submitted to arranger(s) the issue at their designated branches or on receipts by the Registrar as detailed above and not otherwise.

7. For further instructions about how to make an application for applying for the bonds and procedure for remittance of application money, please refer to the summary term sheet and the application form carefully.

INVESTOR GRIEVANCE AND REDRESSAL SYSTEMS

Arrangements have been made to redress investor grievances expeditiously as far as possible, the issuer endeavors to resolve the investor grievance within 30 days of its receipt. All grievances related to the issue quoting the investor application number (including prefix), number of bonds applied for, amount paid on application and details of the collection center where the application was submitted, may be addressed to the compliance officer at the registered office of the Issuer. All the investors are hereby informed that the issuer has appointed a compliance officer who may be contacted in case of any pre-issue/post issue related problems such as non credit of letter(s) of allotments/bond certificate(s) in the demat account, non receipt of refund order(s), interest warrant(s)/ cheque(s) etc. Contact details of the compliance officerin this disclosure document.

PART-B ISSUE DETAILS

I. TERM SHEET

Security Name	11.45% MeECL Bonds-2030
Issuer	Meghalaya Energy Corporation Limited (MeECL)
Type of Instrument	Secured, Rated, Redeemable, Non convertible, Taxable Bonds with unconditional and irrevocable Government of Meghalaya guarantee for timely repayment of interest and principal and will remain in force till the maturity
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement and Non-Electronic Book Provider Platform (Non-EBP Platform)
Eligible Investors	1. QUALIFIED INSTITUTIONAL BUYERS ("QIBS"); i. Mutual Funds, QIFs (Non-

BL

Chief Financial Officer
Meghalaya Energy Corporation Limited
Shillong

	Individual), FPIs (Non-Individual); i. Public Financial Institutions specified in Section 2 (72) of the Companies Act, 2013; ii. Scheduled Commercial Banks; iii. State Industrial Development Corporations; iv. Insurance companies registered with the Insurance Regulatory and Development ; v. Provident Funds and Pension Funds with minimum corpus of INR. 25 Cr. vi. National Investment Funds set up by Resolution No. F No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; vii. Insurance Funds set up and managed by Army, Navy or Air Force of the Union of India. 2. "Non-QIBS"; a. Companies and Bodies Corporate authorized to invest in bonds/debentures; b. Co-operative banks and Regional Rural Banks authorized to invest in Bonds/Debentures; c. Gratuity Funds and Superannuation Funds; d. Provident Funds and Pension Funds with corpus of Less than 25 Cr. e. Societies authorized to invest in bonds/debentures; f. Trusts authorized to invest in bonds/debentures; g. Statutory Corporations/undertakings established by Central/State Legislature authorized to invest in Bonds/Debentures; All investors are required to comply with the relevant regulation/ guidelines applicable to

BL

Chief Financial Officer
Meghalaya Energy Corporation Limited
Shillong

	them for investing in the issue of Bonds/Debentures as per the norms approved by the Government of India, Reserve Bank of India or any other statutory body from time to time.
Listing	Proposed on the Wholesale Debt Market (WDM) Segment of BSE
Credit Rating of the Instrument	***BWR A Minus"BWR A- (CE)"***with stable outlook from M/s. Brickwork Ratings India Private Limited
Issue Size	INR.50Crore
Option to retain over subscription (Green shoe option)	INR 50 Crores
Objects of the Issue	To repay high interest cost loans
Details of the utilization of the Proceeds	The loan from PFC and REC were availed at a time when the interest rates were higher. however, since interest rate have fallen substantially since then the management has felt a need to restructure the present borrowing by way of fresh Bond issue. A part of the proceeds of these Bond are intended to be used to repay/restructure the loans obtained from the PFC and/or REC so that the interest burden of the MeECL/MePGCL/MePDCL is reduced. The balance of the proceeds will be utilised to reduce the outstanding dues of MePDCL.
Coupon Rate	11.45% p.a.
Step Up/Step Down Coupon Rate 1	None
Coupon Payment Frequency	Quarterly from date of allotment
Coupon payment dates	Quarterly,**(As per Annexure)**
Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	N.A
Day Count Basis	Actual/ Actual Interest shall be computed on an "Actual/Actual Basis". Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis
Interest on Application Money	Interest at the respective coupon rate

