

DELHI TRANSCO LIMITED

(A Govt. of NCT of Delhi Undertaking)

Regd. Office: - Shakti Sadan, Kotla Marg, New Delhi-110002

Corporate Identification Number (CIN) - U40103DL2001SGC111529

Telephone no-23235380- Tele-fax: - 23238064, Website – www.dtl.gov.in

No. F.42/DTL/ 402 / CS/ 2019-20 / 34

Date: 15th May, 2019

Ms. Rupa Deb,
General Manager and Company Secretary,
IFCI Limited, IFCI Tower,
61, Nehru Place,
New Delhi

Dear Madam

Please find enclosed herewith Half Yearly Report of Delhi Transco Limited for the half year ended March 31, 2019.

Thanking you.

Yours faithfully
For Delhi Transco Limited



(P.K. Mallik)
Executive Director (C.G.)
& Company Secretary

Encl: As above



DELHI TRANSCO LIMITED
(A Govt. of NCT of Delhi Undertaking)
(Shakti Sadan, Kotla Road)
(New Delhi-110001)

HALF YEARLY REPORT

Half Yearly Compliance to be sent to Debenture Holders

A) Declaration in respect of chapter V clause 52 (4)

S.No.	Terms of Issue	Status of Compliance as on 31.03.2019	Remarks
1	Credit Rating	Crisil A/stable India Rating Reserch (Formerly FITCH): A+/Positive	Annexure-1 & 2
2	Asset Coverage Ratio	complied	Annexure-3
3	Debt Equity Ratio (for half year ending 31.03.2019)	0.28	
	Debt Equity Ratio (for half year ending 31.03.2018)	0.60	
4	DSCR Requirement (for half year ending 31.03.2019)	0.93	
	DSCR Requirement (for half year ending 31.03.2018)	1.26	
5	ISCR Requirement (for half year ending 31.03.2019)	7.62	
	ISCR Requirement (for half year ending 31.03.2018)	3.10	
6	DRR Requirement	6000.00 Lakhs	
7	Net Worth	322419.74 Lakhs	
8	Net profit after tax (Total Comprehensive Income for the year) (for half year ending 31.03.2019)	17580.81 Lakhs	
	Net profit after tax (Total Comprehensive Income for the year) (for half year ending 31.03.2018)	23297.14 Lakhs	
9	Earning Per Share	0.44	

B)

Details of Payment of Interest/Redemption

S.No.	Previous Due Dates of Interest/redemption during last half year	Status of Payment	If not paid on due date,status as on date
1	2nd March 2019 (Interest)	Paid	N.A
2	2nd March 2019 (Principal)	Paid	N.A

S.No.	Next Due Dates of Interest & redemption	Payment
1	2nd September 2019 (Interest)	57,000,000.00
2	2nd March 2020 (Principal)	200,000,000.00

Vikas Nayal
DM(F)-CA



DELHI TRANSCO LIMITED
(A Govt. of NCT of Delhi Undertaking)
(Shakti Sadan, Kotla Road)
(New Delhi-110001)

Declaration in respect of Chapter V Clause 52 (7)

This is to certify that the proceeds of the non convertible debt securities were used for the purpose for which they were issued.

V. Kishan Singh
DMCP)-CA

Rating Rationale

January 15, 2019 | Mumbai

Delhi Transco Limited

Rating upgraded to CRISIL A/Stable'

Rating Action

Rs.700 Crore Bond

CRISIL A/Stable (Upgraded from 'CRISIL BBB+/Positive')

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL has upgraded its rating on the bonds of Delhi Transco Limited (DTL) to 'CRISIL A/Stable' from 'CRISIL BBB+/Positive'.

The upgrade reflects improvement in DTL's financial risk profile due to sustained rise in payment collection from BSES Rajdhani Power Ltd (BRPL) and BSES Yamuna Power Ltd (BYPL). DTL received 143% (includes past dues) of the amount billed from these two counterparties in fiscal 2019 (till October 2018) as against 80%, 66% and 33% in fiscals 2018, 2017 and 2016, respectively. Further, BRPL has submitted a liquidation plan for clearing all the past dues of about Rs 900 crore, which lends additional comfort. The improved cash flow has strengthened overall liquidity thus enabling DTL to prepay a large part of its borrowing. This improved the credit metrics with interest coverage and gearing at 6.5 times and 0.5 time, respectively, as on September 30, 2018, against 4.6 times and 0.8 time respectively as on March 31, 2017.

