



Press Release
Delhi Transco Limited
December 09, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	100.00	ACUITE AA Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	100.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned its long-term rating of '**ACUITE AA**' (read as **ACUITE double A**) on the Rs. 100.00 Cr. bank facilities of Delhi Transco Limited (DTL). The outlook is '**Stable**'.

Rational for Rating

The assigned ratings reflect the strategic importance of the entity for power transmission as the State Transmission Utility (STU) for the National Capital Territory of Delhi. The company operates under the regulatory framework determined by Delhi Electricity Regulatory Commission (DERC), which enables DTL to recover expenses. The transmission line availability consistently exceeded 99% over the last three financial years, directly resulting in transmission losses remaining below 1%. The rating is further supported by a strong financial risk profile, marked by a high net worth and a strong liquidity position, evidenced by free deposits exceeding Rs. 1,586 crore as of March 31, 2025 (Prov.).

DTL sources bulk power from two central generating utilities i.e. Pragati Power Corporation Limited (PPCL) and Indraprastha Power Generation Company Limited (IPGCL) and subsequently transmits this power to nine counterparties / off takers in Delhi, including distribution companies (Discoms) and government departments.

However, the above strengths are partially offset by a long-standing issue: significant Late Payment Surcharge (LPSC) dues owed by two major counterparties, BSES Rajdhani Power Ltd (BRPL) and BSES Yamuna Power Ltd (BYPL). The payments received from these entities primarily consist of subsidies and short-term open access charges. Since DTL adjusts these incoming funds toward the past dues, this process unfortunately leads to a yearly overall increase in net receivables.

About the Company

Delhi based, Delhi Transco Limited, a successor company of erstwhile Delhi Vidyut Board was incorporated in 2001, came into existence on 1st July 2002, as a State Transmission Utility of the National Capital. The company is engaged in establishment, upgrading, operation and maintaining the EHV (Extra High Voltage) network. DTL transmits bulk power from generating stations to the counterparties including Discoms which then supply it to end-consumers and to government departments. The company is wholly owned by Government of National Capital Territory of Delhi (GoNCTD). Directly, GONCTD holds 93.42% stake and balance 6.58% indirectly through its own subsidiary i.e. Delhi Power Company Limited (DPCL).

Unsupported Rating

Not Applicable.

Analytical Approach

Acuite has considered standalone business and financial risk profile of Delhi Transco Limited (DTL) to arrive at the rating.

Key Rating Drivers

Strengths

Healthy Business Risk Profile

DTL operates under a regulatory framework established by the DERC, which permits the recovery of all necessary expenditures, including Operating & Maintenance (O&M) Expenses, Depreciation, Return on Capital Employed, and Income Tax, allowing the company to meet its Aggregate Revenue Requirement (ARR). The company currently bills its counterparties using the rates set in its last tariff order, dated September 30, 2021. DTL's Approved ARR for subsequent yearly billings was Rs. 1,077.61 Cr. To ensure accurate recovery, DTL has been consistently filing for true-up every year before DERC.

Strong financial risk profile

The company's financial risk profile is strong marked by net worth, leverage ratios & debt protection metrics. The tangible net worth of the company stood at Rs. 7,300.90 Cr. in FY 25 (prov.) against Rs. 6,460.16 Cr. in FY 24 (prov.). The increase in net worth is mainly due to accretion in of profits into reserves. The company is debt free as on 31st March 2025 only enjoys the non-fund based facilities. TOL/TNW stood at 0.35 times for FY 25 (prov.) against 0.41 times for FY 24 (prov.). Debt Protection metrics i.e. (ISCR & DSCR) stood at 611.56 times & 22.06 times for FY 25 (prov.) respectively. The company undertakes regular capital expenditure for the upgradation & maintenance of the transmission lines which will be funded from internal accruals. Acuite believes going forward financial risk profile is expected to improve on the account of steady accruals and no debt funded capex planned as such.

Weaknesses

Working Capital Operations

DTL's working capital operations are highly intensive, evidenced by Gross Current Assets (GCA) days of 748 days in FY25 (prov.). This intensity is primarily attributed to long-pending debtors, from BRPL and BYPL, resulting in Debtor Days of 686 days for FY25 (prov.). As of March 31, 2025 (prov.), outstanding debtors totalled Rs. 3,084.15 Cr., showing a year-on-year increase due to the significant buildup of receivables. This increase was exacerbated by a change in accounting policy in FY20-21, which began recording Late Payment Surcharge (LPSC) as revenue on an accrual basis. Furthermore, litigation is currently underway regarding some of these pending bills. Acuite anticipates that the company's working capital operations will remain intensive in the long term due to the nature of the business, making timely collection a key monitorable.

Rating Sensitivities

- Timely collection from long standing dues.

Liquidity Position

Strong

The liquidity profile of the company is strong as company generated net cash accruals of Rs. 1,131.55 Cr. in FY 25 (prov.) against debt obligation of Rs. 49.02 Cr. (prov.) for the same period. The company has free fixed deposit of Rs. 1,586 Cr. and cash & bank balance of Rs. 192.05 Cr. as on 31st March 2025 (prov.). The current ratio stood at 2.87 times for FY 25 (prov.). Acuite believes going forward the liquidity position of the company will improve on the account of sustained accruals.

Outlook - Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Provisional)
Operating Income	Rs. Cr.	1666.56	1598.16
PAT	Rs. Cr.	833.92	875.09
PAT Margin	(%)	50.04	54.76
Total Debt/Tangible Net Worth	Times	0.00	0.01
PBDIT/Interest	Times	611.56	123.80

Key Financials :

The company is yet to receive audited financial statements from CAG since FY 2023.

Status of non-cooperation with previous CRA (if applicable)

None.

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History :

Not Applicable.

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Indian Bank	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	100.00	Simple	ACUITÉ AA Stable Assigned

Currently, the company is availing Letter of Credit facility, which is a sub-limit of the WC DL facility.

Contacts

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About Acuité Ratings & Research

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