

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/ 2018-19 / 116

Date: 19th November, 2018

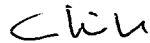
Ms. Rupa Deb,
General Manager and Company Secretary,
IFCI Limited, IFCI Tower,
61, Nehru Place,
New Delhi

Dear Madam

Please find enclosed herewith Quarterly Report for the quarter ended September 30, 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: 19/11/2018

The Company Secretary
Delhi Transco Limited
Shakti Sadan
Delhi

Quarterly Report for the period ended 30.09.2018 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.

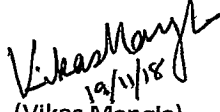
(ii) The company has invested a sum not less than 15% of the amount of debentures maturing during financial year 2017-18 ending on 30/06/2018 in prescribed modes, as mentioned in circular no. 04/2013 dated 11/02/2013 issued by ministry of corporate affairs.

Auditor Certificate has been enclosed. (Annex- A)

*Vijay
19/11/18
DM(F)-CA*

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-¹ C^r)
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.


19/11/18
(Vikas Mangla)
DM (F), Central Accounts

S. N. NANDA & CO.
CHARTERED ACCOUNTANTS

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

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GREATER KAILASH - I
NEW DELHI - 110 048

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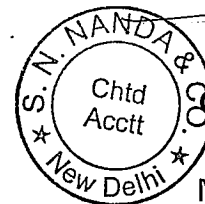
November 19, 2018

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 11/020/2013 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



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

V. Nanda
19/11/18

S. N. NANDA & CO.
CHARTERED ACCOUNTANTS

E-mail : snnco@snnco.net
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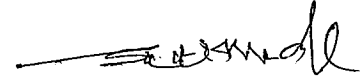
November 19, 2018

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

K. Nanda
19/11/18

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
		2,09,00,00,000		4,09,00,00,000	

K. Kalyan
19/11/18

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

Nitin Bansal
12/1/18

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 'Neg' 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 'CRISIL BBB+'.

The outlook revision reflects significant improvement in collection efficiency of dues from BSES Rajdhani Power Ltd (BRPL) Yamuna Power Ltd (BYPL). DTL received 96% of the amount billed to its counterparties in fiscal 2018, against 64% and 42% in fiscal 2017 and 2016, respectively. Also, payment of power subsidy by Government of National Capital Territory of Delhi attributable to BRPL and BYPL, directly to DTL has improved the company's liquidity. Continued receipt of timely payments from counterparties such as BYPL, BRPL, and Tata Power Delhi Distribution Ltd (TPDDL), and sustenance of adequate liquid assets are monitorables.

The rating continues to reflect DTL's monopoly position in Delhi's transmission business, and efficiency of its operations in reducing transmission loss and above normative line availability leading to full recovery of cost under the regulated tariff structure. Strengths are partially offset by weak counterparty risk profile, exposure to risks related to implementation of project 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 central generating utilities, Pragati Power Corporation Ltd (PPCL) and Indraprastha Power Generation Company Ltd (IPGC) to 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 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 performance. DTL has continuously recovered revenue as set in tariff orders issued by DERC, supported by efficient operations with line availability 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. 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 cost.

Weaknesses:

- * **Weak counterparty risk profile:** Main counterparties, BRPL and BYPL, accounting for over 60% of DTL's revenue, have a financial risk profile because of large regulatory asset base and weak gearing. CRISIL believes this led to significant delays in receivables for DTL, adversely impacting liquidity. Receivables increased to Rs 1575 crore as on March 31, 2017, from Rs 375 crore on March 31, 2011. The recovery of dues improved significantly in fiscal 2018 with DTL recovering almost 90% of the amount billed to BRPL and BYPL, against 66% and 33% in fiscals 2017 and 2016, respectively. However, any further build-up of receivables in 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 recovery 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 fiscal 2014 due to downward revision in the capitalisation approved by DERC from fiscal 2008 to fiscal 2012 in the tariff order issued 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 100 crore as on March 31, 2018 (Rs 100 crore as on March 31, 2017). Cash accrual is expected to be sufficient to cover debt obligations in medium term. Availability of unutilised working capital line of Rs 175 crore supports liquidity. Gearing was moderate at 0.84x as on March 31, 2018.

Kishor Singh
19/11/18