Continued receipt of timely payments from key counterparties such as BYPL, BRPL, and Tata Power Delhi Distribution Ltd (TPDDL), and sustenance of adequate liquidity will be key monitorables.

The rating also factors in DTL's monopoly in Delhi's transmission business, and efficiency of its operations in terms of low transmission loss and above normative line availability leading to full recovery of cost under the regulated tariff structure. These strengths are partially offset by weak counterparty risk profile, exposure to risks related to implementation of proposed capital expenditure, and modest financial risk profile.

Key Rating Drivers & Detailed Description

Strengths

* Monopoly in intra-state power transmission business in Delhi

DTL enjoys a natural monopoly and transmits power from the central generating utilities, Pragati Power Corporation Ltd (PPCL) and Indraprastha Power Generation Co Ltd (IPGCL), and from private generators, to distribution companies (discoms) in Delhi. DTL's monopoly is likely to continue in the long term, as the economies of power transmission do not favour multiple networks in the same area. Also, as the designated state transmission utility (STU), it plans and coordinates the wheeling of power and plays a crucial role in the state's economy, as the entire power available in the state flows through its network.

* Full recovery of cost under regulated tariff structure

DTL operates under a well-developed regulatory framework. Tariff is determined by Delhi Electricity Regulatory Commission (DERC), and enables DTL to recover expenses and allows for return on capital employed (RoCE; which includes interest cost) based on network availability, provided it meets DERC's stipulated operating norms. DTL has continuously recovered revenue as set in tariff orders issued by DERC, supported by efficient operations with line availability of over 99%, as against the performance benchmark of 98% set by the regulator for full recovery of cost and RoCE.

* Efficient operations

Transmission loss of below 1% on its own network indicates DTL's efficient operating profile. Although recovery of receivables from key customers was previously delayed, collection has improved since April 2016. The improvement in collection efficiency is also supported by GoNCTD (Government of National Capital Territory of Delhi) paying the power subsidy of around Rs 400 crore annually, attributable to BRPL and BYPL, directly to DTL. The company's transmission network had above-normative line availability leading to full recovery of fixed cost.

* Healthy financial risk profile

Financial risk profile has improved with higher collection efficiency from discoms. Gearing moderated to 0.63 time as on March 31, 2018, from 1.55 times as on March 31, 2014, because of steady accretion to reserve and a Government of India grant of Rs 200 crore in fiscal 2015, which is considered as part of network. Interest coverage ratio steadily improved to 6.5 times as on September 30, 2018, from 4.6 times as on March 31, 2017.

Weakness

* Weak counterparty risk profile

Main counterparties, BRPL and BYPL, accounting for over 60% of DTL's revenue, have weak financial risk profile because of large regulatory asset base and weak gearing. This has, in the past, led to significant build-up of receivables, adversely impacting liquidity. Receivables increased to Rs 1,740 crore as on March 31, 2018, from Rs 379 crore as on March 31, 2011. With improving collection efficiency, the receivables have marginally declined to Rs 1,624 crore as on September 30, 2018. Further, BRPL has submitted a liquidation plan for clearing all the past dues. Nonetheless, any build-up of receivables over the medium term will remain a key rating sensitivity factor.

Outlook: Stable

CRISIL believes DTL's improved financial risk profile and liquidity will sustain over the medium term given that receipts from discoms remain high.

Upside scenario

* Continued timely recovery of dues from discoms, further strengthening the financial risk profile

Downside scenario

* Delays in realisations of dues from discoms

* Weakening of financial flexibility due to change in ability to defer payments to GoNCTD or Delhi Power Company Ltd (DPCL)

Liquidity

Liquidity is healthy with cash and bank balance of Rs 372 crore and unutilised working capital lines of Rs 175 crore as on September 30, 2018. Cash accrual is expected to be sufficient to cover debt obligation over the medium term. Flexibility in terms of servicing GoNCTD loans further supports liquidity.

