

# 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](http://www.dtl.gov.in)

No. F.42/DTL/402 / CS/ 2018-19 / 49

Date: 02nd August, 2018

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

Dear Madam

Please find enclosed herewith Quarterly Report for the quarter ended June 30, 2018.

Thanking you.

Yours faithfully  
For Delhi Transco Limited

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

Encl: As above

P. K. MALLIK  
ED (CG) & CS  
DELHI TRANSCO LIMITED  
(A Govt. of NCT of Delhi Undertaking)  
Shakti Sadan, Kotla Marg  
New Delhi-110002



**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: 31/07/2018

The Company Secretary  
Delhi Transco Limited  
Shakti Sadan  
Delhi

**Quarterly Report for the period ended 30.06.2018 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 2<sup>nd</sup> September and 2<sup>nd</sup> March every year.*  
*Interest was paid on time (Dated-March 2, 2018)*  
*Principal was paid on time (Dated-March 2, 2018)*
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 2<sup>nd</sup> September 2018.*  
*The next due date for payment of principal is 2<sup>nd</sup> March 2019.*
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.70 Cr (as on 31.03.2018). For FY 2017-18 Auditor Certificate has been enclosed (Annex- A )
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 2017-18 ending on 30/06/2018 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 )*

5. **Payment of interest up to the last due date.**  
*Interest paid up to the due date i.e. 2<sup>nd</sup> March 2018.*
6. **Status of redemption of Debentures on due date, if any**  
*3<sup>rd</sup> installment of Debenture redeemed on 2<sup>nd</sup> March 2018.*
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 June 30, 2018 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: BBB+/Positive (Outlook revised from 'Negative' and rating Reaffirmed)  
India Rating (Fitch): "IND A+/Outlook Stable  
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

**S. N. NANDA & CO.**  
**CHARTERED ACCOUNTANTS**

E-mail : [snnco@snnco.net](mailto:snnco@snnco.net)  
: [info@snnco.net](mailto:info@snnco.net)

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

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

ANNEX - A

May 25, 2018


**The Company Secretary**

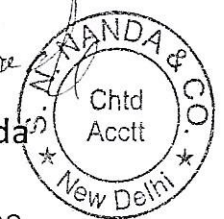
IFCI Limited  
IFCI Tower  
61, Nehru Place  
New Delhi - 110019.

- 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 31.03.2018 Debenture Redemption Reserve Stands for Rs. 7000 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 2018-19 ending on 31/03/2019 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





ANNEX - B

**S. N. NANDA & CO.**  
**CHARTERED ACCOUNTANTS**

E-mail : [snnco@snnco.net](mailto:snnco@snnco.net)  
: [info@snnco.net](mailto:info@snnco.net)

C 43, PAMPOSH ENCLAVE  
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NEW DELHI - 110 048

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

May 25, 2018

**The Company Secretary**

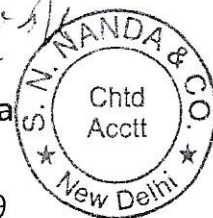
IFCI Limited  
IFCI Tower  
61, Nehru Place  
New Delhi - 110019.

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 31<sup>st</sup> March, 2018 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



**15 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
		<b>2,09,00,00,000</b>		<b>4,09,00,00,000</b>	



## Rating Rationale

April 26, 2018 | Mumbai

## Delhi Transco Limited

Rating outlook revised to 'Positive', rating reaffirmed

## Rating Action

Rs.700 Crore Bond	CRISIL BBB+/Positive (Outlook revised from 'Negative' and rating reaffirmed)
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1 crore = 10 million

Refer to annexure for Details of Instruments &amp; Bank Facilities

## Detailed Rationale

CRISIL has revised its outlook on the bonds of Delhi Transco Limited (DTL) to 'Positive' from 'Negative' and reaffirmed the rating at 'CRISIL BBB+'.

