

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 / 140

Date: 04th November, 2019

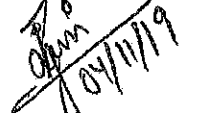
Ms. Rupa Deb,
General Manager and Company Secretary,
IFCI Limited, IFCI Tower,
61, Nehru Place,
New Delhi

Madam

With reference to the letter of Mr. R. P. Paswan, Assistant General Manager, IFCI Limited dated 30.09.2019, please find enclosed herewith Quarterly Report for the quarter ended 30.09.2019.

Thanking you.

Yours faithfully
For Delhi Transco Limited


(Palak Jain)
A.M. (HR)-CS

Encl: As above

ACS

V. K. Singh
4/11/19



DELHI TRANSCO LIMITED
(A Govt. of NCT of Delhi Undertaking)
(Shakti Sadan, Kotla Road)
New Delhi 110002

No: F.DTL/FIN/CA/17-18/

Dated: 4/11/2019

The Company Secretary
Delhi Transco Limited
Shakti Sadan
Delhi


Quarterly Report for the period ended 30.09.2019 for IFCI (Debenture Trustee)

1. The previous due date for the payment of interest and that all interest/principal due till date has been paid to Debenture holder:
Due date of payment of interest are 2nd September and 2nd March every year.
Interest was paid on time (Dated-Sep 2, 2019)
Principal was paid on time (Dated-March 2, 2019)
2. The Next due date for payment of Interest /principal and the same would be paid on due date:
The next due date for payment of interest is 2nd March 2020.
The next due date for payment of principal is 2nd March 2020.
3. Creation of Debenture Redemption Reserve as stipulated in the Debenture Trust Deed/Companies Act duly supported by Auditor's Certificate, and certificate of compliance with SEBI Circular No.4/2013 Debenture (Bonds) Redemption Reserve: Rs 60 Cr (as on 31.03.2019) For FY 2018-19 (Auditor Certificate for 31.03.2019 will be provided along with half yearly Financials for the period ended 31.03.2019)
4. A certificate from the auditors of the company certifying that:
 - (i) The company has transferred sum equivalent to 25% of the value of debentures to debentures redemption reserve at the end of each financial year from the year in which debentures were issued as mentioned in circular no. 04/2013 dated 11/02/2013 issued by ministry of corporate affairs.
 - (ii) The company has invested a sum not less than 15% of the amount of debentures maturing during financial year 2019-20 ending on 30/06/2019 in prescribed modes, as mentioned in circular no. 04/2013 dated 11/02/2013 issued by ministry of corporate affairs.
Auditor Certificate has been enclosed. (Annex- A)

V. K. Singh

5. **Payment of interest up to the last due date.**
Interest paid up to the due date i.e. 2nd Sep 2019.
6. **Status of redemption of Debentures on due date, if any**
4th installment of Debenture redeemed on 2nd March 2019.
7. **The Properties secured for the Debentures are adequately insured and policies are in the joint names of the trustees.(Note: In adherence to the Trust Deed, Kindly provide us with the original Insurance Policy with Original Renewals, if any)**
Currently we are maintaining insurance reserve of .10% of GFA from the annual profit of the company.
8. **In case of default (Principal and Interest), number of installments defaulted as on Sep 30, 2019 with amount overdue (give due date wise principal & interest separately).**
No default reported.
9. **A Statement that the assets of the body corporate which are available by way of security are sufficient to discharge the claims of the debenture holders as and when they become due (Asset Cover Ratio).**
Auditor Certificate has been enclosed. (Annex- B)
10. **Cash flows of the company are adequate for payment of interest and redemption of principal with details thereof.**
The requirement of cash funds for the payment of interest and redemption of principal is being met out of the internal accruals of the company.
11. **Repayment Schedule**
Enclosed. (Annex- C)
12. **Credit Rating assigned to the Debentures at present along with the certified true copy of the latest Credit Rating Letter in regards to the issue.**
*Crisil: A/Stable
India Rating (Fitch): IND A+/Positive
The above credit ratings are the latest conducted by the agencies and are also available on their respective websites. (Annex- D&E)*

For Submission to IFCI limited.


(Vikas Mangla)
DM (F), Central Accounts

Annexure 'A'



S. N. NANDA & CO.
CHARTERED ACCOUNTANTS

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

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

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

29th May 2019

The Company Secretary
IFCI Limited
IFCI Tower
61, Nehru Place
New Delhi - 110019.

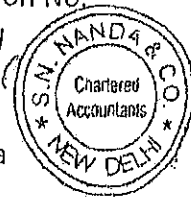
- A. The Delhi Transco Limited has transferred a sum of Rs. 1000 lakhs equivalent to 50% of the value of Debentures issued amounting to Rs.20000 lakhs to Debenture Redemption Reserve, out of its profit in accordance with Circular No.04/2013 dated 11/02/2013 issued by Ministry of Corporate Affairs. As on 31.03.2019 Debenture Redemption Reserve Stands for Rs. 6000 Lakhs.
- B. The Company has invested a sum of Rs.300 lakhs, not less than 15% of the debenture amount of Rs. 2000 lakhs, maturing during Financial Year 2019-20 ending on 31.03.2020 in prescribed modes, as mentioned in Circular No.04/2013 dated 11/02/2013 issued by Ministry of Corporate Affairs.

