20 Dec 2030	50.00	Simple	ACUITE A- CE Stable Reaffirmed
Not Applicable	INE760I07052	Bond	11 Jan 2021	11.01	10 Jan 2031	50.00	Simple	ACUITE A- CE Stable Reaffirmed
Not Applicable	INE760I07078	Bond	18 Feb 2021	10.96	17 Feb 2031	49.00	Simple	ACUITE A- CE Stable Reaffirmed
Not Applicable	INE760I07060	Bond	15 Jan 2021	11.01	14 Jan 2031	50.00	Simple	ACUITE A- CE Stable Reaffirmed
Not Applicable	INE760I07086	Bond	03 Apr 2023	10.55	03 Apr 2033	240.70	Simple	ACUITE A- CE Stable Reaffirmed

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. No.	Company name
1	Meghalaya Energy Corporation Limited
2	Meghalaya Power Generation Corporation Limited
3	Meghalaya Power Transmission Corporation Limited
4	Meghalaya Power Distribution Corporation Limited
5	Government of Meghalaya

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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