About the Company

DTL, established in 2001, is wholly owned by GoNCTD with a direct holding of 93.4% and holding through DPCL of 6.6%. As envisioned in the Delhi Electricity Reform (Transfer Scheme) Rules, 2001, the erstwhile Delhi Vidyut Board was unbundled into one holding company (DPCL), two generation companies (IPGCL and PPCL), a transmission company (DTL), and three discoms (South-West Delhi Electricity Distribution Company Ltd, Central-East Delhi Electricity Distribution Company Ltd, and North-West Delhi Distribution Company Ltd). The three discoms were privatised and were renamed BRPL, BYPL, and TPDDL. DTL was initially involved in transmission and bulk power trading. Under the provisions of the Electricity Act 2003, DTL divested its bulk supply business in April 2007. This business was transferred to the three discoms. All power purchase agreements signed with DTL by the central power utilities, state generating companies, and private generators, were transferred to the three discoms. Due to the transfer, DTL is currently involved in transmission and has been designated as the STU in the National Capital Region.

Key Financial Indicators

Particulars	Unit	2018	2017
Revenue	Rs crore	1427	1103
Profit after tax (PAT)	Rs crore	600	323
PAT margin	%	42.1	29.3
Adjusted debt/adjusted network	Times	0.63	0.84
Interest coverage	Times	6.82	4.61

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN No	Name of Instrument	Date of Allotment	Coupon Rate	Maturity Date	Issue Size (Rs Crore)	Rating Assigned with Outlook
INE491F07019	Long Term Bonds*	02-Mar-2010	9.5%	02-Mar-2016	20	CRISIL A/Stable
INE491F07027	Long Term Bonds*	02-Mar-2010	9.5%	02-Mar-2017	20	CRISIL A/Stable
INE491F07035	Long Term Bonds*	02-Mar-2010	9.5%	02-Mar-2018	20	CRISIL A/Stable
INE491F07043	Long Term Bonds	02-Mar-2010	9.5%	02-Mar-2019	20	CRISIL A/Stable
INE491F07050	Long Term Bonds	02-Mar-2010	9.5%	02-Mar-2020	20	CRISIL A/Stable
INE491F07068	Long Term Bonds	02-Mar-2010	9.5%	02-Mar-2021	20	CRISIL A/Stable
INE491F07076	Long Term Bonds	02-Mar-2010	9.5%	02-Mar-2022	20	CRISIL A/Stable
INE491F07084	Long Term Bonds	02-Mar-2010	9.5%	02-Mar-2023	20	CRISIL A/Stable
INE491F07092	Long Term Bonds	02-Mar-2010	9.5%	02-Mar-2024	20	CRISIL A/Stable
INE491F07100	Long Term Bonds	02-Mar-2010	9.5%	02-Mar-2025	20	CRISIL A/Stable
NA	Long Term Bonds#	NA	NA	NA	500	CRISIL A/Stable

* CRISIL is awaiting independent confirmation of redemption before withdrawing ratings on these instruments

Yet to be issued

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2019 (History)		2018		2017		2016		Start of 2016
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Bond	LT	140.00 15-01-19	CRISIL A/Stable			26-04-18	CRISIL BBB+/Positive	28-04-17	CRISIL BBB+/Negative	20-04-16	CRISIL BBB+/Negative	CRISIL BBB+/Negative

All amounts are in Rs.Cr.

Links to related criteria

[CRISILs Approach to Financial Ratios](#)

[Rating Criteria for Power Distribution Utilities](#)

[Rating criteria for manufacturing and service sector companies](#)

For further information contact:

Media Relations

Analytical Contacts

Customer Service Helpdesk

Saman Khan

Sachin Gupta

Timings: 10.00 am to 7.00 pm

India Ratings Revises Delhi Transco's Outlook to Positive; Affirms 'IND A+'

25

JAN 2019

By Ashish Agrawal

India Ratings and Research (Ind-Ra) has revised Delhi Transco Limited's (DTL) Outlook to Positive from Stable while affirming its Long-Term Issuer Rating at 'IND A+'. The instrument-wise rating actions are as follows:

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook	Rating Action
Long-term loans	-	-	June 2025	INR5.28 (reduced from INR6.20)	IND A+/Positive	Affirmed; Outlook revised to Positive from Stable
Bond programme*	-	-	-	INR1.4 (reduced from INR1.6)	IND A+/Positive	Affirmed; Outlook revised to Positive from Stable
Fund-based limits	-	-	-	INR1.75	IND A+/Positive/IND A1	Affirmed; Outlook revised to Positive from Stable
Non-fund-based limits	-	-	-	INR1	IND A+/Positive/IND A1	Affirmed; Outlook revised to Positive from Stable

* Details in annexure

KEY RATING DRIVERS

Positive Outlook: The Outlook revision reflects a substantial reduction in gross debt to INR11.5 billion at 9MFYE19 from INR17.7 billion at FYE18 and INR22.9 billion at FYE17. The reduction was driven by a strong improvement in collections since March 2018, given DTL has been receiving 100% payments from all the distribution utilities (discoms) of Delhi, particularly BSES Rajdhani Power Limited (BRPL; 'IND BBB-/Stable') and BSES Yamuna Power Limited (BYPL; 'IND BBB-/Stable'). The cash flows of DTL have also been aided by the continued recovery of arrears from erstwhile Delhi Vidut Board (DVB).

The Outlook revision also reflects Ind-Ra's expectation of the liquidation of the past debtors totalling INR9.5 billion and INR6.0 billion, which had accumulated over FY14-FY17, due from BRPL and BYPL, respectively, over the next six-seven years. The quantum of the liquidation, which commenced from June 2018, would be as per the liquidation plan submitted by BRPL and would depend on the cash flow position of BYPL, as BYPL has not submitted any formal liquidation plan so far.

Comfortable Liquidity; Improved Credit Profile: DTL's cash flow from operations rose to INR8.6 billion in FY18 from INR6.0 billion in FY17 and its free cash flows improved to INR4.9 billion from INR3.1 billion. Given the strong cash flows supported by payments from discoms, subsidy diversion, recovery of arrears from erstwhile DVB and beginning of receipt of past dues from BRPL since June 2018, DTL has repaid/prepaid INR5.53 billion, primarily high-cost loans taken from the Delhi government, during 9MFY19.

The improvement in cash flows led to a reduction in net leverage (total adjusted net debt/operating EBITDA) to 1.8x in FY18 from 2.4x in FY17. The leverage is likely to reduce to 1.5x by FYE19 in view of a further improvement in cash flows. In addition, DTL's average cost of debt reduced below 9.0% during 9MFY19, as the company repaid high-cost loans from the government of the National Capital Territory of Delhi (GNCTD) and Delhi Power Company Limited. Furthermore, DTL has cleared all interest payment overdues on GNCTD loans by November 2017. Accordingly, DTL's interest coverage is likely to improve to about 5.8x in FY19 from 5.0x in FY18 (FY17: 4.4x).

Continuous Improvement in Collections: DTL's collections significantly improved to above 100% of the revenue for the period April-September 2018 (FY18: 85%; FY17: 80%; FY16: 67%), and are likely to remain at the level, as DTL has started to receive 100% of its current billing from discoms through direct payments from discoms and electricity subsidy diversion (FY18: INR4.19 billion; FY17: INR2.3 billion; FY16: INR1.5 billion), along with the liquidation of the past debtors outstanding from BRPL. DTL receives about 25% of the overall subsidy earmarked by the GNCTD. The improvement in collections led to a moderation in debtor accretion to INR1.7 billion in FY18 from INR2.2 billion in FY17 and INR3.6 billion in FY16. DTL's debtors decreased to INR17.2 billion in 1HFY19 from INR18.4 billion in FY18 (FY17: INR16.6 billion). Nearly 91% of the debtors at FYE18 are outstanding from BRPL and BYPL.

Ind-Ra expects DTL to continue to recover 100% of its annual billings from discoms owing to an improvement in their financial health, driven largely by the approval of tariff hikes, a control on their power purchase cost and a fall in aggregate technical and commercial losses.

Debtor Liquidation Plan for BRPL: BRPL has provided a liquidation plan to DTL for principal overdue debtors totalling INR9.38 billion at FYE18. Under the plan, BRPL has been making additional INR100 million per month directly to DTL, in addition to the monthly payment of current transmission bills.

Clear Path for Recovery of DVB Arrears: Delhi Electricity Regulatory Commission has allowed the recovery of arrears from erstwhile DVB to the extent of INR2.98

billion in FY18 and INR2.18 billion in FY19, and has outlined the liquidation of the remaining INR4.9 billion of arrears over FY20-FY22.