This certificate has been issued at the request of Delhi Transco Ltd and is for your use only.

For S.N. Nanda & Co.
(Chartered Accountants)
Firm Registration No.
00685N

CA S.N. Nanda
Partner

M. No. 005909
UDIN: 19005909AAAAAH7916



V. K. Nanda

Annexure 'B1'

S. N. NANDA & CO.
CHARTERED ACCOUNTANTS

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

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

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

29th May 2019

The Company Secretary
IFCI Limited
IFCI Tower
61, Nehru Place
New Delhi - 110019.

This is to certify that on the basis of Books of accounts and record presented before us, the assets of Delhi Transco Limited as on 31st March, 2019 which are available by way of security are sufficient to discharge the claims of the debenture holders as and when they become due.

This certificate has been issued at the request of Delhi Transco Ltd and is for your use only.

For S.N. Nanda & Co.
(Chartered Accountants)
Firm Registration No. 00685N

CA S.N. Nanda
Partner
M. No. 005909
UDIN: 19005909AAAAAG9348



Repayment Schedule

Annexure 'C1

5 year DTL Bonds for Rs. 200 crores on half yearly interest @ 09.5% to be redeemed in 10 equal installments from Six year and onward

Date	Principal	Interest	Redemption	Payment	Balance
02/03/2010	2,00,00,00,000	9,50,00,000	0	9,50,00,000	2,00,00,00,000
02/09/2010	2,00,00,00,000	9,50,00,000	0	9,50,00,000	2,00,00,00,000
02/03/2011	2,00,00,00,000	9,50,00,000	0	9,50,00,000	2,00,00,00,000
02/09/2011	2,00,00,00,000	9,50,00,000	0	9,50,00,000	2,00,00,00,000
02/03/2012	2,00,00,00,000	9,50,00,000	0	9,50,00,000	2,00,00,00,000
02/09/2012	2,00,00,00,000	9,50,00,000	0	9,50,00,000	2,00,00,00,000
02/03/2013	2,00,00,00,000	9,50,00,000	0	9,50,00,000	2,00,00,00,000
02/09/2013	2,00,00,00,000	9,50,00,000	0	9,50,00,000	2,00,00,00,000
02/03/2014	2,00,00,00,000	9,50,00,000	0	9,50,00,000	2,00,00,00,000
02/09/2014	2,00,00,00,000	9,50,00,000	0	9,50,00,000	2,00,00,00,000
02/03/2015	2,00,00,00,000	9,50,00,000	0	9,50,00,000	2,00,00,00,000
02/09/2015	2,00,00,00,000	9,50,00,000	0	9,50,00,000	2,00,00,00,000
02/03/2016	2,00,00,00,000	9,50,00,000	20,00,00,000	29,50,00,000	1,80,00,00,000
02/09/2016	1,80,00,00,000	8,55,00,000	0	8,55,00,000	1,80,00,00,000
02/03/2017	1,80,00,00,000	8,55,00,000	20,00,00,000	28,55,00,000	1,60,00,00,000
02/09/2017	1,60,00,00,000	7,60,00,000	0	7,60,00,000	1,60,00,00,000
02/03/2018	1,60,00,00,000	7,60,00,000	20,00,00,000	27,60,00,000	1,40,00,00,000
02/09/2018	1,40,00,00,000	6,65,00,000	0	6,65,00,000	1,40,00,00,000
02/03/2019	1,40,00,00,000	6,65,00,000	20,00,00,000	26,65,00,000	1,20,00,00,000
02/09/2019	1,20,00,00,000	5,70,00,000	0	5,70,00,000	1,20,00,00,000
02/03/2020	1,20,00,00,000	5,70,00,000	20,00,00,000	25,70,00,000	1,00,00,00,000
02/09/2020	1,00,00,00,000	4,75,00,000	0	4,75,00,000	1,00,00,00,000
02/03/2021	1,00,00,00,000	4,75,00,000	20,00,00,000	24,75,00,000	80,00,00,000
02/09/2021	80,00,00,000	3,80,00,000	0	3,80,00,000	80,00,00,000
02/03/2022	80,00,00,000	3,80,00,000	20,00,00,000	23,80,00,000	60,00,00,000
02/09/2022	60,00,00,000	2,85,00,000	0	2,85,00,000	60,00,00,000
02/03/2023	60,00,00,000	2,85,00,000	20,00,00,000	22,85,00,000	40,00,00,000
02/09/2023	40,00,00,000	1,90,00,000	0	1,90,00,000	40,00,00,000
02/03/2024	40,00,00,000	1,90,00,000	20,00,00,000	21,90,00,000	20,00,00,000
02/09/2024	20,00,00,000	95,00,000	0	95,00,000	20,00,00,000
02/03/2025	20,00,00,000	95,00,000	20,00,00,000	20,95,00,000	0
		2,09,00,00,000		4,09,00,00,000	

V. Hanumanth

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 9MFY19 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

V. Narayan

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

V. K. Singh

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.

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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.

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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
+91 11 43567230

Secondary Analyst

Nitin Bansal

Senior Analyst

+91 11 43567230

V. Karan

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 networth. 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.

V. K. Singh

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 Outstanding Amount	2019 (History)		2018		2017		2016		Start of 2016 Rating
			Date	Rating	Date	Rating	Date	Rating	Date	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

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