The outlook revision reflects significant improvement in collection efficiency of dues from BSES Rajdhani Power Ltd (BRPL) and BSES Yamuna Power Ltd (BYPL). DTL received 96% of the amount billed to its counterparties in fiscal 2018, against 64% and 47% in fiscals 2017 and 2016, respectively. Also, payment of power subsidy by Government of National Capital Territory of Delhi (GoNCTD), attributable to BRPL and BYPL, directly to DTL has improved the company's liquidity. 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 continues to reflect DTL's monopoly position 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 (capex), 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 Company Ltd (IPGCL), and from private generators, to discoms in Delhi. DTL's monopoly is likely to continue over 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 more than 99%, as against the performance benchmark of 98% set by the regulator for full recovery of cost and RoCE.

\* **Efficient operations:** Transmission loss of less than 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 paying the power subsidy of more than Rs 300 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.

## Weaknesses:

\* **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. CRISIL believes this led to significant build-up of receivables for DTL, adversely impacting liquidity. Receivables increased to Rs 1575 crore as on March 31, 2017, from Rs 379 crore as on March 31, 2011. The recovery of dues improved significantly in fiscal 2018 with DTL recovering almost 90% of the amount billed from BRPL and BYPL, against 66% and 33% in fiscals 2017 and 2016, respectively. However, any further build-up of receivables over the medium term will be a key rating sensitivity factor.

\* **Exposure to risks related to large capex plan:** DTL's cash flow depends on successful implementation and subsequent approval of capex by DERC. The company undertook capex of Rs 2500 crore between fiscals 2012 and 2017. The capex needs to be approved by DERC to enable DTL to recover the expense by way of tariff. DTL suffered a large negative true-up of Rs 1035 crore in revenue for fiscal 2014 due to downward revision in the capitalisation approved by DERC from fiscal 2008 to fiscal 2012 in the tariff order released in July 2013 as a result of lower actual capex during the period.

\* **Modest financial risk profile:** DTL's financial risk profile is modest. It had cash and bank balance of (non-plan funds) of Rs 188 crore as on March 31, 2018 (Rs 100 crore as on March 31, 2017). Cash accrual is expected to be sufficient to cover debt obligation over the medium term. Availability of unutilised working capital line of Rs 175 crore supports liquidity. Gearing was moderate at 0.84 time as on



March 31, 2017, and improved significantly from 1.55 times as on March 31, 2014, because of steady accretion to reserves and a Government of India grant of Rs 200 crore in fiscal 2015, which is considered as part of network.

**Outlook: Positive**

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

**Upside scenario**

\* Continued timely recovery of dues from discoms leading to sustenance of adequate liquidity

**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)

**About the Company**

Negative 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-Northwest 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. As a result of 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	2017	2016
Revenue	Rs crore	1103	1145
Profit after tax	Rs crore	323	319
PAT margin	%	29.3	27.9
Adjusted debt/Adjusted network	Times	0.84	1.1
Interest coverage	Times	4.61	4.68

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](http://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 *	3-Feb-10	9.5%	3-Feb-16	20	CRISIL BBB+/Positive
INE491F07027	Long Term Bonds *	3-Feb-10	9.5%	3-Feb-17	20	CRISIL BBB+/Positive
INE491F07035	Long Term Bonds *	3-Feb-10	9.5%	3-Feb-18	20	CRISIL BBB+/Positive
INE491F07043	Long Term Bonds	3-Feb-10	9.5%	3-Feb-19	20	CRISIL BBB+/Positive
INE491F07050	Long Term Bonds	3-Feb-10	9.5%	3-Feb-20	20	CRISIL BBB+/Positive
INE491F07068	Long Term Bonds	3-Feb-10	9.5%	3-Feb-21	20	CRISIL BBB+/Positive
INE491F07076	Long Term Bonds	3-Feb-10	9.5%	3-Feb-22	20	CRISIL BBB+/Positive
INE491F07084	Long Term Bonds	3-Feb-10	9.5%	3-Feb-23	20	CRISIL BBB+/Positive
INE491F07092	Long Term Bonds	3-Feb-10	9.5%	3-Feb-24	20	CRISIL BBB+/Positive
INE491F07100	Long Term Bonds	3-Feb-10	9.5%	3-Feb-25	20	CRISIL BBB+/Positive
NA	Long Term Bonds #	NA	NA	NA	500	CRISIL BBB+/Positive

\* 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		2018 (History)		2017		2016		2015		Start of 2015
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Bond	LT	140.00	CRISIL									
		31-03-18	BBB+/Positive			28-04-17	CRISIL					CRISIL
							BBB+/Negative	20-04-16	CRISIL	16-03-15	CRISIL	BBB+/Negative
									BBB+/Negative		BBB+/Negative	BBB+/Negative

All amounts are in Rs.Cr.