Continued Support from GNCTD: GNCTD has provided financial support to DTL through subsidy flow and flexible unsecured loan repayments in the past. During FY18, GNCTD continued its support to DTL by way of additional loans to the extent of INR1.5 billion for the latter's ongoing capex programme and is likely to provide INR0.5 billion by FYE19. The ratings are supported by the GNCTD's ability, willingness and track record towards providing financial support to DTL, given its strategic importance in providing power in the national capital.

Regulated Business Operations: DTL has a monopoly in its licence area and high operating efficiencies. The stable and transparent regulatory process determines tariffs on a multi-year basis and assures a recovery of fixed costs with 14% return on equity.

Increased Annual Revenue Requirement Continued in FY19: DTL's annual revenue requirement increased to INR11.2 billion in FY19 from INR10.8 billion in FY18 on account of the allowance of DVB arrears and the increased regulated rate base driven by the capex undertaken by DTL. Ind-Ra expects DTL to incur an INR3.5 million-INR4.5 million capex annually over FY20-FY21 and, thus, lead to a rise in annual revenue requirement. Furthermore, the annual revenue requirement is likely to remain between INR11 billion and INR13 billion over the next two-three years, as the annual revenue requirement after excluding DVB arrears (FY19: INR9.0 billion, FY18: INR7.6 billion) would increase while the DVB arrears would decline as they would be recovered by FYE22.

However, Ind-Ra notes that the regulator could claw back INR2.67 billion that DTL received as other income during FY18 during the true-up exercise for FY18 and adjust the amount in the FY20 tariff order. The amount represents income earned towards power purchase cost against revised tariffs announced by central electricity regulatory commission/appellate bodies with regard to power purchased by DTL prior to 1 April 2007 from various generating utilities.

RATING SENSITIVITIES

Outlook Revision: Future developments that could, individually or collectively, lead to the Outlook revision to Stable are:

- lower-than-expected collections from discoms in Delhi, leading to a debtor build-up and worsening the liquidity situation
- weakening of DTL's linkages with the GNCTD

Positive: Higher-than-expected payments from discoms and resolution of old debtors, leading to a further improvement in the liquidity and the credit profile, could lead to a positive rating action.

COMPANY PROFILE

Incorporated in 2002, DTL is a state-owned transmission utility that operates in Delhi NCR. DTL is responsible for running the state load despatch centre, wherein overall system planning, grid management and maintenance, and load despatch functions are handled.

FINANCIAL SUMMARY

Particulars	FY18	FY17
Revenue (INR million)	11,366	10,720
EBITDA (INR million)	8,532	8,236
Gross interest coverage (x)	5.03	4.43
Net leverage (x)	1.79	2.44
Source: Ind-Ra, DTL		

RATING HISTORY

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook		
	Rating Type	Rated Limits (billion)	Rating/Outlook	17 January 2018	26 December 2016	23 October 2015
Issuer rating	Long-term	-	IND A+/Positive	IND A+/Stable	IND A/Negative	IND A+/Stable
Long-term loans	Long-term	INR5.28	IND A+/Positive	IND A+/Stable	IND A/Negative	IND A+/Stable
Bond programme	Long-term	INR1.4	IND A+/Positive	IND A+/Stable	IND A/Negative	IND A+/Stable
Fund-based limits	Long-/short-term	INR1.75	IND A+/Positive/IND A1	IND A+/Stable/IND A1	IND A/Negative/IND A1	IND A+/Stable/IND A1
Non-fund-based limits (carved out of long-term bank loan facility)	Long-/short-term	INR1	IND A+/Positive/IND A1	IND A+/Stable/IND A1	IND A/Negative/IND A1	IND A+/Stable/IND A1

ANNEXURE

Instrument Type	ISIN	Date of Issuance	Maturity Date	Coupon Rate (%)	Size of Issue (billion)	Rating/Outlook
Bonds	INE491F07035	2 March 2010	2 March 2018	9.5	INR0.2	WD*
Bonds	INE491F07043	2 March 2010	2 March 2019	9.5	INR0.2	IND A+/Positive
Bonds	INE491F07050	2 March 2010	2 March 2020	9.5	INR0.2	IND A+/Positive

