Notes forming part of half yearly financial results for the period ending 30th September, 2014.

1. The company is primarily engaged in the business of Transmission of Electricity in the National Capital Territory of Delhi which is a single segment as per the Accounting Standard 17 (AS 17) issued by The Institute of Chartered Accountants of India (ICAI). The accounts are maintained on accrual system of accounting & historical cost basis.

2. As per the approved accounting policy of the company being followed consistently in relation to Revenue Recognition, the operational income (tariff income) has been recognized on the basis of tariff order passed by DERC for the Financial Year 2014-15. Accordingly for the half year ending 30th Sept. 2014, a sum of Rs. 368.38 crores has been accounted for as tariff income against wheeling charges. Similarly on the basis of last tariff order passed by DERC for SLDC charges, a sum of Rs. 4.52 crores has been accounted for as tariff income from SLDC charges. The operational income in the above statement include the aforesaid tariff income.

3. As per the tariff order passed by Hon'ble DERC for the distribution utility for financial year 2014-15, a sum of Rs. 470 crores has been provided for the funding of DVB Pension Trust on adhoc basis. The said amount shall be recoverable from BSES Rajdhani Power Limited, BSES Yamuna Power Limited, TATA Power Delhi Distribution Limited, NDMC & MES against the monthly bills to be raised by DTL and the amounts so recovered shall be paid by DTL to DVB Pension Trust. Based on the tariff order, DTL has raised bills to BRPL,BYPL,TPDDL,NDMC & MES, which works out to Rs.117.50 Cr till the half year ending 30.09.2014.The said amount doesnot form the part of operational income as well as corresponding expenditure of the company in the above financial statement. In the previous financial year the amount paid to DVB pension trust was treated as extra-ordinary expenses in the financial statement for Rs.400 Crore.

4. Borrowing costs attributable to qualifying assets are capitalized to such assets using the capitalization rate based on weighted average interest cost. The Employee cost and Administrative & General expenses of Planning department are allocated fully to capital works in progress (CWIP) on pro rata basis based on accretion in CWIP. The Employee cost and Administrative & General expenses of Common Wealth Projects (ICB Turnkey Projects) are fully allocated to CWIP's pertaining to the ICB Turnkey Projects.

5. As per the instructions contained under Schedule of Depreciation to the Companies Act, 2013 the company has charged depreciation on assets at the revised rates. As a result of the change in the depreciation rates, the Profits Before Taxes for the half year ending 30th Sept. 2014 has increased by sum of Rs.35.59 crores. Further the amount of depreciation on the assets to be fully depreciated as per the aforesaid revised depreciation rates before the financial year 2014-15 has been adjusted with the amount of brought forward accumulated losses as shown at Sl. No. 15 in the above statement. As a result of the said adjustment of past depreciation, the amount of accumulated losses as on 30th Sept. 2014 has increased by Rs. 2.25 crores. Further, as per the policy of the Company, the new vehicles purchased for the officers of the company shall be transferred to the said officers after 5 years at NIL value and therefore the depreciation on those vehicles is

charged @ 20% instead of at revised rate of depreciation as per Companies Act, 2013 as applied to other vehicles.

6. Provision for Deferred Tax Assets / Liabilities as required by the Accounting Standard 22 (AS 22) issued by The Institute of Chartered Accountants of India has not been made due to the uncertainty of the recovery of the same in view of huge unabsorbed accumulated losses of the company.

7.A. The amount of Reserves & Surplus include the amount of accumulated losses brought forward upto 30th Sept 2014 and the adjustment for depreciation on revised rates upto 31st March 2014 which works out to Rs. 2.25 crores.

7.B. The amount of Reserves namely Debenture Redemption Reserve and Insurance Reserve have been shown at their respective closing figures as on 30th September 2014.

8. As per transfer scheme of unbundling of Delhi Vidyut Board (DVB), a Trust designated as Delhi Vidyut Board Employee Terminal Benefit Fund 2002 was created by GNCTD for the payment of post retiremental benefits to the employees of erstwhile DVB. The said trust was funded by GNCTD initially at the time of unbundling and is required to be also funded through the contributions by the successor entities including Delhi Transco Ltd. As per the provisions of AS 15, the defined benefit obligation (post retirement benefits) existing as on balance sheet date with the break up in current year service cost and past year service cost is required to be charged to Profit and Loss account of the year concerned. As per AS15, the value of the aforesaid defined benefit obligations should be accounted for in the accounts on the basis of actuarial valuation on the date of balance sheet. However, pending the actuarial valuation of the obligations of the Pension Trust towards retirement benefits of the employees as on date, the shortfall, if any, of the contribution payable by the Company to the Pension Trust as on 30th Sept., 2014 could not be ascertained and accounted for accordingly.

9. No investor complaints were pending at the beginning of half year and no complaints were received during the said half year.

10. Previous period's figures have been regrouped/re-classified wherever deemed necessary.

The results for the half year ending 30th Sept.,2014 have been subjected to limited review by the Statutory Auditors of the company and were taken on record by the Board of Directors at its meeting held on 13th November, 2014.

Date: 13th November, 2014.

Place: Delhi

(Sanjay Goel, IAS)

Director (Finance)