**Links to related criteria****CRISILs Approach to Financial Ratios**



## India Ratings Upgrades Delhi Transco to 'IND A+', Outlook Stable

# 17

JAN 2018

By Nitin Bansal

India Ratings and Research (Ind-Ra) has upgraded Delhi Transco Limited's (DTL) Long-Term Issuer Rating to 'IND A+' from 'IND A'. The Outlook is Stable. 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	INR6.20 (reduced from INR6.73)	IND A+/Stable	Rating upgraded; Outlook revised
Bond programme*	-	-	-	INR1.6	IND A+/Stable	Rating upgraded; Outlook revised
Fund-based limits	-	-	-	INR1.75	IND A+/Stable/IND A1	Rating upgraded; Outlook revised; Short-term rating affirmed
Non-fund-based limits	-	-	-	INR1	IND A+/Stable/IND A1	Rating upgraded; Outlook revised; Short-term rating affirmed

\* Details in Annexure

### KEY RATING DRIVERS

**Higher-than-expected Improvement in Collections:** The upgrade reflects a significant improvement in DTL's collections to above 90% of the revenue for the period April-November 2017 (FY17: 80%; FY16: 67%). This was due to a higher subsidy flow of INR3.3 billion (FY17: INR2.3 billion, FY16: INR1.5 billion) from the government of the National Capital Territory of Delhi (GNCTD) along with healthier cash payments from its key customers namely BSES Rajdhani Power Limited (BRPL; 'IND BB-/Stable'), BSES Yamuna Power Limited (BYPL) and Tata Power Delhi Distribution Limited. Debtor additions slowed down to INR2.2 billion in FY17 (FY16: INR3.6 billion). Cash flow has improved in FY18 due to a refund of INR2.7 billion from NTPC Limited ('IND AAA/Stable') for the credit towards the revised tariff against the power purchased between March 2005-March 2007.

Ind-Ra now expects DTL to recover 90%-100% of its annual billings whereas the earlier Negative Outlook was based on the expectation that the company could recover only 60%-70% of its annual billings from the distribution companies (discoms). The current Stable Outlook reflects an improvement in the discoms' financial health, driven largely by the approval of tariff hikes, control on power purchase cost, and lower aggregate technical and commercial losses.

**Substantial Debt Reduction:** DTL's cash flow from operations improved in FY17 to INR6 billion from INR3.4 billion in FY16, on account of healthy payments from discoms and the subsidy flows. As a result, DTL serviced its dues towards the unsecured loans provided by its parent GNCTD. The overall debt repayment resulted in net leverage (total adjusted net debt/operating EBITDA) reducing to 2.4x in FY17 from 2.6x in FY16. Ind-Ra expects the ratio to reduce further to 1.9x by FYE18, despite the additional debt for ongoing capex. Interest coverage is also expected to improve to around 4.9x in FY18 from 4.4x in FY17 (FY16: 4.4x).

**Increased ARR Continued in FY18:** DTL's annual revenue requirement (ARR) increased to INR10.8 billion for FY18 (FY16: INR10.18 billion; FY15: INR7.34 billion) on account of allowance for the arrears pertaining to erstwhile Delhi Vidyut Board (DVB) and a true-up exercise for the recovery of past dues to the tune of INR2.98 billion. ARR excluding DVB arrears and past orders true-up increased to INR7.6 billion for FY18 (FY16: INR7.26 billion). Given that the final tariff order for FY17 was not approved, the company billed its consumers at the approved tariff for FY16.

