7. Disclosure as required by Accounting Standard (AS) 15:

General description of various defined employee benefit schemes as under:

Defined Contribution Schemes

A. Provident Fund

The Company pays fixed contribution to provident fund at predetermined rates to a separate trust namely NHDC Ltd. Employees Provident Fund Trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the Statement of Profit & Loss/ expenditure during construction. The obligation of the company is to make such fixed contribution and also to ensure a minimum rate of return to the members as specified by GOI. This fund is operated by the Trust under statutory interest rate guarantee of exempted Fund and provision is created on the basis of Actuarial Valuation.

B. Social Security Scheme

The Company has a Social Security Scheme. The Company makes a matching contribution per month per employee and such contribution is to be made for first 8 years to build up corpus from the date the scheme is in operation i.e. 01.04.2009. Funds so accumulated are managed by a separate Trust namely NHDC Employees Social Security Scheme Trust. The scheme has been created to take care of and helping bereaved families in event of death of its employee or permanent total disability during employment. In case of resignation or retirement of an employee, amount equivalent to his own contribution and applicable interest as credited to his account till such date is refunded back.

C. Employees Defined Contribution Superannuation Scheme

The Company has an employee defined contribution superannuation scheme for providing pension benefits to employees. As per the scheme, each employee contributes @ 5% of Basic & Dearness Allowance. The company contributes to the extent of balance available after deducting employer's contribution to Provident fund, contribution to Gratuity Trust and REHS, from the amount worked out @ 30% of Basic Pay & DA.

Defined Benefits Schemes

D. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary pay dearness allowance) for each completed year of service subject to a maximum of ₹ 10,00,000/-, on superannuation, resignation, termination, disablement or on death. The plan is being managed by a separate Trust created for the purpose and obligation of the Company is to make contribution to the Trust based on actuarial valuation.

E. Leave

The Company provides for earned leave and half-pay leave to the employees, which accrue annually @ 30 days and 20 days respectively. The maximum ceiling of encashment of earned leave is limited to 300 days. However, any shortfall in the maximum limit of 300 days in earned leave on superannuation shall be regulated as per the clarification issued by the department of Public Enterprises (DPE), Government of India. The liability for the same is recognized on the basis of actuarial valuation.

F. Retired Employee Health Scheme (REHS)

The Company has Retired Employee Health Scheme, under which retired employee and the spouse of retiree, spouse and eligible dependent children of deceased employees are provided medical facilities in the Company hospitals / empanelled hospitals. They can also avail treatment as Out Patient subject to a ceiling fixed by the Company.

G. Allowance on Retirement / Death

Actual cost of shifting from place of duty at which employee is posted at the time of retirement to any other place where he / she may like to settle after retirement is paid as per the rules of the Company. In case of death, family of deceased employee can also avail this facility.

H. Memento to employees on attaining the age of Superannuation

The Company has a policy of providing Memento valuing ₹ 5000/- to employee retiring on Superannuation.

Schemes described as above at A, B, C, & D are funded and rest are un-funded.

The Provisions for employee's benefits in respect of NHDC's employees have been made for the year on the basis of actuarial valuation as and where applicable as at 31.03.2014. In respect of NHPC employees who are presently posted at NHDC, no provision has been created and only the share of expenditure debited to Statement of Profit & Loss on the basis of information/advice received from NHPC. No provision has been made for employees who are on deputation from GoMP. The disclosure under the provisions of Accounting Standard – 15 (Revised) on "Employees Benefits" for the financial year ended 31.03.2014 given below: -

Table 1: - Key Assumptions

	As at 31.03.2014	As at 31.03.2013
Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (1994-96)
Attrition Rate	Up to 30 Years - 1% P.A. 31 to 44 Years - 2% P.A. Above 44 Years - 1% P.A.	Up to 30 Years - 3% P.A. 31 to 44 Years - 2% P.A. Above 44 Years - 1% P.A.
Discount rate	8.50%	8.00%
Rate of increase in compensation level	6.50%	6.00%
Expected average remaining working lives of employees (year)	20.58	21.56

Table 2: - Change in present value of obligations

(Refer note no 7 & 10)

(Amount in ₹)

	As at 31.03.2014			As at 31.03.2013		
	Gratuity	Leave encashment	REHS	Gratuity	Leave encashment	REHS
PVO at beginning of year	66198330	58801646	22340637	46409280	68481934	21309705
Interest Cost	5295866	4704131	1787251	3712742	5478554	1704776
Past Service Cost	-	-	-	-	-	-
Current Service Cost	9153716	9039523	2647477	7930250	7263212	2632819
Benefit paid	(1055709)	(4212106)	(55046)	(1517120)	(38930316)	(86673)
Actuarial (gain)/ loss	4686894	10944168	(1267733)	9663178	16508262	(3219990)
PVO at end of year	84279097	79277362	25452586	66198330	58801646	22340637

Table 3: - Amount recognized in Balance Sheet

(Amount in ₹)

