

June 3, 2010

**CARE UPGRADES THE RATING ASSIGNED TO THE LT BANK FACILITIES OF BSES RAJDHANI POWER LTD. & REAFFIRMS RATING OF ST BANK FACILITIES****Rating**

Facilities	Amount (Rs. cr)	Ratings <sup>1</sup>	Remarks
Long-term Loans	1933.05	'CARE BBB+' [Triple B Plus]	Upgraded
Fund Based Limits	290.00	'CARE BBB+' [Triple B Plus]	Upgraded
Non-fund Based Limits	390.00	'PR3' [PR Three]	Reaffirmed
Short-term Loans	390.00	'PR3' [PR Three]	Reaffirmed
<b>Total</b>	<b>3003.05</b>		

**Rating Rationale**

The rating revision takes into account the improvement in efficiency parameters including reduction in Aggregate Technical and Commercial (AT&C) losses coupled with wider and improved distribution network. The rating continues to derive strength from the strategic importance of the discom, as well as experience and resourcefulness of the promoters. The rating strengths are partially offset by high exposure to regulatory risk in terms of revision in tariff and pass-through of cost items, debt-funded capital expenditure plans and low debt-servicing indicators. Going forward, the impact of increasing power purchase cost and tariff revision on the overall credit profile shall be the key rating sensitivities.

**Background**

BSES Rajdhani Power Ltd. (BRPL) was constituted in July 2002 with the privatisation of unbundled entities of the erstwhile Delhi Vidyut Board (DVB).

Post privatisation, 51% of BRPL's equity is held by Reliance Infrastructure Ltd. (part of Reliance - Anil Dhirubhai Ambani Group) along with its associates and the balance 49% is held by the Government of National Capital Territory of Delhi (GoNCTD) through Delhi Power Company Ltd. (DPCL).

BRPL covers areas of South and West Delhi covering nearly 11.98 lakh consumers. During FY09, the total operating income was Rs.3643 cr with PBILDT and Net loss of Rs.197 cr and Rs.108 cr respectively.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Publications



*Press Release*

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During 9MFY10 the company has shown improved performance and has registered total operating income of Rs. 3879.3 cr with PBILDT and PAT of Rs. 548.3 cr and Rs. 261.6 cr respectively.

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Press Release

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***CARE classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries /regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.***

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