BRICKWORK RATINGS

Credit Update

22 September 2026

Meghalaya Energy Corporation Limited

SUMMARY OF RATING ACTION

Instrument**	Tenure	Amount (Rs. Crs.)		Rating Action & Outlook	Regulator
		Previous	Present	Outstanding	
NCD/Bonds	Long Term	630.00	630.00	BWR A- (CE) / Stable	SEBI
Total		630.00	630.00	**Rupees Six Hundred and Thirty Crores Only**	

The rating with the symbol CE is based on an unconditional, irrevocable, and legally enforceable guarantee from the Government of Meghalaya (GoMe) for the timely payment of debt obligations. Additionally, these bonds have a structured payment mechanism, which includes a defined payment schedule maintained through a Debenture Service Reserve Account (DSRA) and a Debenture Redemption Reserve Account (DRRA).

Unsupported rating	**BWR B+/Stable**

Note: Unsupported rating does not factor in the explicit credit enhancement.
Note:
1. Please refer to the BWR website **www.brickworkratings.com** for the definition of the ratings
2. Refer to Annexures I, II, and III for details of rated bank loan facilities, debt instruments, and the List of Entities Consolidated**.**

The annual coupon payment of the BWR-rated Bonds of ISINs INE760I07011, INE760I07029, INE760I07037, INE760I07045, INE760I07052, INE760I07060, INE760I07078, and INE760I07086 was due on 10 Sep 2026. As per the public disclosure of Meghalaya Energy Corporation Limited (MeECL or the company) dated 10 Sep 2026, the company made the scheduled coupon payment in full and on time. The total coupon payment to be made to all the bondholders was Rs. 17,42,82,590/-. The amount of Rs. 17,47,10,714/- was available in the designated escrow account of a scheduled commercial bank on 01 Sep 2026. The net coupon payment to be made on 10 Sep 2026, net of the TDS of Rs. 1,41,81,976/-, was Rs. 16,01,01,614/-. The company made the coupon payments on 08 Sep 2026. However, on 08 Sep 2026, the coupon payment could not be executed for one bondholder due to invalid IFSC details of her bank account, and the coupon payment of another bondholder was returned to the designated escrow account due to an account-related discrepancy. The non-remitted amount to one bondholder was Rs. 14,359/-, and the returned amount from the other bondholder was Rs. 155,846/-. The total unpaid amount of Rs. 1,70,205/- was available in the designated escrow account at the EOD of 08 Sep 2026.

The reasons for non-remittance or return of coupon payment to the bondholders due to incorrect IFSC details or other account-related discrepancies were beyond the company's control. The required amount was available in a designated escrow account by the EOD of 08 Sep 2026. Moreover, there is no indication of any deterioration in the liquidity position and financial and business risk profile of the company since Brickwork Ratings' previous rating review on 29 July 2026. The company has reported cash & cash equivalents of ~Rs. 583 Crs. on 30 Jun 2026. Based on these facts, the company's Bond rating remains unchanged in line with the BWR Policy on Default Recognition and Post Default Curing Period. The developments regarding the BWR-rated Bonds are captured in the table below:

Name of the security	ISIN	Amount to be paid (Rs.)	Due date of payment	Amount of payment made (Rs.)	Amount of payment failed (Rs.)	Reasons for failure of payment
NCD/Bonds	INE760I07011, INE760I07029, INE760I07037, INE760I07045, INE760I07052, INE760I07060, INE760I07078, INE760I07086	16,01,01,614	10 Sep 2026	15,99,31,409	1,70,205	Invalid IFSC and other account-related issues of 2 bondholders

Please refer to the previous detailed rationale at the following link: [Rating Rationale dated 29 Jul 2026](#).

COMPANY PROFILE

Industry Classification			
Macroeconomic Indicator	**Sector**	**Industry**	**Basic Industry**
Utilities	Power	Power	Integrated Power Utilities

Incorporated on 14 Sep 2009, Meghalaya Energy Corporation Ltd (MeECL), a Government of Meghalaya undertaking, was formed after the corporatisation of the erstwhile Meghalaya State Electricity Board (MeSEB) and is the holding company of the Genco, Transco and Discom viz., Meghalaya Power Generation Corporation Limited (MePGCL), Meghalaya Power Transmission Corporation Limited (MePTCL) and Meghalaya Power Distribution Corporation Limited (MePDCL). The consolidated financials of MeECL capture the financials of the three wholly owned subsidiaries, viz. MePGCL, MePTCL, and MePDCL

MeECL would act as a holding company for the three separate power utilities. MePDCL purchases power directly from MePGCL and also pays it directly out of its collections. It also utilises the services of MePTCL and pays it wheeling charges. The revenue stream for MePDCL is through power distribution. No income gets recognised in the books of MeECL on a standalone basis. The only income source for MeECL on a standalone basis is interest income on deposits and on advances/loans given to subsidiaries and revenue grants from the GoMe to cover its approved expenses.