Bonds	INE491F07068	2 March 2010	2 March 2021	9.5	INR0.2	IND A+/Positive
Bonds	INE491F07076	2 March 2010	2 March 2023	9.5	INR0.2	IND A+/Positive
Bonds	INE491F07084	2 March 2010	2 March 2024	9.5	INR0.2	IND A+/Positive
Bonds	INE491F07092	2 March 2010	2 March 2024	9.5	INR0.2	IND A+/Positive
Bonds	INE491F07100	2 March 2010	2 March 2025	9.5	INR0.2	IND A+/Positive
Total					INR1.4	

* Repaid in full

COMPLEXITY LEVEL OF INSTRUMENTS

For details on the complexity levels of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

SOLICITATION DISCLOSURES

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

ABOUT INDIA RATINGS AND RESEARCH

About India Ratings and Research: India Ratings and Research (Ind-Ra) is India's most respected credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

India Ratings is a 100% owned subsidiary of the Fitch Group.

For more information, visit www.indiaratings.co.in.

DISCLAIMER

ALL CREDIT RATINGS ASSIGNED BY INDIA RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTPS://WWW.INDIARATINGS.CO.IN/RATING-DEFINITIONS](https://www.indiaratings.co.in/rating-definitions). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEBSITE WWW.INDIARATINGS.CO.IN. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. INDIA RATINGS' CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE.

Applicable Criteria

[Corporate Rating Methodology](#)

Analyst Names

[Primary Analyst](#)

Ashish Agrawal

Analyst

India Ratings and Research Pvt Ltd 601-9 Prakashdeep Building 7 Tolstoy Marg New Delhi 110001
011 43567230

[Secondary Analyst](#)

Nitin Bansal

Senior Analyst

+91 11 43567230

S. N. NANDA & CO.
CHARTERED ACCOUNTANTS

E-mail : snnco@snnco.net
: info@snnco.net

C 43, PAMPOSH ENCLAVE
GREATER KAILASH - I
NEW DELHI - 110 048

PH: 91-11-26227853, 41731475
FAX: 91-11-26227853

LIMITED REVIEW REPORT

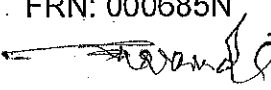
To,
The Board of Directors,
M/s. Delhi Transco Limited,
New Delhi

We have reviewed the accompanying statement of unaudited financial results of M/s Delhi Transco Limited, Shakti Sadan, Kotla Road, New Delhi 110002 for the half year ended 31st March 2019. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on this financial statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the institute of Chartered Accountants of India. These standards require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our notice that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standard and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 29 of the Listing Agreement for debt securities including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S. N. Nanda & Co.
Chartered Accountants
FRN: 000685N


S. N. Nanda
Partner
M. No. 005909




Date: 13th May 2019
Place: New Delhi



DELHI TRANSCO LIMITED
(An undertaking of Government of NCT of Delhi)
CIN : U40103DL2001SGC111529
Shakti Sadan, Kotla Road, New Delhi - 110002
Website : www.dtl.gov.in