**Clear Path for Recovery of DVB Arrears:** Delhi Electricity Regulatory Commission had allowed the recovery of INR1.92 billion (20% of the recognised DVB arrears of INR9.61 billion up to FYE15) in FY16 ARR. For FY18, the commission has allowed the recovery of DVB arrears to the extent of INR2.73 billion (25% of the arrears outstanding at FYE17) and decided that the past arrears may be liquidated in the next four years in equal instalments. The recovery of the same from the discoms would result in healthy cash accruals to the company annually. DTL has also billed the INR1.92 billion in FY17 basis the FY16 tariff order as the commission did not approve the tariff order for FY17. Ind-Ra believes the recovery of FY17 arrears would be adjusted in the next true-up exercise by the commission.

**GNCTD Support Continues:** The GNCTD has provided financial support to DTL through subsidy flow and flexibility in the repayments of unsecured loans. During FY18, the 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. The ratings are supported by the

DTL's ability, willingness and track record towards providing financial support to DTL, given its strategic importance in providing 24x7 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.

**Pending Debtor Resolution:** The final order from the Supreme Court on the contempt petition filed by Pragati Power Corporation Limited (**IND A-/Stable**) (on behalf of DTL also) for the recovery of dues from BRPL and BYPL has been pending since February 2015. The Supreme Court had issued an interim order in May 2016, directing BRPL and BYPL to pay 70% of the current dues. Following which, BRPL and BYPL paid 70% of the current dues in the form of cash and subsidy flow; however, the debtor build-up continued in FY17, leading to an increase in debtor days to 566 days (FY16: 484 days). DTL's debtors increased to INR16.6 billion in FY17 (FY16: INR14.4 billion) with nearly 88% outstanding from BRPL and BYPL.

## RATING SENSITIVITIES

**Negative:** Future developments that could, individually or collectively, lead to a negative rating action include:

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

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

## COMPANY PROFILE

Incorporated in 2002, DTL is a state-owned transmission utility that operates in the National Capital Region of Delhi.

## FINANCIAL SUMMARY

Particulars	FY17	FY16
Revenue (INR million)	10,720	10,863
EBITDA (INR million)	8,236	8,728
Gross interest coverage (x)	4.43	4.39
Net leverage (x)	2.44	2.58

Source: Ind-Ra, DTL

## RATING HISTORY

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook		
	Rating Type	Rated Limits (billion)	Rating/Outlook	25 May 2017	26 December 2016	23 October 2016
Issuer rating	Long-term	-	IND A+/Stable	IND A/Negative	IND A/Negative	IND A
Long-term loans	Long-term	INR6.20	IND A+/Stable	IND A/Negative	IND A/Negative	IND A
Bond programme	Long-term	INR1.6	IND A+/Stable	IND A/Negative	IND A/Negative	IND A
Fund-based limits	Long-term/Short-term	INR1.75	IND A+/Stable/IND A1	IND A/Negative/IND A1	IND A/Negative/IND A1	A+/S
Non-fund-based limits (carved out of long-term bank loan facility)	Long-term/Short-term	INR1	IND A+/Stable/IND A1	IND A/Negative/IND A1	IND A/Negative/IND A1	A+/S

## 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	IND A+/Stable
Bonds	INE491F07043	2 March 2010	2 March 2019	9.5	INR0.2	IND A+/Stable
Bonds	INE491F07050	2 March 2010	2 March 2020	9.5	INR0.2	IND A+/Stable
Bonds	INE491F07068	2 March 2010	2 March 2021	9.5	INR0.2	IND A+/Stable
Bonds	INE491F07076	2 March 2010	2 March 2023	9.5	INR0.2	IND A+/Stable



Bonds	INE491F07084	2 March 2010	2 March 2024	9.5	INR0.2	IND A+/Stable
Bonds	INE491F07092	2 March 2010	2 March 2024	9.5	INR0.2	IND A+/Stable
Bonds	INE491F07100	2 March 2010	2 March 2025	9.5	INR0.2	IND A+/Stable
Total					INR1.6	

## COMPLEXITY LEVEL OF INSTRUMENTS

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

## SOLICITATION DISCLOSURES

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## Applicable Criteria

[Corporate Rating Methodology](#)

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