



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

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

Dated: 6/1/2020

The Company Secretary  
Delhi Transco Limited  
Shakti Sadan  
Delhi

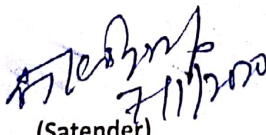
**Quarterly Report for the period ended 31.12.2019 for IFCI (Debenture Trustee)**

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 2<sup>nd</sup> September and 2<sup>nd</sup> March every year.*  
*Interest was paid on time (Dated-September 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 2<sup>nd</sup> March 2020.*  
*The next due date for payment of principal is 2<sup>nd</sup> 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 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 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')*

*Handwritten signature and date: 07/1/2020*

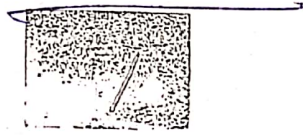
5. **Payment of interest up to the last due date.**  
*Interest paid up to the due date i.e. 2<sup>nd</sup> September 2019.*
6. **Status of redemption of Debentures on due date, if any**  
*4th installment of Debenture redeemed on 2<sup>nd</sup> March 2019.*
7. **The Properties secured for the Debentures 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 September 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.**

  
(Satender)  
Mgr (Fin), Central Accounts

A1

Annexure A1



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

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; [info@snico.net](mailto:info@snico.net)

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

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

29<sup>th</sup> 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



*SN*

*V. K. Singh*

S. N. NANDA & CO.  
CHARTERED ACCOUNTANTS

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

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29<sup>th</sup> 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 31<sup>st</sup> 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



*V. Kishore*

Annexure C 1

**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>	

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## 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 &amp; 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 &amp; 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.

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## 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 Vidyut 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