BR

Chief Financial Officer
Meghalaya Energy Corporation Limited
Shillong

	(subject to TDS) will be paid to the applicants on the application money for the bonds for the period starting from and including the date of realization of application money upto one day prior to the Deemed Date of Allotment.
Default Interest Rate	2% p.a over the coupon rate will be payable by the Company for the defaulting period.
Tenor	10Years from the Deemed Date of Allotment
Redemption Date/Maturity	13th February , 2030 (10Years from the date of Allotment) Together with the principal amount as set out hereinabove, the Issuer shall also be required to make payment of accrued interest and all other costs, charges and expenses which are due and payable in terms of the Transaction Documents.
Redemption Amount	The principal amount of the Bonds shall be repaid by way of bullet repayment on the expiry of the term of the Bonds.
Redemption Premium /Discount	Nil
Bond Redemption Reserve Account	The power department of Meghalaya will deposit an amount equivalent to 6.625% of total outstanding Bonds every year in a fixed deposit so that the annual deposits and interest are cumulatively sufficient to meet the redemption. This accumulated amount shall be solely utilized for the redemption of the Bonds upon their maturity.
Issue Price	At Par INR 10,00,000/- (Rupees Ten Lacs) per Bond
Discount at which security is issued and the effective yield as a result of such discount.	None
Call/Put Date	N.A
Call/PutPrice	N.A
Call/Put Notification Time	N.A
Face Value	At Par INR 10,00,000/- (Rupees Ten Lacs) per Bond
Minimum Application	[1] Bond and in multiples of [1] Bond thereafter
Issue Timing 1. Issue Opening Date 2. Issue Closing Date	1. 20th January, 2020 2. 13th February, 2020

BL

Chief Financial Officer
Meghalaya Energy Corporation Limited
Shillong

3. Deemed Date of Allotment	3. 14th February, 2020
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	Payment of interest and repayment of principal shall be made by way of credit through direct credit/RTGS/NEFT mechanism.
Depository	National Securities Depository Limited **("NSDL")** and Central Depository Services (India) Limited **("CDSL")**
Business Day Convention	**"Business Days"/ "Working Days"** shall be all days on which money market is functioning in Mumbai. If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made by the Issuer on the following workingday in line with SEBI circular No **CIR/IMD/DF-1/122/2016dated November 11, 2016.** If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the preceding Business Day along with interest accrued onthe Bonds until but excluding the date of such payment. 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. If the interest payment date falls on a holiday, the payment may be made on thefollowing working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday.
Record Date	15 days prior to each Coupon Payment Date and Redemption Date.
Security	The Bonds is secured by the guarantee by the State Government of Meghalaya which is unconditional and irrevocable guarantee for timely repayment of principal and interest due with **"T-7"** Structure.
Transaction Documents	The Issuer has executed/ shall execute the documents including but not limited to

BL
Chief Financial Officer
Meghalaya Energy Corporation Limited
Shillong

	the following in connection with the Issue: 1. RTA Agreement 2. Debenture Trusteeship Agreement; 3. Accounts Agreement 4.Guarantee Agreement with State Government; 5. Disclosure Document; 6. Rating letter with Brickwork Ratings; 7. Tripartite Agreement between the Issuer; 8.Registrar and NSDL for issue ofBonds in dematerialized form; 9. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form; 10. Consent letter from RTA, Banker to the issue and Debenture Trustee 11. Application made to BSE for seeking its in-principle approval for listing ofBonds; 12. Listing Agreement with BSE; 13. Debenture Trust deed (to be executed).
Conditions Precedent to Disbursement	• Resolution passed by the Board of Members at the meeting for the issue of bonds. • Unconditional & Irrevocable Govt. Guarantee Deed • Credit Rating Letters and Rating Rationales issued by Credit Rating agencies. • In-principal approval from the Bombay Stock Exchange Limited (BSE) for listing • Disclosure Document
Condition Subsequent to Disbursement	To forward Listing application of Bonds/ Debt securities to BSE within stipulated timelines from the deemed date of allotment. To take appropriate steps to Allot & Credit the Bonds in Demat account of subscribers within stipulated time
Credit enhancement measures	1. The issuer will open a designated Escrow Account "bond Servicing account" and the required funds shall be available 15 days prior to the due date in the aforesaid account. 2.Upfront DSRA of 2 quarter interest amount shall be kept in separate account to secure the interest payment.

