

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

DGAP(RS) 12/18/11
AGM(RS) 12/18/11

No. F.42/DTL/402 / CS/ 2018-19 /12-6

Date: 14th January, 2019

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 December 31, 2018.

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 110002

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

Dated: 9/1/2019

The Company Secretary
Delhi Transco Limited
Shakti Sadan
Delhi

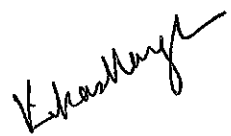
Quarterly Report for the period ended 31.12.2018 for IFCI (Debenture Trustee)

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 2nd September and 2nd March every year.
Interest was paid on time (Dated-September 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 2nd March 2019.
The next due date for payment of principal is 2nd 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)

Vikram Singh

5. **Payment of interest up to the last due date.**
Interest paid up to the due date i.e. 2nd September 2018.
6. **Status of redemption of Debentures on due date, if any**
3rd installment of Debenture redeemed on 2nd 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 September 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-DFF)*

For Submission to IFCI limited.


(Vikas Mangla)
DM (F), Central Accounts

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

November 19, 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. 10000 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 30.09.2018 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.

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



CA S.N. Nanda
Partner
M. No. 005909

S. N. NANDA & CO.
CHARTERED ACCOUNTANTS

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

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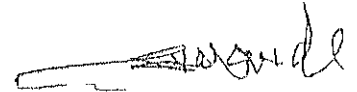
PII: 91-11-26227853, 41731475
FAX: 91-11-26227853

November 19, 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 30th September, 2018 which are available by way of security are sufficient to discharge the claims of the debenture holders as and when they become due.

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 | 20000,00,000 | 950,00,000 | 0 | 950,00,000 | 20000,00,000 |
| 02-09-2010 | 20000,00,000 | 950,00,000 | 0 | 950,00,000 | 20000,00,000 |
| 02-03-2011 | 20000,00,000 | 950,00,000 | 0 | 950,00,000 | 20000,00,000 |
| 02-09-2011 | 20000,00,000 | 950,00,000 | 0 | 950,00,000 | 20000,00,000 |
| 02-03-2012 | 20000,00,000 | 950,00,000 | 0 | 950,00,000 | 20000,00,000 |
| 02-09-2012 | 20000,00,000 | 950,00,000 | 0 | 950,00,000 | 20000,00,000 |
| 02-03-2013 | 20000,00,000 | 950,00,000 | 0 | 950,00,000 | 20000,00,000 |
| 02-09-2013 | 20000,00,000 | 950,00,000 | 0 | 950,00,000 | 20000,00,000 |
| 02-03-2014 | 20000,00,000 | 950,00,000 | 0 | 950,00,000 | 20000,00,000 |
| 02-09-2014 | 20000,00,000 | 950,00,000 | 0 | 950,00,000 | 20000,00,000 |
| 02-03-2015 | 20000,00,000 | 950,00,000 | 0 | 950,00,000 | 20000,00,000 |
| 02-09-2015 | 20000,00,000 | 950,00,000 | 0 | 950,00,000 | 20000,00,000 |
| 02-03-2016 | 20000,00,000 | 950,00,000 | 2000,00,000 | 2950,00,000 | 18000,00,000 |
| 02-09-2016 | 18000,00,000 | 855,00,000 | 0 | 855,00,000 | 18000,00,000 |
| 02-03-2017 | 18000,00,000 | 855,00,000 | 2000,00,000 | 2855,00,000 | 16000,00,000 |
| 02-09-2017 | 16000,00,000 | 760,00,000 | 0 | 760,00,000 | 16000,00,000 |
| 02-03-2018 | 16000,00,000 | 760,00,000 | 2000,00,000 | 2760,00,000 | 14000,00,000 |
| 02-09-2018 | 14000,00,000 | 665,00,000 | 0 | 665,00,000 | 14000,00,000 |
| 02-03-2019 | 14000,00,000 | 665,00,000 | 2000,00,000 | 2665,00,000 | 12000,00,000 |
| 02-09-2019 | 12000,00,000 | 570,00,000 | 0 | 570,00,000 | 12000,00,000 |
| 02-03-2020 | 12000,00,000 | 570,00,000 | 2000,00,000 | 2570,00,000 | 10000,00,000 |
| 02-09-2020 | 10000,00,000 | 475,00,000 | 0 | 475,00,000 | 10000,00,000 |
| 02-03-2021 | 10000,00,000 | 475,00,000 | 2000,00,000 | 2475,00,000 | 8000,00,000 |
| 02-09-2021 | 8000,00,000 | 380,00,000 | 0 | 380,00,000 | 8000,00,000 |
| 02-03-2022 | 8000,00,000 | 380,00,000 | 2000,00,000 | 2380,00,000 | 6000,00,000 |
| 02-09-2022 | 6000,00,000 | 285,00,000 | 0 | 285,00,000 | 6000,00,000 |
| 02-03-2023 | 6000,00,000 | 285,00,000 | 2000,00,000 | 2285,00,000 | 4000,00,000 |
| 02-09-2023 | 4000,00,000 | 190,00,000 | 0 | 190,00,000 | 4000,00,000 |
| 02-03-2024 | 4000,00,000 | 190,00,000 | 2000,00,000 | 2190,00,000 | 2000,00,000 |
| 02-09-2024 | 2000,00,000 | 95,00,000 | 0 | 95,00,000 | 2000,00,000 |
| 02-03-2025 | 2000,00,000 | 95,00,000 | 2000,00,000 | 2095,00,000 | 0 |
| | | 20900,00,000 | | 40900,00,000 | |

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 FY18, 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 GNCTD'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 |
| Issuer rating | Long-term | - | IND A+/Stable | IND A/Negative | IND A/Negative | IND |
| Long-term loans | Long-term | INR6.20 | IND A+/Stable | IND A/Negative | IND A/Negative | IND |
| Bond programme | Long-term | INR1.6 | IND A+/Stable | IND A/Negative | IND A/Negative | IND |
| 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+/- |
| 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+/- |

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

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

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, structured finance 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.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

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

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Applicable Criteria

[Corporate Rating Methodology](#)

Analyst Names

[Primary Analyst](#)

Nitin Bansal

Ratings

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)

1 crore = 10 million

Refer to annexure for Details of Instruments & 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. 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 BBB+/Positive | | | 28-04-17 | CRISIL BBB+/Negative | 20-04-16 | CRISIL BBB+/Negative | 16-03-15 | 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**

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Toll free Number: 1800 267 1301

For a copy of Rationales / Rating Reports:

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