Unaudited financial results for half year ending 31 March 2019

Particulars	INR Lakhs			
	6 months ended 31.03.2019 (Unaudited)	6 months ended 31.03.2018 (Unaudited)	Year ended 31.03.2019 (Unaudited)	Year ended 31.03.2018 (Audited)
Revenue				
Revenue from operations	59,780.44	62,137.66	116,200.82	115,547.08
Other income	2,923.02	8,530.35	7,424.10	37,848.67
Total revenue	62,703.46	70,668.01	123,624.92	153,395.75
Expenses				
Employee benefits expense	9,301.81	8,723.16	18,475.34	18,502.15
Finance costs	5,826.66	8,054.85	13,119.80	16,975.68
Depreciation and amortization expense	14,415.65	14,819.12	28,216.46	24,172.44
Other expenses	8,385.71	6,473.76	12,185.06	9,837.76
Total expenses	37,929.83	38,070.89	71,996.66	69,488.03
Profit before tax and exceptional item	24,773.63	32,597.12	51,628.26	83,907.72
Exceptional item	-	-	-	-
Profit before tax	24,773.63	32,597.12	51,628.26	83,907.72
Tax expense				
Current tax	5,930.70	6,962.47	14,674.05	22,413.44
Deferred tax	1,804.95	2,511.25	2,461.77	4,890.17
MAT credit entitlement	(492.18)	(170.78)	(3,548.21)	(6,114.09)
Total tax expense	7,243.47	9,302.94	13,587.61	21,189.52
Profit for the year	17,530.16	23,294.18	38,040.65	62,718.20
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Net actuarial gains/(losses) on defined benefit plans	50.65	4.53	101.31	101.31
Income tax relating to above items	-	1.57	-	35.06
Other comprehensive income for the year	50.65	2.96	101.31	66.25
Total comprehensive income for the year	17,580.81	23,297.14	38,141.96	62,784.45
Paid up equity share capital (face value INR 10 each)	395,100.00	395,100.00	395,100.00	395,100.00
Earnings per equity share (Par value INR 10 each)				
Basic & Diluted (INR)	0.44	0.59	0.97	1.59
Reserves (excluding revaluation reserve)	(72,680.26)	(112,111.27)	(72,680.26)	(110,822.26)
Net worth	322,419.74	282,988.73	322,419.74	284,277.74
Paid up debt capital / outstanding debt	90,416.52	170,508.10	90,416.52	176,653.62
Outstanding redeemable preference shares	-	-	-	-
Debt equity ratio	0.28	0.60	0.28	0.62
Debenture redemption reserve	6,000.00	7,000.00	6,000.00	7,000.00
Debt service coverage ratio	0.93	1.26	0.95	2.17
Interest service coverage ratio	7.62	3.10	7.04	6.99


P. K. MALLIK
 DIRECTOR (FINANCE)
 DELHI TRANSCO LIMITED
 (Govt. of NCT of Delhi Undertaking)
 Shakti Sadan, Kotla Marg,
 New Delhi-110002





DELHI TRANSCO LIMITED
(An undertaking of Government of NCT of Delhi)
CIN : U40103DL2001SGC111529
Shakti Sadan, Kotla Road, New Delhi - 110002
Website : www.dtl.gov.in

Statement of assets and liabilities

Particulars	INR Lakhs	
	As at 31.03.2019 (Unaudited)	As at 31.03.2018 (Audited)
ASSETS		
Non-current assets		
Property, plant & equipment	318,828.62	302,854.39
Capital work-in-progress	11,029.12	13,710.50
Intangible assets	13,626.97	14,428.21
Financial assets	44.08	44.08
Other non-current assets	28,997.84	44,592.63
Total non-current assets	372,526.63	375,629.81
Current assets		
Inventories	611.96	455.32
Financial assets	-	-
Trade receivables	158,215.13	173,951.93
Cash and cash equivalent	28,772.85	24,247.37
Other financial assets	11,316.10	11,115.62
Current tax assets (net)	14,305.05	17,886.83
Other current assets	4,418.46	3,540.00
Total current assets	217,639.55	231,197.07
TOTAL ASSETS	590,166.18	606,826.88
EQUITY AND LIABILITIES		
Equity		
Equity share capital	395,100.00	395,100.00
Other equity	(72,680.26)	(110,822.26)
Total equity	322,419.74	284,277.74
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	77,595.52	145,127.30
Provisions	5,442.03	4,631.55
Deferred tax liabilities (net)	42,389.22	39,927.45
Total non-current liabilities	125,426.77	189,686.30
Current liabilities		
Financial liabilities		
Trade payables	20,338.14	27,843.60
Other financial liabilities	35,590.33	42,635.91
Other current liabilities	58,827.40	36,139.48
Provisions	3,391.09	3,156.13
Current tax liabilities	83.47	83.47
Total current liabilities	118,230.43	109,858.59
Deferred revenue	24,089.24	23,004.25
TOTAL EQUITY AND LIABILITIES	590,166.18	606,826.88

etc
P. K. MALLIK
DIRECTOR (FINANCE)
DELHI TRANSCO LIMITED
(Govt. of NCT of Delhi Undertaking)
Shakti Sadan, Kotla Marg,
New Delhi-110002





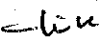
DELHI TRANSCO LIMITED
(An undertaking of Government of NCT of Delhi)
CIN : U40103DL2001SGC111529
Shakti Sadan, Kotla Road, New Delhi - 110002
Website : www.dtl.gov.in