The company generated 988.37 MW (PY: 1026.11 MW) and sold 2558.61 MW (PY: 2336.81 MW) of power in FY26 (Prov.). The installed generation capacity is 367.5 MW as of the date. The Plant Load Factor (PLF) stood at 32.09% in FY26 (Prov.) (PY: 34.54%). AT&C losses declined from 21.28% in FY25 to 13.51% in FY26 (Prov.). Collection efficiency increased from 94.88% in FY25 to 100% in FY26 (Prov.).

KEY FINANCIAL INDICATORS - ISSUER: Consolidated

Consolidated Financial Indicators (in ₹ crore)	Units	FY24 (A)	FY25 (A)	FY26 (A)	Q1FY27 (UA)
Operating Revenue	Rs. Crs.	1324.87	1688.86	1841.07	518.13
EBITDA	Rs. Crs.	(197.52)	5.54	15.59	87.45
Net Profit	Rs. Crs.	(395.79)	(2.40)	162.68	101.57
Tangible Net Worth	Rs. Crs.	(4121.27)	(4100.66)	(3660.10)	(3425.63)
Total Debt/Tangible Net Worth	Times	(0.78)	(0.71)	(0.72)	NM
Current Ratio	Times	0.46	0.53	0.53	0.62

A: Audited; UA: Unaudited; NM: Not Meaningful; Note: these are the latest available financial results. All ratios as per BWR's calculations.

KEY FINANCIAL INDICATORS - CREDIT ENHANCEMENT PROVIDER: GoMe

Key Parameters	Units	FY24	FY25	FY26	FY27
		Accounts	Accounts	R.E.	B.E.
Revenue Receipts	Rs. Crs.	17,978	17,154	25,365	26,583
Revenue Expenditure	Rs. Crs.	16,584	17,081	20,556	21,812
Capital Receipts	Rs. Crs.	7,538	15,886	4,824	5,416
Capital Expenditure	Rs. Crs.	9,374	16,450	9,447	10,211
Revenue Balance/GSDP	%	2.63	0.12	7.11	6.25
Fiscal Deficit/GSDP	%	5.94	8.69	3.25	3.50
Total Debt/GSDP	%	40.56	44.61	42.99	42.10

RE: Revised Estimates, BE: Budget Estimates.

COMPLEXITY LEVEL OF THE RATED INSTRUMENTS

Instrument	Complexity Indicator
Fund Based (NCD/Bond)	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on BWR's website www.brickworkratings.com/download/ComplexityLevels.pdf

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY):
Not Applicable

ANY OTHER INFORMATION: **Not Applicable**

Contacts	
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ANNEXURE I: Details of Instruments / Facilities

Name of the Instrument / Facility	Long Term/ Short Term	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Amount (₹ Cr)	Rating Assigned and Rating Outlook	Regulator
NCD / Bond	Long Term	INE760I07011	11 Jun 2019	11.64%	10 Jun 2029	40.30	BWR A-(CE)/ Stable	SEBI
		INE760I07029	28 Aug 2019	11.45%	27 Aug 2029	50.00		
		INE760I07037	14 Feb 2020	11.45%	13 Feb 2030	100.00		
		INE760I07045	21 Dec 2020	11.01%	20 Dec 2030	50.00		
		INE760I07052	11 Jan 2021	11.01%	10 Jan 2031	50.00		
		INE760I07060	15 Jan 2021	11.01%	14 Jan 2031	50.00		
		INE760I07078	18 Feb 2021	10.96%	17 Feb 2031	49.00		
		INE760I07086	03 Apr 2023	10.55%	03 Apr 2033	240.70		
Total						**630.00**		

Note: All the BWR-rated Bonds are listed on BSE Ltd. Bonds' present amounts are outstanding as of 16 Sep 2026. Bonds with zero outstanding amounts have been redeemed on or before their respective maturity dates.

ANNEXURE II: Details of Bank Facilities

Type	Facilities	Tenor	Bank 1	Bank 2	Bank 3	Total	Regulator
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

ANNEXURE III: List of Entities Consolidated

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
Meghalaya Power Distribution Corporation Ltd. (MePDCL)	100%	Full	Subsidiary
Meghalaya Power Generation Corporation Ltd. (MePGCL)	100%	Full	Subsidiary
Meghalaya Power Transmission Corporation Ltd. (MePTCL)	100%	Full	Subsidiary

Annexure IV: List of Instruments and Names of Regulators of the Instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

No.	Instrument/Activity Name	Regulator of the Instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts $	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
22	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
23	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Brickwork Ratings India Private Limited (BWR) shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

Grievance Management

For any grievances relating to rating of instruments regulated by SEBI, please contact **sebigrievance@brickworkratings.com.** Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

For any grievances relating to rating of instruments regulated by other FSR (Financial Services Regulators), please contact **grievance@brickworkratings.com**

Disclosure of Conflict of Interest

BWR Board of Directors have no influence over rating decisions, nor do they sit on the rating committees or review, discuss, or evaluate any credit ratings during the Board meetings.

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Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009 and its corporate office in Bengaluru. It has a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. Canara Bank is Brickwork's strategic partner.

Brickwork offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporate and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

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