Chief Financial Officer
Meghalaya Energy Corporation Limited
Shillong

	3. Guarantee given by the state Government of Meghalaya.
Events of Default	Notwithstanding anything to the contrary herein contained, each of the events set out below is an Event of Default: (e) The Account Bank shall on each Due Date ascertain whether there are adequate funds in the Bond Servicing Account to make payments to the Bond Holders on the respective Due Date. In case the Bond Servicing Account is not funded adequately by the Company and / or the Guarantor or from the amounts, if any, lying to the credit of Debt Service Reserve Account on each Due Date such that a payment default occurs on the Due Date, the same shall constitute an Event of Default. (f) Default is committed by the Company in the performance or observance of any material covenant, condition or provision contained in the Transaction Documents, including but not limited to non-listing of Bonds or in any reports or other information furnished by the Company and any warranties given or deemed to have been given by the Company to the Debenture Trustee. (g) The Company has voluntarily or involuntarily become the subject of proceedings under the Insolvency and Bankruptcy Code, 2016 or any bankruptcy or insolvency law or the Company is voluntarily or involuntarily dissolved, a resolution professional or a receiver or a liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Company or the Company ceases or threatens to cease to carry on its business or gives notice of its intention to do so. (h) If in the opinion of the Debenture Trustee, the Security created in terms of any Transaction Document or any part thereof, is in jeopardy.

BL

Chief Financial Officer
Meghalaya Energy Corporation Limited
Shillong

	(i) If the Company is unable to pay its debts or if the Company is carrying on business at a loss and it appears to the Debenture Trustee that continuation of its business with endanger the Security created in terms of the Transaction Documents. (j) Any failure on behalf of the Company and/ or the Guarantor to perform or comply with any of their material obligations in relation to the Bonds or under the terms and conditions stated herein or under the Transaction Documents, which is incapable of remedy in the opinion of the Debenture Trustee.
Provisions related to Cross Default Clause	As set out in the row titled 'Events of Defaults'.
Role and Responsibilities of Debenture Trustee	The Company has received the consent of M/s. IDBI Trusteeship Services Limited To act as a trustee on behalf of the debenture holders. Responsibilities, role and powers of the Debenture Trustee have been elaborate further in the Debenture Trust Deed.
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof between the parties shall be subject to **"Shillong Jurisdiction".**
Default in Payment	In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of atleast @ 2% p.a. over the coupon rate shall be payable by the Company for the defaulting period
Default in Listing	In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the Company shall pay penal interest of atleast @ 1 % p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor
Default in Execution of Trust Deed	In case of default to execute the trust deed within the period specified in the sub-regulation (1), without prejudice to any liability arising on account of violation of the provisions of the Act and these Regulations,

BL.

Chief Financial Officer
Meghalaya Energy Corporation Limited
Shillong

	the issuer shall also pay interest of at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed.

II. TERMS OF OFFER

ISSUE SIZE

The Issuer Propose to raise INR. 50Croreplus green shoe option of Rs. 50 cr. aggregate issue size of INR 100 Crores.

PRESENT ISSUE

Meghalaya Energy Corporation Limited ("MeECL" or the "Issuer" or the "Company") proposes to raise Secured, Rated, Redeemable, Taxable Bond with unconditional and irrevocable Government of Meghalaya guarantee for timely repayment of interest and principal and will remain in force till the maturity as a principal debtor for INR. 50 Croresplus Green shoe option of INR.50 Crores aggregate issue size is INR. 100 Crore.

NATURE OF THE INSTRUMENT

Secured, Rated, Redeemable, Taxable Bond with unconditional and irrevocable Government of Meghalaya guarantee for timely repayment of interest and principal and will remain in force till the maturity.

FACE VALUE, ISSUE PRICE, EFFECTIVE YIELD FOR INVESTOR

Bonds would have face value of INR 10,00,000/- (Rupees Ten Lacs) each.

LISTING

Proposed on the Wholesale Debt Market (WDM) Segment of BSE Ltd.

ELIGIBILITY TO COME OUT WITH THE ISSUE

The Issuer or the person in control of the Issuer, or, its promoters, has not been restrained or prohibited or debarred by SEBI/any other Government from accessing the securities market or dealing in securities and such direction or order is in force.

REGISTRATION AND GOVERNMENT APPROVALS

The company can undertake the activities proposed by it in view of the present approvals and no further approval from any government Authority(ies) is required by it to undertake the proposed activities save and except those approvals which may be required to be taken in the normal course of business from time to time.

BL

Chief Financial Officer
Meghalaya Energy Corporation Limited