Notes forming part of half yearly financial results for the period ending 31 March 2019

- 1 The financial results for the half year ended 31 March 2019 have been reviewed by Audit Committee and approved by Board of Directors at their meeting held on 13 May 2019. The Statutory Auditors appointed by the company have conducted a limited review of these financial results.
- 2 The financial results of the company have been prepared on accrual basis of accounting in accordance with Indian Accounting Standards ("Ind AS") notified under Companies (Indian Accounting Standards) Rules, 2015 as prescribed under Section 133 of the Companies Act, 2013, the Companies Act, 2013 and the provisions of the Electricity Act, 2003 to the extent applicable.
- 3 In the opinion of the management, there is only one reportable segment ("power transmission & SLDC functions"). Accordingly, no separate disclosure for segment reporting is required to be made in the financial results of the Company. Further, the Company operates only in one geographical segment which is India.
- 4 The operational income (tariff income) for financial year 2018-19 has been recognized on the basis of tariff order passed by DERC dated 28 March 2018.
- 5 Tariff income from SLDC charges has been recognised on the basis of last tariff order passed by DERC for SLDC charges as the tariff order for financial year 2018-19 is yet to be issued.
- 6 Debentures amounting to INR 2,000.00 lakh were redeemed on the date of maturity i.e. 2 March 2019 on yearly basis. The closing balance of Debentures as on 31 March 2019 is INR 12,000.00 lakhs.
Interest on debentures has been paid on half yearly basis on 2nd March and 2nd September.
- 7 Statutory Auditors have issued qualified opinion in their report on the following matters for financial year 2017-18:
 - i) As per Accounting Policy, "The interest/ surcharge on late payment/overdue sundry debtors for transmission of energy is not recognized due to significant uncertainty as to measurability or collectability exists and is therefore accounted for on receipt basis". During the year 2017-18, the company has recognized INR 1,889.31 lakhs as income equivalent to TDS deposited by the debtors. As per Indian Accounting Standard-18, "Revenue", revenue should be recognized if there is no uncertainty. As debtors have deducted and deposited TDS, the income became certain and gross amount INR 18,893.10 lakhs should have been recognized instead of INR 1,889.31 lakhs. Therefore, the profit of the company is understated by the INR 17,003.79 lakhs.
 - ii) As per Accounting Policy, depreciation on assets of the transmission of electricity business and on the assets of Corporate & other offices is charged on straight line method, net of their residual values following the rates and methodology notified by the Delhi Electricity Regulatory Commission Tariff Regulations, 2011. Regulations provide that depreciation for first 12 years be charged on rates notified and after that on estimated useful life after leaving salvage value of 10%, however the company has charged depreciation on all assets on rates prescribed by regulations.
The company has not ascertained useful life of the assets. In some cases the salvage value of assets is less than 10%. The effect of the same on depreciation, amortization and impairment expense has not been ascertained and provided.
 - iii) The company has disclosed various contingent liabilities on account of arbitration/court cases, property tax and other claims. The company has not ascertained the probable outflow as required by Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets".
 - iv) Balances of sundry debtors, sundry creditors and advance to other parties are subject to confirmation and reconciliation. These balances includes outstanding since 2010. The effect of the same is not ascertainable.
 - v) The Company is discharging function of SLDC/UI energy as a nodal agency. Their bank accounts are in the name of the company but the same are not included in the financial statements. The company as a nodal agency earned interest of INR 4,326.33 lakhs on fixed deposits on which TDS INR 432.63 lakhs was deducted. No records for the functions of UI energy have been maintained.

Directions have been given by the Board of Directors for taking actions on the above observations of the Statutory Auditor. Financial impact of above observations is being ascertained and necessary action shall be taken.
- 8 No investor complaints were pending at the beginning of half year and no complaints were received during the said half year.

By order of the Board of Directors
For Delhi Transco Limited


P.K. Mallik P. K. MALLIK
Director (Finance) DIRECTOR (FINANCE)
DELHI TRANSCO LIMITED
(Govt. of NCT of Delhi Undertaking)
Place : Shakti Sadan, Kotla Marg,
New Delhi - 110002
Date : 13 May 2019

