



Vedanta arm MEL gets AA- long-term rating for its debt securities from CRISIL



New Delhi, Feb 25 (PTI) Vedanta Ltd said that its arm Meenakshi Energy Ltd (MEL) has secured a long-term rating of AA- and short-term rating of A1+ from CRISIL Ratings for its proposed bank borrowings.

Securities with an AA rating are considered to have a high degree of safety regarding the timely servicing of financial obligations. Such debt instruments carry very low credit risk. Securities with an A1 rating carry the lowest credit risk.

Meenakshi Energy's rating highlights a marked improvement in its credit profile, driven by the refinancing of its initial Non-Convertible Debentures (NCDs).

The lowered refinancing risk is further supported by positive EBITDA (pre-tax earnings) performance in FY2026, with Rs 83 crore reported in the first nine months, marking a clear turnaround after the company fully operationalised its 1,000-MW thermal power plant in Andhra Pradesh within two years of acquisition.

With full commercial operations achieved in the first half of FY26, MEL has demonstrated improved operational stability, disciplined financial management, and stronger cash flow visibility, Meenakshi Energy Ltd said in a statement.

MEL has also reached a five-year power purchase pact with Tamil Nadu Power Distribution Corporation Limited for 300 MW effective February 2026, enhancing its medium-term revenue visibility and moderating merchant market exposure.

Besides, the company has tied up a competitive fuel supply arrangement with Coal India arm Mahanadi Coalfields Ltd (MCL) at a cost significantly lower than the benchmark rate for imported coal, strengthening margin resilience and mitigating fuel risk.