	As at 31.03.2014			As at 31.03.2013		
	Gratuity	Leave encashment	REHS	Gratuity	Leave encashment	REHS
PVO at the end of year	84279097	79277362	25452586	66198330	58801646	22340637
Fair value of plan assets at the end of year	72058391	-	-	48112725	-	-
Funded status/ Difference						
Unrecognized Actuarial (gain)/loss	-	-	-	-	-	-
Net assets/ (liability) recognized in balance sheet	(12220706)	(79277362)	(25452586)	(18085605)	(58801646)	(22340637)

Table 4: - Amount recognized in Statement of Profit & Loss

(Amount in ₹)

	As at 31.03.2014			As at 31.03.2013		
	Gratuity	Leave encashment	REHS	Gratuity	Leave encashment	REHS
Current Service cost	9153716	9039523	2647477	7930250	7263212	2632819
Past service cost	-	-	-	-	-	-
Interest Cost	5295866	4704131	1787251	3712742	5478554	1704776
Expected return on plan assets	(4498540)	-	-	-	-	-
Net Actuarial (gain)/loss recognized for the year	3325373	10944168	(1267733)	8586881	16508262	(3219990)
Expenses recognized in P&L A/c for the year	13276415	24687822	3166995	20229873	29250028	1117605

Liabilities as on 31.03.2014 on account of Baggage Allowance on retirement & Memento are ₹ 29,97,350/- & ₹ 1,22,255/- (Previous year ₹ 26,44,697/- & ₹ 1,10,912/-) respectively.

8. a) Electricity Generation is the principal activity of the Company. Other revenue viz, interest income do not form part of a reportable segment as per Accounting Standard-17 on Segment Reporting notified by The Companies Accounting Standard Rules, 2006.

   b) The Company has at present power projects only in the State of Madhya Pradesh, therefore, reporting geographical segments are inapplicable.

9. In compliance of Accounting Standard – 18 on related party disclosures the required information is given as under: -

Key Management Personal

Name	Designation
Sh. G. Sai Prasad	Joint Secretary (Thermal), Ministry of Power, Government of India. Assigned additional charge of Chairman of the Company
Sh. R.S. Meena	Managing Director
Sh. K.M. Singh	Chief Executive Director

Remuneration to key management personnel is ₹ 23,82,017/- (Corresponding previous year ₹ 45,03,721/-).

10. The Company has a separate CSR/ SD and R&D Policy. As per these policies fund once created, to the extent not spent in the year, will not lapse and be transferred to separate reserves. For the Financial 2013-14 funds have been created @1.25% and 0.5% for CSR & SD and R&D respectively. The outstanding provisions against CSR, SD and R&D as on 31.03.2013 has been credited to Statement of Profit & Loss for the period ending 31.03.2014 and shown under prior period items. To the same extent, CSR, SD reserve and R&D reserve have been created as on 31.03.2014 by transfer of surplus in P&L account (Refer note no 2 & 27).

11. The elements considered for calculation of Earning per Share (EPS) are as under: -

Particulars	For the year 2013-14		For the year 2012-13	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Net Profit after tax used as numerator (₹)	10,63,63,09,939	10,63,63,09,939	5,75,64,40,505	5,75,64,40,505
Weighted Average No. of Equity Share used as denominator	19625800	19625800	19625800	19625800
Earning Per share (₹)	541.96	541.96	293.31	293.31
FV Per Share (₹)	1000	1000	1000	1000

12. The Management is of the opinion that no case of impairment of Assets exists under the provision of Accounting Standard - 28 on Impairment of Assets as on 31.03.2014.

13. Other disclosures as per schedule – VI of the Companies Act, 1956

(Amount in ₹)

Sl. No.	Particulars	For the year 2013-14	For the year 2012-13
a)*	Value of imports calculated on CIF basis:		
	i) Capital Goods	NIL	NIL
	ii) Spare parts	NIL	NIL
b)*	Expenditure in Foreign Currency		
	i) Know - How	NIL	NIL
	ii) Interest	NIL	NIL
	iii) Other Misc. Matters	NIL	NIL
c)*	Value of spare parts and Components consumed in operating units.		
	i) Imported	NIL	NIL
	ii) Indigenous	NIL	NIL
d)**	Earnings in foreign currency		
	i) Interest	NIL	NIL
	ii) Others	NIL	NIL

* Accrual basis. **Cash basis

14. Disclosure as required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is as follows:

Sl. No.	Particulars	Amount in (₹)
i)	Principal amount remaining unpaid to Micro, Small & Medium Enterprise	NIL
ii)	Interest accrued on principal amount remaining unpaid as (i) above.	NIL
iii)	Amount of Interest paid during the year along with the payment of principal amount made beyond 15 days or agreed time from the date of delivery/rendering of services.	NIL
iv)	Interest due but yet to be paid on principal amount paid during the year.	NIL
v)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure.	NIL

15. Previous year's figures / opening balances have been regrouped/re-arranged/re-cast wherever necessary.

As per our report of even date attached
For Bhutoria Ganesan & CO.
Chartered Accountants

R.GANESAN
(Partner)
Membership No 26164
FRN - 004465C

D. CHAKRABORTY
General Manager (Finance)

Place: Bhopal
Date: 07.05.2014